

ADMINISTRATIVE REFORMS COMMISSION

REPORT OF THE STUDY TEAM

MACHINERY OF THE
GOVERNMENT OF INDIA
AND ITS PROCEDURES OF WORK

PART I

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FOREWORD

This is the first report of the study team appointed by the Administrative Reforms Commission to examine the machinery of the Government of India and its procedures of work.

In the normal course there should have been a letter of transmittal from the Chairman of the study team to the Chairman of the Administrative Reforms Commission. The draft of this report, as discussed and approved by the team, was being given finishing touches by the Chairman, Shri S. G. Barve, when he suddenly passed away. The report was thus submitted to the Commission without the usual letter of transmittal.

STUDY TEAM ON MACHINERY OF THE GOVERNMENT OF INDIA AND ITS PROCEDURES OF WORK

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CHAPTER I

INTRODUCTION

1.1 We were given the task of examining the machinery of the Government of India and its procedures of work. The subject is the first of the ten listed in the terms of reference of the Administrative Reforms Commission as requiring particular consideration. This prime position underlines what is otherwise apparent, namely, that the machinery of the Central Government and its procedures are basic to the administrative process of the country. In all our work we have been conscious of the crucial nature of the responsibility allotted to us.

1.2 Reviewing the machinery of the Government of India and its procedures involves three broad tasks:

- (a) remodelling the layout of ministries and departments by re-grouping subjects;
- (b) reviewing the machinery and procedures for handling business above the level of individual ministries; and
- (c) reviewing intra-ministry structures and procedures, and other connected matters.

The first of these tasks amounts to reviewing the Government of India (Allocation of Business) Rules made by the President under clause (3) of Article 77 of the Constitution. The second amounts to reviewing another set of rules known as the Government of India (Transaction of Business) Rules promulgated under the same Article. The third requires a review of, among other things, the Manual of Office Procedure and other instructions and rules which govern intra-ministry structures and procedures.

1.3 These tasks are inter-linked in many ways and should ideally be tackled together. But this report deals with the first two only, leaving the third over for later treatment. The reason for this is that what we have to say here could, we believe, be of some use when a new government is formed after the general elections of February 1967. Waiting for the completion of our work would have delayed the recommendations made in this report beyond the formation of the new government, and that would have rendered much of our work infructuous from the angle of implementation.

1.4 Spelling out tasks in the above manner assumes that ministries and departments are the basic bricks of the governmental structure and will continue to be so. Theorists might advance alternatives, but

we had no hesitation in accepting this assumption as the starting point of our exercise. But the words "ministries" and "departments" need to be defined to avoid misunderstanding. The Constitution requires that the President shall make rules for the allocation of the business of the Government of India amongst ministers. This is at the root of the portfolio system, and the concept of a ministry springs from this system. In other words a ministry is the charge allotted to a minister. The concept of a department does not, however, arise out of constitutional requirements. Within a ministry, the business of government may be allotted to one or more departments for administrative convenience. A department is conceived of as a secretary's charge, and for the purpose of this report this is the sense in which the word "department" has been used. It could be argued that every department need not be headed by a secretary and that there could be other organisational arrangements, but that is a point which we shall go into in our next report since it relates to intra-ministry arrangements.

1.5 In every complex organisation, particularly that of a government, there are and should be nodal points of authority which have a wide influence on the efficient working of the organisation as a whole. The first thing to do in a reorganisation exercise is to list functions of a nodal variety to see how they are being performed at present and then to suggest measures for their more effective performance. We have consequently given priority attention to the identification of what we have called nodal agencies, because we are convinced that attention at these key points would yield wide ranging benefits. Where agencies exist for attending to nodal functions we have suggested measures for strengthening them. In other cases, we have ventured to propose the creation of new agencies. The second chapter of this report discusses the various nodal agencies we have in mind.

1.6 Once nodal agencies have been identified, the grouping of subjects into departments and ministries becomes a simpler job. Two broad criteria usually determine any grouping exercise. These are rationality and manageability. The criterion of rationality is not applicable everywhere, but where it is, the grouping of subjects according to this principle can lead to the most effective type of co-ordination. Where this principle is not applicable the only course to adopt is to have heterogeneous grouping subject to manageability of individual charges. The exercise of grouping thus involves two levels of thought. The identification of areas where the rationality principle should operate and the arrangement of subjects according to this principle is one level. For the rest the exercise is not much better than a kind of jigsaw puzzle because what is required is to put the pieces together keeping in mind only broad common-sense considerations about optimum sizes of ministries and departments. But there is a third criterion also, which is in some ways more important than the above two.

This is the criterion of stability. Administration not being a precise science there could be several views about how things should be done depending on what is desired to be stressed. However, whatever emerges as the eventual view should be capable of being maintained for some years to come. And if the consideration of stability is important for the future it is also important now. Changes in allocation of business should, in other words, be made only if there is compelling reason for doing so. The third chapter of this report discusses the grouping problem in the light of these criteria sector by sector.

1.7 The distribution of portfolios, and the consequent need for ministries and departments, makes for a segmentation of government business and also of collective responsibility. Supra-ministry arrangements consequently become necessary so as to ensure coherence and co-ordination. The healthy functioning of institutions in the supra-ministry layer of governmental functioning is of key importance because it is at this level that major decision-making takes place. Purposeful efficiency here can make a tremendous difference to administration as a whole. The institutions which might be expected are there and have been in existence for some time. What is required is to see how their functioning can be improved. The fourth chapter of this report deals with this important problem in detail.

1.8 The area covered in this report is one where the administrative and the political processes meet. The issues involved require, therefore, to be judged not merely from an administrative angle. There has to be an awareness of political realities and difficulties, so that what is suggested eventually is not only administratively desirable but also politically feasible. And what is politically feasible needs to be judged not only on the basis of the experience of past years, but also on the best possible projection into the future.

1.9 Needless to say we have gone by the two guiding principles of efficiency and economy. Less abstractly, we have gone by common-sense keeping in view the various considerations that have a bearing on this subject, like the Constitution (particularly the democratic process that it prescribes and the federal structure of the country), administrative history and development to date, generally accepted policy goals, political factors, and last but not the least, human factors. We have constantly kept before us the need to strike a balance between making administration as action-oriented as possible and ensuring that there is co-ordination in the activities undertaken through different channels.

1.10 Some limitations need to be mentioned. There is the inherent limitation that a 'structure and procedures' exercise can only go so far and no further in the matter of improving administration; it cannot make good other deficiencies like poor personnel and bad

policies. There was then the limitation of time and our own inadequacies; we have tried to do our best but this may well have left many points out. There was also the limitation that other study teams were going into specific areas of administration and we were anxious not to duplicate their work in any way. We are confident that the shortcomings arising out of these limitations will be removed when the Commission considers our report in the total setting, with the advantage it will have of reports coming to it from other teams also. But in any case it is necessary to mention that a good deal of follow up study and work will be necessary through a permanent agency for administrative reforms within the Government of India.

1.11 This kind of exercise inevitably ranges over a wide area and nets a large number of recommendations, not all of them of equal importance. A distinction consequently needs to be made between recommendations of a basic character and those which are secondary in importance. Wherever possible, the summary at the end of this report indicates whether a particular recommendation is considered to be of basic importance or not.

1.12 We have deliberately refrained from loading the report with all the details, lest the essentials of our proposals should get overshadowed. Should those entrusted with the task of handling this report, both at the stage of consideration and at the time of implementation, feel the need to see more details, they will be able to find them in the working and background papers considered by us.

CHAPTER II

NODAL AGENCIES

1. General

2.1.1 The expression "nodal agency" is used in this report to describe agencies whose work has a wide influence on the efficient working of a number of other agencies or of the government as a whole. Thus, for instance, the Home and Finance ministries occupy nodal positions in regard to the personnel and financial administration of all ministries; the Planning Commission does so in regard to planning; and so on. Improvements at points of this kind would obviously lead to better administration in all ministries. We have consequently given first attention to how such items of work should be organised. Nine nodal functions have been identified, and organisational arrangements for them discussed in the succeeding sections.

2.1.2 In considering the functions of nodal agencies it is necessary to be clear about how far to go in the direction of centralisation. That some degree of centralisation is necessary follows from the very need for nodal agencies. But excessive centralisation at nodal points would constitute a danger to be guarded against, particularly since that is what usually tends to happen. There is little point in being doctrinaire about this issue of centralisation versus decentralisation, and the section-wise discussion that follows indicates the practical approach that we have tried to adopt for each type of nodal function.

2.1.3 One proposition needs to be stressed, if only to avoid misunderstanding about the character of nodal agencies. This is that, while such an agency should have the authority and means to promote co-ordination in its field of functioning, it should not for that reason have to be burdened with primary responsibility for sectoral subjects. Thus, for instance, it is our view that the fact that some service rules have a financial implication should not mean that primary responsibility for them should vest in the Ministry of Finance. Nor need the Planning Commission have primary responsibility for scrutinising projects only for the reason that there is a nexus between planning and projects. Ordinarily, therefore, nodal agencies should be allocated only such functions as are necessary for the discharge of nodal duties, subject coverage being included only when that is a necessary concomitant to effective nodal functioning.

2. Personnel administration

2.2.1 Good personnel administration is of crucial importance for good government. Yet such are the influences and pressures that operate here that personnel administration tends to degenerate into a lifeless operation of control through rules rather than a vigorous activity aimed at building up personnel. In a large and complex organisation like the Government of India it is inevitable that a large number of functions in the personnel field should be dealt with in a decentralised fashion. But the most significant functions have still to be handled from a central point. It is important that the handling of these nodal functions is placed on an organisationally sound basis.

2.2.2 At present the services wing of the Ministry of Home Affairs operates as a kind of central personnel agency. But it shares this responsibility in some vital matters with the establishment division of the Ministry of Finance. Thus, for instance, primary responsibility for certain service rules vests with Finance rather than in Home, presumably because they have a financial angle. In the matter of key postings also, the Home Ministry shares its responsibility with the Cabinet Secretariat; the Establishment Officer to the Government of India is lodged in the Home Ministry but functions under the Cabinet Secretary for this purpose. The division of responsibility that these features represent is conceptually unsatisfactory, as ideally a single personnel agency at a central point should be fully and squarely responsible for overseeing the health of personnel administration throughout the Central Government.

2.2.3 Notwithstanding these organisational defects, the services wing has functioned creditably over many years and has been responsible for maintaining a high standard of orderly handling of service matters in the face of a phenomenal rate of growth of the administrative structure. All this has created an image of the Home Ministry in other branches of the Central Government, as also in the states, which in some ways needs to be preserved. But having said this, it must also be admitted that there is much in the realm of personnel administration that has not received progressive enough attention. On the whole personnel policies have tended to err on the side of being too conservative. Matters like career development, talent hunting and in-service training have received practically no attention. Deployment policies have tended to give excessive support to the separateness inherent in service cadres. These and other shortcomings have, at least in some part, been occasioned by the fact that the services wing is not organised as a truly effective central personnel agency.

2.2.4 The Estimates Committee suggested in its 93rd report made in April, 1966 that a single agency under the Cabinet Secretary should be made responsible for regulating the terms and conditions in

respect of the services as a whole, replacing the present dual control by the Ministries of Home Affairs and Finance. We find ourselves wholly in agreement with that portion of this recommendation which proposes a unification of responsibility. In our view the fashioning of an effective central personnel agency and the allocation to it of all functions of an overall character in the field of personnel administration is one of the most important reforms required in the machinery of the Government of India. What requires careful thought is the nature of the functions to be allotted to such an agency, and its correct placing.

2.2.5 Consistent with the concept underlying this proposal, the central personnel agency should have overall jurisdiction in relation to all types of government personnel, except for members of the armed forces and ambassadors and senior counsellors abroad. In respect of public sector employees, it should play only a limited role because public sector manning has its own distinctive problems. The agency should incorporate the functions at present being performed in the services wing of the Home Ministry and the establishment division of the Finance Ministry. It is important to delegate sufficient power to the agency to enable it to deal with individual personnel cases involving financial implications, such as fixation of pay, deviation from the rules within specified limits, etc. For the performance of this task, it could have its own finance officer for expert financial advice. Only such personnel matters should need to be referred to the Ministry of Finance as have general financial repercussions or raise wider issues, such as the wage policy in regard to public services as a whole or any class thereof. But care must be taken to see that the central agency is not rendered ineffective through over-centralisation of functions and powers. The present position under which administrative ministries enjoy a wide measure of delegated powers should continue, and, if anything, the area of delegation should be further widened, particularly in the matter of management of departmental cadres. This would have two beneficial effects; the central agency would be left free to attend to its nodal tasks; and administrative ministries would have the operational authority requisite for efficient functioning.

2.2.6 Here is a list of the core functions that we visualise for the central personnel agency ■

- (1) *Postings to key posts.*—What are key posts can be decided anew from time to time; a possible view could be in favour of posts of joint secretary or their equivalent and above. But ensuring that none but the best men are put in whatever posts are considered to be key posts at any time is probably the best kind of administrative reform that could be done. Advice to the appropriate decision-making authorities in this matter should be one of the important functions of the agency.

But proposals for the filling of top posts in public sector undertakings need not be handled here at the formulation stage. Following the practice already obtaining for senior railway appointments such proposals need only come to the agency when they require to be formally processed with the Home Minister and the Prime Minister. This would help to keep the agency in the picture, and at the same time permit public sector manning to develop on lines suited to the needs there. Elsewhere we have recommended that the Bureau of Public Enterprises should play an important role in the formulation of these proposals. The appointment of ambassadors and senior counsellors abroad or of persons to key posts in the armed forces need not be handled in this agency.

- (2) *Personnel policies.*—Much needs to be done to keep overall policies governing personnel administration under constant review.
- (3) *Man-power planning.*—There is need for central man-power planning for governmental requirements as distinct from requirements of the country as a whole.
- (4) *Service rules of all kinds.*—All service rules, whether having financial implications or not, should be looked after in this agency.
- (5) *Centralised aspects of management of all-India and inter-ministry cadres.*—The agency need concern itself directly only with the Indian Administrative Service and the centralised part of the Central Secretariat Service. Other services should all be managed in the respective ministries, subject to overall policy guidance from here. In this view of the matter, services like the Indian Police Service and the Indian Frontier Administrative Service should in future be handled by the appropriate department in the Ministry of Home Affairs rather than in this agency.
- (6) *Talent hunting in all cadres and outside government.*—There is need for systematic talent hunting within the government and in the private sector, so that the best available talent is got hold of and utilised purposefully.
- (7) *Career development.*—The agency should be directly interested in career development in respect of the cadres under its own management. But in addition it should provide inspiration and guidance to all ministries so that progressive ideas in this field are put into practice in all branches of the governmental machinery.

- (8) *Overall aspects of training.*—This would involve setting and reviewing policy governing training. And in particular the agency should initiate measures in a big way for a programme of in-service training for executive development.
- (9) *Advising personnel management agencies within ministries.*—It should be one of this agency's most important functions to establish and maintain live contacts with personnel management units within ministries so as to provide leadership, guidance and advice which would lift personnel management out of its present rut on to progressive channels. We hope to say something in our next report about how intra-ministry personnel units should be organised.
- (10) *Machinery for redress of government servants' grievances.*—The central agency should make itself responsible for seeing that a machinery comes into existence and operates in such a manner that grievances are quickly and effectively dealt with. Not enough attention is given to this subject at present, with the result that there is a great deal of avoidable frustration amongst government servants on this account.
- (11) *Staff welfare.*—Overall aspects of welfare problems would have to be handled here.
- (12) *Research.*—The agency should promote research on various aspects of personnel administration, and if necessary have a unit, enabling the agency itself to undertake research in selected areas.
- (13) *Vigilance.*—Overall questions relating to discipline and eradication of corruption and malpractices should be dealt with here. Individual cases should, however, be handled by the respective cadre management authorities.
- (14) *Relationship with the UPSC.*—It is the central personnel agency that should be responsible for liaison with the UPSC.

2.2.7 In other countries conscious efforts have been made to ensure that the central personnel function operates from one place only, and that it operates under the direct authority and support of the chief executive. The Bureau of the Budget in the United States, for instance, used to be a part of the Treasury but was taken out from there in President Roosevelt's time and placed directly under the charge of the President himself. In the U.K., although the central personnel function resides in the Treasury, the permanent secretary who looks after this work operates directly under the Prime Minister. The McCarthy Report of New Zealand (1962) recommended that the central personnel agency there should be responsible to the Prime Minister, as there was "no escape from the fact that the Prime Minister, on behalf of his government, must bear the responsibility for the

quality of his government's administration including the overall efficiency and economy of the state services". Similar trends of thought are to be found in other countries also.

2.2.8 Within the country also, central personnel functions fall within the charge of the chief ministers in all the states, and chief secretaries function as heads of the civil services in their respective states. It is the opinion of some who have given evidence before the Administrative Reforms Commission that the Government of India needs to develop institutions similar to those obtaining in the states in this respect.

2.2.9 We have therefore been attracted by the thought of placing the central personnel agency directly under the Prime Minister, with the Cabinet Secretary as its administrative head. This arrangement would certainly give the work the prestige and authority it requires. It would also help to give reality to the Cabinet Secretary's position as head of the civil services. But it is unlikely that either the Prime Minister or the Cabinet Secretary will be able to spare much time for this work, and there would then be the risk of matters becoming worse than now. Another objection might be that this arrangement might tend to weaken the position of the Home Minister, particularly, in his relationships with the states. We have consequently come to the conclusion that the right location for the central personnel agency is the Home Ministry itself.

2.2.10 Organisational arrangements within the Home Ministry would have to be so devised that personnel work does not get second attention as at present. We visualise that the central personnel agency should come into being in the form of a department of personnel with a full-time and wholly independent secretary at its head. In a sense this would take the present arrangement of a secretary being in charge of services work but without a department under him to its logical conclusion. The creation of this department with a separate secretary should not make any inroad into the position of the Cabinet Secretary as head of the civil services. The present arrangement under which the Cabinet Secretary has an important place in the matter of making key postings should continue, with the secretary in charge of the Department of Personnel, instead of the Establishment Officer, feeding the Cabinet Secretary. Also, a convention should be developed under which the Cabinet Secretary should be regarded as a kind of secretary-general of the Department of Personnel without being styled so and without having any specific departmental obligations. The object should be to provide a channel through which the Cabinet Secretary can provide leadership in the matter of personnel administration.

2.2.11 It needs to be noted that this arrangement preserves the position of the Home Minister in relation to the states, but not that of the

Home Secretary. The post of Home Secretary has come to acquire a position of importance, because of which this functionary is able to deal effectively with the different state governments in matters pertaining to his charge. It could be argued that separating him altogether from personnel work might defeat the purpose of retaining this work in the Ministry of Home Affairs. We consider that it is not wholly correct that the Home Secretary is listened to in the states because he has the services charge under him; he is listened to more because of the nature and urgency of the problems that he has the need to take up with the states. Nevertheless, we recognise the value of preserving the Home Secretary's position, and we suggest that he should invariably be a member of the secretaries' committee to be set up in support of the Cabinet committee on administration. This would continue the essence of his present status as member of the Establishment Board. Anything more than this, as for instance giving him a co-ordinating role in respect of the Department of Personnel, would go counter to the very idea of setting up a powerful central personnel agency, because co-ordination could carry overtones of supervision and interference. It would also cause confusion, considering the overall role we visualise for the Cabinet Secretary in the field of personnel administration. In the unlikely event of disagreements between the Home Secretary and the Personnel Secretary on issues of personnel policy impinging on political or Union territories' work, matters could always be resolved by the Home Minister.

2.2.12 The structure and manning of the central personnel agency is a matter of detail. But progressive leads can flow out from here only if the agency is set up according to progressive ideas. In particular, conscious efforts should be made to induct into the agency persons from a variety of services, including the technical and professional, so that the leadership of the agency in matters of personnel rests on a broad foundation. Apart from a management and policy division, we would suggest that there should be divisions for training and research, vigilance and grievances, and finance.

2.2.13 We would also suggest that there should be a standing council of personnel administration from which the agency can receive expert advice from time to time. The council should be mainly a professional body with a membership of around twenty drawn representatively from the various ministries, state governments, universities, Members of Parliament interested in public administration, institutes of public administration and management, and business. The council should meet not less than once in three months to consider not only matters placed before it by the central personnel agency but also other matters which the members may wish to raise. The object should be to induct fresh thinking into the whole field of personnel administration through this opening.

2.2.14 No amount of organisational changes will give personnel work the new look that it so badly needs unless there is powerful support from the Prime Minister and the Cabinet. Elsewhere in this report we have suggested the constitution of a Cabinet committee on administration to be presided over by the Home Minister, and the continued association of the Prime Minister with the work of key appointments. We recommend that it should be one of the main functions of this committee to keep an eye on the work and problems of the central personnel agency and to give this work the maximum possible support. We would repeat that through this one measure alone of getting a good central personnel agency operating, very widespread benefits can be obtained in the matter of improving administration.

3. Financial administration

2.3.1 Financial administration comprises two distinct categories of activities: the first is budgeting and expenditure control; the second is the fiscal portion of economic operations, mainly money, banking and taxation. The first has an impact on all organisations within the government; the effect of the second is felt by the whole country. Together, they form one of the most significant segments of administration.

2.3.2 The agency for financial administration in the Government of India is the Ministry of Finance. In it vest all the financial powers of the government, unless specifically delegated to other authorities. Even ten years ago administrative ministries enjoyed very little financial powers: the lack of a machinery for financial management within the ministries justified the centralisation of powers in the Finance Ministry. But operational necessities of urgent developmental activities made such centralisation impracticable and liberal delegations followed; efforts were simultaneously made to develop financial management within the ministries for the proper exercise of delegated powers. This has been the major development in the field of financial management within the government and indicates a recognition that centralisation of financial powers in the Finance Ministry should give way to full operational freedom for programme implementing agencies, supported by internal units for financial management. This is also our view.

2.3.3 Much remains to be done to achieve this ideal. The first step is obviously to remove the continuing impediments to operational freedom of the administrative ministries in the field of financial powers. One such noticeable impediment is the existing restrictions placed on their powers of re-appropriation. Restrictions on powers of re-appropriation should only safeguard the constitutional provision that the money voted by the Parliament for a particular purpose is not used for any other purpose. Examined in this context, the present powers of re-appropriation

delegated to the ministries appear to be unnecessarily restrictive and in effect limit the scope of operation of some of the other powers delegated to them. For example, even though ministries have powers to create posts subject to the provision of funds and even when funds are available from the grant taken as a whole, restrictions on re-appropriations actually limit the scope of the delegated power to create posts. Such restrictions should, therefore, be removed.

2.3.4 What we have in mind in the scheme of delegation of financial powers to the administrative ministries is this: instead of all financial powers vesting in the Finance Ministry and being delegated to administrative ministries in small measures, the Finance Ministry may retain specified financial powers in conformity with its overall responsibility for financial management of the government, all the residuary powers going to the administrative ministries for operational independence.

2.3.5 Simultaneously with this scheme of delegations should come the development of an effective machinery for financial management within the administrative ministries. As a corollary to liberal delegations this is obvious enough and has been attempted in the past, though not as comprehensively as necessary. The main defect in all such endeavours in the past was the reluctance to appoint internal financial advisers of adequate seniority in every ministry, presumably because of the cost of such an arrangement. It is necessary to recognise that the additional cost would be more than off-set by larger and more fundamental economies in administrative and developmental expenditure. If financial advice is to be mature, independent and well-informed about operational conditions, and if such advice is to be given serious consideration by the ministries, it is necessary to appoint whole-time internal financial advisers of the status of joint secretaries in each ministry. Where a whole-time joint secretary is not justified, he may function part-time as a financial adviser and part-time looking after some other work like personnel management. The internal financial adviser should be responsible to the secretary of the ministry for all aspects of financial management in the ministry and its executive agencies. His main responsibilities would be :

- To be responsible for the preparation of the budget of the ministry and in that connection also to oversee preparation of budgets in executive agencies attached to the ministry.
- To ensure that expenditure is incurred in the delegated field in accordance with the financial principles, standards and procedures prescribed by the Finance Ministry.
- To keep an eye on the pace of expenditure against the budget allotment.
- To develop an accounting system within the ministry which enables the above functions to be carried out.

- To develop reporting systems and to institute test checks to see that the financial administration of the ministry operates in a healthy fashion.
- To maintain active liaison with the Finance Ministry.

2.3.6 Competent financial management by administrative ministries does not absolve the Finance Ministry of its overall responsibility for looking after the financial management of the Government as a whole. The following main tasks would still have to be done :

- Reporting and test-checks of the financial transactions of ministries — functions yet to be developed.
- Advice to financial management within ministries to help develop a competent financial machinery.
- Itemised control over a few extra-ordinary financial matters which must necessarily continue with the Ministry of Finance. Contracts beyond a certain amount and foreign exchange commitments above prescribed limits may be examples where centralised control of the Finance Ministry may continue.
- Overall financial rules for maintaining uniformity of principles, standards and procedures in the financial administration of the government as a whole.
- Preparation of the annual and supplementary budgets of the Government of India.
- Forecasts of income and expenditure for several future years.

2.3.7 In addition, there are a number of overall economic and fiscal activities which are essentially nodal in character and should therefore continue to be centralised in the Ministry of Finance. These include currency and banking; exchange control; foreign investments; foreign aid; mints and security presses; taxation and revenue; insurance; loans and grants to states.

2.3.8 In examining the present functions of the four departments which constitute the Ministry of Finance, we find certain activities which could be better handled elsewhere. We have examined these activities in the perspective of the responsibilities and functions of other segments of administration and find their centralisation in the Ministry of Finance not only untenable but also prejudicial to the fulfilment of the responsibilities of other concerned organisations. For example, the Bureau of Public Enterprises would be better placed in the proposed Department of Industrial Development, and much of the establishment division of the Department of Expenditure should go over to the proposed Department of Personnel in the Ministry of Home Affairs. Also, while administrative charge over financing institutions, both industrial and agricultural, should

obviously continue to remain with the Ministry of Finance, the financing institutions concerned should increasingly obtain guidance about broad priorities from the sectoral ministries concerned rather than from the Finance Ministry. These changes would make the recipient subject organisations more effective while freeing the Finance Ministry from much of the itemised work it is engaged in at present.

2.3.9 There are then a few miscellaneous items connected with the cultivation and manufacture of opium and opium products, preparations involving alcohol and narcotics etc. which are not a part of the essential functions of the Ministry of Finance. But as these are small items, over which it is convenient to exercise control through the excise machinery, we do not consider their continuance in the Ministry of Finance undesirable.

2.3.10 The role we have in mind for the Ministry of Finance as the central agency for financial administration is now clear: it is one of overall, and not itemised, pre-occupation with expenditure control, budget and fiscal operations within the government. With this rationalisation it is not difficult to proceed to the re-organisation of the Ministry of Finance. In our view the work could be looked after by two departments only, one to be designated as the 'Department of Revenue and Expenditure' and the other as the 'Department of Economic Affairs'. Revenue and expenditure are together a manageable charge if the latter contracts functionally, as discussed earlier. The Department of Co-ordination will no longer be necessary, as a number of its functions are proposed to be transferred to the Department of Industrial Development and the rest back to the Department of Economic Affairs from where they were originally drawn out.

2.3.11 We have dwelt in this section on some basic aspects of reform required in financial administration because we felt that it was necessary to have clear ideas about this before proceeding to a reorganisation exercise. We have no doubt that the study team on budgetary reform and expenditure controls will cover the ground in a more detailed way.

4. Planning and economic co-ordination

2.4.1 Planning ranks at par with administration for personnel and finance as the most significant of all nodal functions in the Government of India. Some would even place it right at the top.

2.4.2 Planning is essentially a tool of the welfare state fashioned to overcome two kinds of defects. The first arises from the fact that all administrative processes are in the last analysis controlled by the budget, and the budget system suffers from severe limitations: its ambit does not extend to physical targets and performance; year to year thinking misses long range perspectives; and the attitudes of budget makers tend

to be overcautious and thus inhibit big thinking. The second arises from the federal structure of the country's administration, in which is inherent the possibility that the central and the various state governments might pull in different directions thus preventing a well-directed march to clearly defined economic and social goals. Planning thus has, in some respects, come to be functionally placed above and outside the Finance Ministry as also all other central ministries, and indeed above and outside all state governments. Many people believe that this is as it should be because planning is a national phenomenon and consequently must remain at a distance from the executive process, both at the Centre and in the states. The planner, it is said, is basically a lobbyist for tomorrow and should remain away both functionally and organisationally from the executor, who is engrossed in the problems of today.

2.4.3 We endorse the view that thinking for tomorrow must not be overwhelmed by the problems of today. We are also clear that the position of planning as a national exercise should be maintained. But even though the planner is motivated by long range considerations, he has to take decisions in the current context and his work cannot, therefore, remain outside the executive process. Any attempt to place a planning agency in an "outside" position is bound to cut it away from realities.

2.4.4 Going back to first principles, planning is a concurrent subject under the Constitution and is thus one of the essential functions which the Central Government has to perform, of course in conjunction with the state governments. The Constitution provides that the President shall allocate the business of the Central Government amongst ministers, and what becomes part of a minister's portfolio is a ministry for that subject. In this view of the matter, however important the role of planning, it is simply one of the items of business which must be allocated to a minister and become part of the ministry under his charge.

2.4.5 What then becomes of the Planning Commission? The study team on the machinery for planning will no doubt have much to say in answer to this question. Some aspects relating to planning for the states are being covered by the study team on Centre-state relationships also. While it is for these study teams to provide a detailed answer, we have given thought to the broader aspects of the problem. We do not visualise a winding up of the Planning Commission, nor even of a drastic change in its status. It should, for instance, continue to operate as a non-statutory commission with the Prime Minister as its chairman, because this would continue a desirable arrangement under which the Commission remains not too far separated from executive agencies and has the prestige which comes from the Prime Minister's association. We do, however, visualise changes in the functions and constitution of this body. In regard to functions, we share a widely held view that the Commission has accumulated far too many tasks which should rightly be performed in the administrative ministries or in the states. A critical review of what the

Commission does at present should make it possible to cut down its functions to the minimum consistent with the essential tasks of planning itself. In particular, the Commission should shed all executive powers and functions that it has acquired over the years. A contraction in this direction should help to remove the pressure which results in ministers becoming members of the Commission. In other words we visualise the Planning Commission to be composed normally of non-ministers only, except for the Prime Minister as chairman and subject to the observations below in regard to the deputy chairman.

2.4.6 The deputy chairman occupies a key position in the Planning Commission. He should consequently be the best available man in the country, whether from the political fold or from outside. If the best man is available in political circles, and this would have obvious advantages, he should in addition to being deputy chairman be also the minister for planning. If the best man that can be found is not qualified to hold minister's rank, the planning portfolio should be allotted to the Prime Minister and in that event we suggest that a minister of state should assist the Prime Minister in matters like parliamentary work or membership of the appropriate Cabinet committees (see chapter IV).

2.4.7 Planning as a function would thus be looked after by a ministry under the minister for planning or the Prime Minister, as the case may be. It is important to clarify that a "ministry" is not necessarily synonymous with a conventional secretariat set-up. Essentially a ministry is the entire organisation, whatever its pattern, under a minister. The pattern of organisation in this case would be a commission rather than a secretariat of the conventional sort. But we do not rule out the possibility of there being more to the organisation in the Ministry of Planning than only the Planning Commission. Functions like evaluation and progressing could, for instance, be discharged by an agency within the Ministry of Planning but outside the Commission. In this picture, the Commission would be one of the agencies in the Ministry of Planning, albeit the most important and significant.

2.4.8 Because the Planning Commission acquired over the years a flavour of executive decision-making, and because in consequence it attracted to its membership powerful Cabinet ministers, and because also of the Prime Minister's position as chairman, it tended to operate as a miniature Cabinet. Here too, we share a widely held view that this has been an unhealthy trend. The shearing away of executive functions and also of minister-members should help to correct the trend. But the crucial corrective must come from alternative arrangements for top level decision-making in the field of planning. We recommend that there should be a Cabinet committee for economic affairs, which should have as essential members the Prime Minister, the Minister of Planning (when there is one) and the Minister of Finance, and such other ministers as the Prime Minister may nominate. It is this committee which should be the

effective decision-making body for planning issues, it being clear that major matters would still require to go to the full Cabinet. This arrangement would effectively check the rush for entry as members into the Planning Commission sometimes evident on the part of ministers, because in this set-up the Commission would be a thinking and proposing body, decision-making having been transferred up to the Cabinet committee operating on behalf of the Cabinet itself.

2.4.9 Whatever arrangement is made for looking after the work of planning at the Centre must take account of the national character of the subject. It might be argued that transferring effective decision-making in this field to a Cabinet committee would amount to devaluing the Planning Commission, in which body the states have come to repose a measure of confidence because of the image it has of being outside the Central executive, and that consequently this would be a move in the wrong direction. In our opinion, such a view would be only superficially valid. What is important is that the process of formulation of plans should be such as gives the states an honourable position, and once this has been ensured, such decisions as the Centre has to take (*e.g.*, on the size of the plan, the volume of Central plan assistance to the states, and so on) should be taken at the appropriately responsible level. We consider that major decision-making in this field can no longer be left to the Planning Commission, however prestigious its standing, and that the only enduring arrangement, even from the point of view of the states, would be for important decisions to be taken at the Cabinet level. However, there should be arrangements for involving the states more closely than in the past in the process of plan formulation. We understand that the study teams on Centre-state relationships and machinery of planning are examining the problem and will no doubt have something to say about it. We would only suggest that consideration should be given to strengthening the machinery and working of the National Development Council, so that it provides a means for effective participation of all the states in the Union in what is after all a national exercise.

2.4.10 Economic co-ordination figures in the title of this section because it is closely related to planning. The difference between economic co-ordination and planning is of the same nature as that between tactics and strategy. This distinction, it seems to us, has not always been clearly borne in mind, with the result that the Planning Commission has tended on occasions to become involved in tasks essentially relating to day to day tactics. We would suggest that economic co-ordination should remain the sole function of the Ministry of Finance, more particularly of its Department of Economic Affairs. This separation would ensure that tactical considerations do not overwhelm the strategic or *vice versa*. We did consider the proposition that the planning function should become part of the Finance Minister's portfolio, so that he has command of both tactics and strategy. But we came to the conclusion that this would be bad for planning, as the Finance Minister's chief preoccupation is

necessarily with the problems of today. But having taken this view, we could not at the same time leave the agencies responsible for tactics and strategy wholly separate. Therefore it is that we recommend a single-Cabinet committee for economic affairs to look after both economic co-ordination and planning. And because of the key importance of both these subjects, this is one of five Cabinet committees out of the eleven that we are separately recommending in which we feel that the Prime Minister should personally be the chairman.

2.4.11 The model presented in this section has the merit that it is not startlingly different from current practice. Yet some features in it may evoke the criticism that the states may have less confidence than now in the central planning agency. We see no cogent reason in support of such a view. The incorporation of the Planning Commission in a ministry of planning would, we hope, still leave the method of functioning *vis-a-vis* the states much the same as now, except for improvements in the direction of decentralisation in many matters. Furthermore, the institution of a Cabinet committee should help to get quick decisions where sometimes there are complaints from the states of long delays.

2.4.12 The suggested arrangement aims to cure three major defects of the present situation. It seeks to bring to an end the functioning of the Planning Commission as an extension of the Cabinet. It also seeks to bring to an end the "outside" position of the Commission which sometimes tends to cut it off from realities. And it further seeks to slim the Commission down, both functionally and organisationally. We are convinced that an approach on these lines should help to make the central machinery for planning a source of strength for purposeful, efficient and economical deployment of the nation's resources.

5. Industrial co-ordination and commerce

2.5.1 There was an age of bliss when a single Ministry of Commerce and Industry looked after nearly all aspects of these two subjects; there was at that time no need for special co-ordination arrangements. Along came the development explosion with several kinds of dispersal effects, and component subjects were scattered over several ministries. Anyone who has had something to do with the business of government in this sector would agree that there is an imperative necessity now for a strong co-ordinating machinery.

2.5.2 There have been broadly three kinds of dispersal effects:

- (1) Since the work-load became too much for one ministry to handle, several ministries came into existence to look after different sectors of industry. Also, a number of ministries outside the industries fold got involved in industrial development: Agriculture for sugar and vanaspati; Defence for defence industries; and so on.

- (2) Since the subjects in this field acquired great importance, several outside fingers entered the policy formulation (and even execution) pie, e.g., the Planning Commission, the Department of Economic Affairs and the Department of Co-ordination.
- (3) A number of ancillary tasks required attention and different ministries took them up with alacrity. This functional dispersal is reflected by industrial training being looked after by Labour as well as by Education; industrial finance by Finance; technical advice and development by Supply and Technical Development; industrial research by Education; industrial management by Education (institutes of management), Co-ordination (Bureau of Public Enterprises) and the Planning Commission (Management Division); industrial man-power planning by the Home Ministry and the Planning Commission; administration of the Industrial Management Pool by the Home Ministry; and so on.

With this dispersal along the sectoral, policy-making and functional axes, the successor ministry of the original Ministry of Commerce and Industry was placed in a difficult position. It was responsible for industrial policy formulation and co-ordination but was left without the authority and functions to discharge this responsibility adequately.

2.5.3 An aspect of dispersal in a class by itself was the separation of commerce from industry. The underlying reason for this was the need to highlight export promotion; but political factors may also have had an influence. A noteworthy feature was that commerce took away with it a group of industries, all of them substantially export oriented. The departure of commerce along with these industries further weakened the remanent Ministry of Industry.

2.5.4 It is to be recognised that much of this dispersal was inescapable, and the corollary to this is that there can be no return to the elemental stage of unicellular working through a single department. At the same time the extent of dispersal that has actually taken place is more than was strictly necessary from the stand-point of good organisation. A process of compaction and rationalisation along each of the three axes of dispersal would itself result in simplifying matters. But in the resultant situation the problem of co-ordination would still be there and this would have to be attended to by an agency at a central point which can effectively co-ordinate and provide leadership to break-away agencies

2.5.5 There is a school of thought which suggests that matters requiring co-ordination between sectoral ministries should be resolved at the Cabinet level as this would make for the most effective method of solving inter-ministry problems; this thinking does away with the need for a nodal agency. But matters requiring co-ordination crop up day to day and are frequently not important enough for Cabinet attention.

Consequently the need for a co-ordinating agency cannot be ruled out. Another school suggests that the nodal functions in regard to the industries group of ministries should be performed by either the Planning Commission or the Department of Economic Affairs. This school concedes the need for a nodal agency but avoids facing up to the issue that day to day co-ordination cannot be done from a too distant point.

2.5.6 We have no doubt in our minds that there is need for a nodal agency from which effective leadership and initiative can flow in overall matters relating to industrial problems. The concept of a *single* agency at a central point implies the compaction into this agency of as many as possible of the functions at present dispersed along the policy-making and functional axes. This would mean the surrender to this agency of many functions hitherto performed, and perhaps jealously guarded, by agencies like the Planning Commission, the Ministry of Finance, the Ministry of Home Affairs, and so on. The concept of a *nodal* agency implies some degree of discipline from this agency over ministries handling individual sectors of industry. In the past proposals involving this kind of discipline have been successfully resisted by sectoral ministries on the ground that the ministers there have a direct responsibility to Parliament for their subjects and cannot, therefore, receive guidance by outside agencies. An effective answer to this kind of thinking has to be found.

2.5.7 We have given considerable thought to the functions that need to be discharged from a central point in a nodal fashion. The following are the more important of these functions :

- (1) *Policy formulation for industry as a whole, including the co-ordination of policy relating to individual sectors of industry.*—The primary responsibility for “basic” policy formulation must rest with the nodal agency, matters of the topmost importance being cleared with the ministries responsible for economic co-ordination as a whole and for planning. Illustrative of basic policy are items like striking a balance between the public and private sectors, the strategy to be adopted for promoting development and efficiency in both sectors, balancing the development and needs of the large, the medium and the small sectors, and so on. What might be called “operational” industrial policy should be entirely the responsibility of this agency, and this should extend beyond administrative aspects (such as industrial development law and its implementation) to financial, economic and technological aspects as well. Today the financing of industry, including foreign investment policy, is handled in the Finance Ministry rather than in the Ministry of Industry; economic co-ordination in the industries field is also largely handled in the Finance Ministry; and technical co-ordination is partly handled in the Directorate General of Technical Development, and for the rest does not receive attention anywhere.

- “Operational” policy would include co-ordinating the requirements of different sectors of industry for foreign exchange. This would mean suggesting priorities at the time of foreign exchange budgeting and operating the foreign exchange budget in the field of industries within limits to be set by the Ministry of Finance.
- (2) *Planning*.—Allotting industry appropriate priority in the country’s plan should continue to be the responsibility of the central planning agency, viz., the Planning Commission. Planning within individual sectors of industry should be the responsibility of the sectoral departments. But there is an area in between which needs to be looked after at a nodal point. The task here should involve putting sectoral plans together in order to make a coherent picture and seeing to it that this fits in with the overall plan. The nodal agency should carry special responsibility in the matter of providing leadership to sectoral ministries in the working out of implementation implications. Inter-ministry difficulties in the course of implementation should also be resolved here.
- (3) *Technical development*.—The Directorate General of Technical Development should be lodged at this nodal point, where it should provide technical support for the performance of nodal functions and a common service of top-level technological advice to all sectoral ministries. Its location here would also facilitate the policy-making role of the nodal agency, since the raw material for such policy-making would be readily available in the shape of the large body of facts that this organisation collects as part of its work. There should be some decentralisation of the functions of the Directorate General to the sectoral ministries, together with corresponding decentralisation of its technical personnel to assist in the building up of technical support within sectoral ministries.
- (4) *Overall problems of public sector undertakings*.— While individual public sector undertakings must continue to be looked after by the ministries concerned, overall problems should be handled in the nodal agency so as to secure co-ordinated policies in regard to matters like personnel management, project scrutiny, productivity and so on. This should mean transfer into this agency of functions: the Bureau of Public Enterprises from the Ministry of Finance, the Industrial Management Pool from the Ministry of Home Affairs and the Management Division from the Planning Commission.
- (5) *Industrial finance and capital issues*.—Administrative responsibility for these subjects should continue to be that of the Ministry of Finance, because industrial finance as a subject

cannot be separated from the working of financing institutions and the work of capital issues is closely linked with watching the capital market and keeping an eye on the stock exchanges. The agency for industrial co-ordination should, however, be effectively associated with both items of work. It should carry the primary responsibility for suggesting policy in these two fields. In the case of industrial finance, it should also suggest the magnitude of resources to be deployed in this direction, and should be appropriately represented on the relevant financing bodies. The latter should be required to obtain guidance about broad priorities from the proposed nodal agency.

- (6) *Company affairs*.—This subject was originally in the old Ministry of Commerce and Industry, from where it first moved to the Ministry of Finance and finally arrived in the Ministry of Law. Its correct location depends on what view is taken about the purpose that company law administration should serve. Its continuance in the Ministry of Law is not sound in any case, since the legal purpose in this work is not of primary importance. The most significant link of company affairs is obviously with industrial development. The subject should, therefore, be looked after as part of nodal functions in this field.
- (7) *Common service facilities in other matters like industrial economics, materials planning and so on*.—There should be divisions for industrial economics, materials planning and so on, providing common service facilities for both public and private sector work and stretching out to all sectoral ministries.
- (8) *Co-ordination in matters like industrial training, industrial manpower planning, industrial research etc.*—While these functions may remain in other ministries, their co-ordination with industrial development should be an essential function of the nodal agency. We considered the desirability of transferring responsibility for industrial research here, thus bringing the position at par with the location of agricultural research in the Department of Agriculture. Our view in favour of locating the subject in a new ministry of science and technology highlights the need for this nodal agency developing close links with that ministry so that industrial research serves a practical purpose in support of industrial development. Special arrangements, perhaps in the shape of 'Research and Development' cells, would have to be devised to forge effective links at different levels.
- (9) *Small scale industries*.—Responsibility for co-ordinating the development of the small scale sector should reside here,

because this task cuts across all sectors of industry and can best be looked after from a central point. At present, too much is being handled by the Central Government, and there is scope for a good deal of decentralisation to the states. The study team on Centre-state relationships is going into the details of this problem.

A detailed list of the functions proposed for the nodal agency we have in mind is at annexure I. We visualise that functions in relation to the problems of public sector undertakings should be performed through an expanded bureau of public enterprises with a much wider ambit than the present one. A note on the tasks contemplated for this bureau is at annexure II.

2.5.8 It is our considered view that the range of functions to be allotted to the nodal agency is wide enough to justify a full-fledged department of industrial development unencumbered by responsibility for any particular sector of industry. In fact, it could be argued that sectoral responsibility might adversely affect the vigorous performance of nodal tasks from here. An organisational model that we considered, therefore, was one in which the various sectors of industry would be grouped suitably into separate departments, each under an independent minister, all of them operating under the co-ordination and overall policy-making discipline of the proposed Department of Industrial Development. The problem in such a model is to see that the nodal department has the requisite teeth to perform this kind of role, without intruding into the operational freedom of functioning of individual sectoral departments. It is not easy to think of a wholly satisfactory solution of this problem, as all possible alternatives suffer from some defect or the other. It seemed clear to us that giving the minister in charge of the Department of Industrial Development an "over-lord" position over sectoral ministers would be unworkable. Consistent with our general line of thinking set out in chapter IV, we felt that, if this model were to prevail, it would be preferable to have a Cabinet committee on industry, to be presided over by the nodal minister in charge of industrial development, as the main channel for effecting co-ordination. In our scheme of Cabinet committees, the chairman of a committee has been given a special place analogous to that of the Prime Minister *vis-a-vis* the Cabinet and this arrangement we felt could be both workable and effective for the industries field. The Cabinet committee would in this scheme of things, be supported by a secretaries' committee to be presided over either by the Cabinet Secretary or, if he cannot find the time, by the secretary of the nodal Department of Industrial Development. It is to be noted that amongst the functions visualised for the Department of Industrial Development are items like proposing allocation of foreign exchange in the industries field, industrial regulation, company affairs, a say in industrial finance, and so on. These constitute fairly significant teeth

for the nodal department, without making much difference as compared with the present picture to the operational freedom of sectoral ministries.

2.5.9 We also considered a superimposition on this model aimed at strengthening the position of the minister in charge of industrial development. Commerce is part of the title of this section because of its close link with industrial co-ordination. Policies in the field of international trade, for instance, vitally influence industrial production and growth. At an administrative level, control over imports and exports is closely linked with the work of the Directorate General of Technical Development. So is the working out of the trade agreements with foreign countries. While the bulk of exports are in the traditional fields, the scope for significant expansion of exports will increasingly be in the industrial field. We were impressed, therefore, by the advantages that could flow out of bringing the agency handling commerce and the nodal Department of Industrial Development as close together as possible. Although commerce has remained separated from industry for a few years recently, the two subjects were handled together for a long period before that. Partly because of that, and partly because of operational necessities, the two organisations have continued to have close links in many ways. There is, for instance, a common economic adviser, and through this institution alone a number of co-ordination measures have been made possible in the past. If the two organisations remain separated, and if this should lead to a snapping of the vestigial links left over from a past period, there could be a good deal of confusion and lack of co-ordination. In this background, the superimposition on the model discussed above which we considered was that commerce should be looked after through a Department of Commerce within a common Ministry of Commerce and Industry, the other unit in that being the nodal Department of Industrial Development discussed above.

2.5.10 While considering this model, we gave a good deal of thought to the question whether the various industries at present looked after by the Ministry of Commerce should remain in the proposed Department of Commerce or whether they should go out to a sectoral ministry. The industries in question are textiles, jute and plantations, of which the last term covers tea, coffee, rubber and cardamom. The philosophy underlying the grouping of these industries with the subject of commerce is that they all have a strong export angle, and export promotion should for some time to come remain the main preoccupation of the Ministry of Commerce. Views on the validity of this line of thought are sharply divided. There are some who feel that this link is vital if exports are to be maintained at a reasonable level. There are others who, on the other hand, consider that this is not so, and that the influence of the Commerce Ministry could operate even from an outside point. Our

view is that export promotion is of the greatest importance, and that the hands of the minister in charge of commerce need to be strengthened in every way. In the model considered by us, the minister responsible for commerce would lose responsibility for the traditional export earning industries, but would acquire the additional charge of the nodal Department of Industrial Development. It is a valid view that this might make his position stronger as compared with the present situation. Certainly, the bringing together of all nodal functions in the field of commerce and industry would place the resultant ministry in a powerful position from which purposeful influences could go out to secure both higher exports and co-ordinated industrial development.

2.5.11 We are of the view that the model discussed above could well be adopted as the ideal to work towards over a period of time, because it has a logic which could be expected to endure in the long run. However, an immediate jump to this pattern may cause difficulties. For one thing, the proposed Department of Industrial Development must be allowed time to establish itself as a nodal point of authority in the field of industrial co-ordination and policy-making. The process of building up this nodal agency may be adversely affected if the minister in charge has, in the initial stages, also to look after the huge subject of commerce with all its implications of export promotion. Similarly, the minister might, in respect of his responsibility in the field of commerce, feel that his attention is diverted away from export promotion, if he has also to worry about the complex problems of industrial development. Logical and attractive though a merger of commerce and industry may be as an eventual objective, we do not recommend this for the present.

2.5.12 An argument frequently discussed in organisational theory could also be relevant here. This is that co-ordination as between a group of agencies is best done not from an isolated point but from one of the agencies in the group, selected because of the special significance of the work that it handles. It could be argued, in other words, that creating a nodal agency for industrial development is not enough for effective industrial co-ordination; the minister responsible for this work should also have control over sectors of industry other than those which must for special reasons be looked after in separate ministries. Similarly, it could be argued that the Minister for Commerce should continue to look after the traditional export earning industries, as this gives him a base to operate from in the field of commercial co-ordination, and that divesting him of this charge might, at least initially, lead to a drop in foreign exchange earnings, which eventuality needs to be avoided at all cost in the present situation. There is a good deal of validity in this approach, particularly as its application to the present set-up leaves much that exists unchanged. It needs to be stressed that the field

of industries and commerce has had more frequent changes in the grouping of subjects into departments and ministries than any other. Therefore, there is a merit in preserving features in the present pattern which there is no compelling reason to alter.

2.5.13 Taking these considerations into account, we have the following recommendations to make :

- (1) There should be a ministry of industry, of which the most important component should be a nodal department of industrial development on the lines discussed above. This ministry should also look after engineering industries, and such residual industries as have no compelling reason to be placed elsewhere. The secretary in charge of the nodal Department of Industry should be allocated the co-ordinating role for the work of the ministry as a whole.
- (2) There should be a ministry of commerce, the area of operation of which should be much the same as at present. This ministry should be squarely responsible for commercial policy, both external and internal, and should in addition look after industries specially significant from the export angle.
- (3) The two subjects should be linked at the top most policy-making level, in that there should be a single Cabinet committee to look after policy-making and co-ordination in both fields. There should also be a single supporting secretaries' committee.

2.5.14 We consider that this arrangement would preserve the essence of the model discussed earlier without causing undue disruption in the present state of things. It would, for instance, ensure the coming into being of a powerful department of industrial development operating as a nodal agency. And with the achievement of this all-important objective, other less important points need not be insisted upon. The new arrangement also provides for a co-ordination machinery which, at the highest level, can take an integrated view of both commerce and industries. We are convinced that what has been suggested would provide a stable and effective method of co-ordinated administration in this area for some years to come.

2.5.15 A subject which deserves the special attention of the proposed Ministry of Commerce is consumer protection and the whole business of holding the price line and ensuring the supply of essential consumer commodities. We gave serious consideration to a proposal for grouping this subject with food in a new department of food and consumer services. This would have the merit that the problems of the consumer would receive co-ordinated and integrated attention at one point in the governmental machinery. But we felt that more effective

action would be possible by leaving food to be looked after by the minister who has charge of agriculture, and placing on the minister in charge of commerce and trade the responsibility for the rest of the sector. A beginning has already been made by the appointment of a [commissioner for civil supplies. But the task requires widening the scope of responsibilities to include matters like consumer co-operatives, policy in regard to prices (particularly in the context of international price levels), and so on.

6. Science and technology

2.6.1 "Science has developed at an ever increasing pace since the beginning of the century, so that the gap between the advanced and backward countries has widened more and more. It is only by adopting the most vigorous measures and by putting forward our utmost effort into the development of science that we can bridge the gap. It is an inherent obligation of a great country like India, with its traditions of scholarship and original thinking and its great cultural heritage to participate fully in the march of science, which is probably mankind's greatest enterprise today". So said the scientific policy resolution of the Government of India on the 4th March, 1958. Most people would agree that this rousing document has still to get off its feet in regard to implementation. It would be an over simplification to put the blame on organisational shortcomings, as root causes in such matters are many. But a radically new approach on the organisation front could help to give meaning to the scientific policy resolution.

2.6.2 The promotion of science and technology requires the injection of scientific thought into all branches of national and governmental activity. So far as the Government of India is concerned, this has two implications. Firstly, each ministry should be organised in such a way that there is an orientation towards science; this is being examined by a special study team on scientific departments, and may also be gone into in our next report. Secondly, the promotion of science and technology should be regarded as a vital function to be performed from a strong nodal point of authority and prestige; this requires consideration now.

2.6.3 The following are functions which need to be performed from a nodal point :

- Scientific policy-making, including implementation of the scientific policy resolution and the evolving of new policy.
- Providing leadership and guidance to all ministries in regard to identification of areas where scientific thought could be injected with advantage, and advising them about how gaps could be made good organisationally.

- Co-ordinating scientific research in the different fields.
- Giving attention to matters of overall importance such as planning of scientific man-power, ensuring adequate supply of funds for scientific endeavour and so on.
- Initiating measures for giving a push to what may be called "vanguard" items, e.g., electronics.
- Initiating measures in the field of processes, designs and engineering to bridge the gulf between research and practice.

2.6.4 At present, although "science" as a function is mainly the responsibility of the Ministry of Education, the subject is not receiving the kind of attention that it ought to get from a powerful nodal agency. The result is evident in the shape of disappointing achievements in the application of research and a sense of frustration amongst an otherwise talented and extremely promising set of scientists. The main defects in the existing arrangements are as below.

- (1) The Education Ministry has too many major problems in regard to education itself to be able to give the special attention to science and technology that is required in the context of the scientific policy resolution.
- (2) There is a separation between the subject of science and technology as a whole and nuclear science and atomic energy. While this may be good for the latter, it has left the former in a relatively weak position.
- (3) The relationship between the Ministry of Education as the agency responsible for sciences and the various ministries which are users of the results of research or which have research agencies of their own is not as close and active as it ought to be. The most noteworthy outcome of this is the disappointing gap between industrial research and industrial development.
- (4) Science and technology require to be spotlighted in view of their importance in the future development of the country. But this is not reflected in the allocation of the subject and in the arrangements for handling it.

2.6.5 Taking these up one by one, it seems to us that for the next decade or so, the Education Ministry will have a very important task to perform in realigning the educational system of the country, pursuant to the report of the Education Commission. It will also have its hands full in connection with the problems of the youth of the nation; we have separately suggested the creation of a department of youth services within the Ministry of Education to look after this growing problem. It would be unfair to expect the Education Minister to spare

the time, thought and initiative required for advancing the cause of science and technology. We are thus convinced that this subject cannot be left in the Education Ministry.

2.6.6 In regard to the second of the defects listed, we have considered whether the Department of Atomic Energy and the subject of science and technology could be put at one place, so that they could be a source of support and strength to each other. It seems to us this could well be an objective to work towards. But at the present stage it might be inadvisable to move the Department of Atomic Energy out of the Prime Minister's portfolio, if only because of the security considerations involved. And this being the case, we hesitate to add to the Prime Minister's burden by including science and technology in his portfolio. Reluctantly, therefore, we have come to the conclusion that the two must be kept apart, at least for the present.

2.6.7 As to the third defect, we have considered a suggestion that science and technology should as a subject be located in a ministry of industrial development. The thesis underlying this is that research and development must go hand in hand, and policy should be so formulated as to make for the best possible advance in both directions. That is why, it is argued, agricultural research, agricultural development and agricultural policy-making are all in a single ministry. For the same reason industrial research and technology should be in the ministry responsible for industrial development and policy. There is a good deal of validity in this line of thought. We have separately recommended the creation of a department of industrial development in a new ministry of industry, and should the above argument be found acceptable, science and technology could be fitted in there in a suitable organisational arrangement. But our fear is that, in the present problem-ridden stage of industrial development, the pressure of day to day questions might squeeze scientific research into the background, and there may consequently be no improvement over the present position.

2.6.8 The fourth of the defects mentioned represents the crux of the matter. Is the subject of science and technology to be given the spotlight for the future or not? That is the question we have asked ourselves. The answer lies not only in the ringing words of the scientific policy resolution, but also in the very evident needs of a country desperately trying to modernize itself. We are of the view that there is a good case for creating a ministry of science and technology and vesting it with prestige and authority adequate for purposeful implementation of the scientific policy resolution. As an organisational arrangement, this would be a clear improvement on the present position and would be preferable to other alternatives that could be considered. But more important than this, the setting up of such a ministry would symbolise and highlight the importance that needs to be attached to science and technology.

2.6.9 The new ministry should have two kinds of functions. On the one hand, it should handle the functions listed in paragraph 2.6.3. And on the other, it should have operational responsibility for specific areas such as the CSIR, the various surveys, and so forth. Here is a list of the broad functions we visualise for the new ministry :

- Nodal functions as detailed in paragraph 2.6.3.
- The Council of Scientific and Industrial Research, and laboratories directly under the Council.
- The Survey of India, the Geological Survey of India, the Botanical Survey of India, and the Zoological Survey of India.
- Collaboration with the Ministry of Education to improve the teaching of science at all levels, and the sponsoring of fellowships and scholarships in science and technology.

In addition, we would suggest that responsibility for promoting higher mathematics should be transferred from the Department of Atomic Energy to this new ministry, because mathematics serves a much broader area than atomic energy alone. This need not however mean that the Department of Atomic Energy would not be free to promote the study of higher mathematics in support of its own work.

2.6.10 The new ministry would have to be structured unconventionally, the staffing pattern perhaps following the lines of the Department of Atomic Energy. This requires careful thought, so that the whole point in setting up a nodal ministry is not lost by devising arrangements which cause frustrations or create bottlenecks. There would be great advantage if the minister in charge were to be a Cabinet minister, but this has to be viewed in the context of our proposals in chapter IV. We visualise there a Cabinet committee on science and technology with functions to oversee the implementation of the scientific policy resolution and to co-ordinate the total effort of government in research and development. The present Scientific Advisory Committee to the Cabinet should cease to function once the suggested Cabinet committee has been constituted.

2.6.11 For the effective performance of nodal functions, the Ministry of Science and Technology would have to operate in conjunction with appropriately manned Research and Development cells in the user ministries of the industries sector. While there could be a coordinating unit in a sectoral ministry or department, the actual Research and Development cells might have to be located in the field, particularly in the case of public sector enterprises. It should be a special responsibility of the new ministry to develop links with these cells at all levels, so that the problems analysed and thrown up by the latter are taken up for research in laboratories under the charge of the ministry, and the

answers discovered in the laboratories are put to practical use in solving live industrial problems. The Research and Development cells visualised by us should, in other words, operate as the links between research and application. The effective functioning of these cells should be a particular concern of the nodal Department of Industrial Development. That department and the new Ministry of Science and Technology would, in our scheme of things, have to work in close concert if results are to be achieved.

2.6.12 The concept of a ministry of science and technology is one which has been experimented with in some other countries, and as may be expected there has been some controversy about the success of these experiments. Those who have doubts about a move in this direction feel that the division of scientific endeavour between that which would be entrusted to such a ministry and that which would be left outside is fraught with serious apprehensions. Scientific research in various fields, it is claimed, is so very much inter-connected and interwoven that it would be difficult to evolve any logical basis for dividing it into two sectors. The division represented by there being a council of scientific and industrial research for such functions as can be centralised is as far as matters can be taken to. These doubts need to be taken full account of. In regard to the experience of other countries, it is our view that the problems there are different, and that we do not have to wait for those countries to certify an experiment conducted in their setting as successful before attempting a potentially good experiment in our own conditions. As for the danger of over-centralisation of functions in a ministry of science and technology or of drawing the line between centralised and dispersed functions in an unrealistic way, we consider that the functions outlined by us would be not only realistic and workable but also such as will achieve the end we have in mind. It is not our proposal that scientific research which falls in the dispersed sector today (as for instance agricultural or medical research) should be brought into the new ministry. Any bold experiment does involve the risk that it may fail to achieve the results expected of it, but that cannot by itself justify setting our faces against all experiments. It is our considered view that this particular experiment is pressingly called for and is well worth giving a fair trial to. If timorous hearts must be assured, it may be mentioned that we can always go back to *status quo* if things go very wrong.

2.6.13 We recognise that, while the setting up of a ministry of science and technology may be considered useful and even necessary, it cannot be regarded as the complete answer in itself. This should, in fact, be the first in a series of well conceived measures aimed at the development of scientific research and its application in the development of the country.

7. Regional planning

2.7.1 "Regional planning" is a term which combines the two functions of physical and social planning in one. It means more or less the same thing as town and country planning, and is used here in a sense which includes housing and urban development. The use of the word "regional" has nothing whatever to do with linguistic or other regions. Regional planning is a subject at such an elemental stage of development in this country that it could almost be said not to exist. Yet the need for it is pressing, not only from the point of view of optimising the use of financial and other inputs, but also that of dealing effectively with unplanned growth in areas like metropolitan cities. Rapid industrialisation and even more rapid urbanisation are creating problems, for the foresighted tackling of which regional planning is the only answer. In many other countries, this subject is given foremost importance, but for some reason it has escaped serious attention in India. We are of the view that there is an urgent necessity for setting up an effective nodal agency from where measures for regional planning can be initiated and implementation in the various governmental agencies at the Centre and in the states overseen.

2.7.2 Ideally there should eventually be regional plans covering the entire country. These should take into account techno-economic factors, social and geo-political factors, and financial factors. All future developments in matters like the location of industry, the building up of communications and transport, the expansion of existing cities and the location of new ones should be in accordance with such plans. But at the present elemental stage of regional planning this can only be a dream for the future.

2.7.3 What regional planning should address itself to in the immediate future is planning in relation to pressing and felt problems. Some of these are discussed below.

- (1) The metropolitan cities of Calcutta and Bombay, and to a lesser extent Delhi and Madras, present a formidable problem of unmanageably rapid growth far outstripping the ability of the local administration to provide services and facilities. If effective measures are not speedily devised, there could be an explosive social situation in these metropolitan areas. What is needed is an effective organisation first to draw up feasible regional plans for these problem centres and their environments, and then to oversee and ensure their speedy and correct implementation.
- (2) New problems are coming into existence in the areas subjected to heavy industrialisation particularly through the location of big public sector projects of the Central Government.

While it may be conceded that the location of industry must be primarily guided by economic factors, there is a great deal that could be done in the detailed working out of physical development in and around the township created by such location. At present, because the regional planning aspect is conspicuous by its absence, public sector projects are planned as self-contained units without much regard to environmental problems. Here is an area where the injection of regional planning ideas could help to extract bigger benefits out of the large investments that go into public sector construction.

- (3) Much the same can be said about river valley projects and the development of areas where new prosperity comes in as a result of the irrigation and power benefits provided by such projects. Here also, the introduction of regional planning on a large scale could be of great advantage.

These three major problems could by themselves justify and fully occupy an organisation concerned with regional planning.

2.7.4 Regional planning is essentially an inter-disciplinary activity. At the stage of drawing up plans, and even more so at the stage of implementing them, the planning organisation must operate in close liaison with other agencies. A central agency in the Government of India would be necessary to provide initiative, guidance and leadership in this field. But it would have to liaise laterally with the concerned agencies in the Central Government, such as those responsible for communications and transport, industries, civil construction, power, housing, public health engineering and local self government. Even more important, it would have to liaise in a vertical direction with the state governments and local bodies. It is this inter-disciplinary factor that gives the concept of a central planning agency a nodal character.

2.7.5 In our view it is high time a central agency for regional planning was set up at the Centre. Obviously this agency should have within its fold responsibility for town and country planning, urban development, housing and lands. This would involve the transfer to this agency of the related functions at present performed in the Ministry of Works, Housing and Urban Development and also to a limited extent in the Planning Commission (in relation to Calcutta metropolitan planning). There would also be great advantage in locating the function of co-ordinating activities in regard to local self government, both urban and rural, in this very agency, because most of the work involves local bodies. This would involve transfer of the relevant functions from the Department of Health and the Department of Community Development. It would be unwise and impractical to include any of the other functions within the inter-disciplinary embrace of regional planning, because those functions constitute viable subjects

on their own and their location in the machinery of the Central Government has to be adjudged from other more cogent factors. What is important is that this agency should develop and maintain active liaison with the ministries where these other functions are looked after, and this co-ordinating role, it will be better able to perform if it is not overburdened with heavy sectoral functions. The agency should be set up in the form of a department of regional planning.

2.7.6 The main functions of the proposed department would be somewhat as follows :

- To provide leadership and guidance to the states in the matter of regional planning, to serve as a clearing house of information and experience and to operate as a co-ordinating agency in respect of central ministries dealing with proposals for regional planning.
- To promote, where necessary, and particularly in big problem areas, the formation of regional boards with representatives of Central as well as state interests armed with effective powers to implement plans.
- To advise about the location of public sector projects, and particularly to assist in getting integrated development plans prepared in consultation with state governments for areas surrounding such projects.
- To prepare master plans for metropolitan cities, industrial areas and so on, including the siting and planning of new townships.
- Overall policy and programmes of town planning (slum clearance, sanitation, housing, water supply etc., through local bodies).
- Aid to state governments – financial and technical.
- Utilisation of land.
- Co-ordination in regard to local self government in urban and rural areas.
- To service a joint council of local self government and regional planning at national level.
- Policy on the powers and functions of local bodies, including personnel policy.

2.7.7 When the subject gains importance, there could well be a strong case for a full-fledged ministry for this purpose with a Cabinet minister at its head. For the present, however, a separate ministry may not be justified, and this raises the question of grouping this department appropriately with some other department to form a ministry. Here there were two possibilities before us. One was to consider

grouping this department with the department responsible for governmental construction. But since the orientation of the organisation we visualise for that, namely the Ministry of Works and Supply, will be more in the direction of providing services to other ministries and less in a developmental direction, we did not consider a grouping of this kind appropriate. Also, what is required in regional planning is a social rather than an engineering approach, and in fact an overdose of the latter in the initial stages may prove fatal to the whole concept of regional planning. The alternative we considered was that the proposed Department of Regional Planning should be grouped along with the Departments of Health and Family Planning to constitute a ministry of health, family planning and regional planning. It could be argued that this might divert attention away from family planning, the importance of which in the next decade or so cannot be over-emphasised. But our own view is that individually neither family planning nor regional planning might attract Cabinet status, and if that should happen both of these important subjects would suffer. Grouped together, they could help to give a status to the combined ministry that might lead to the charge being allotted to a senior Cabinet minister, from which could flow benefits to both regional planning and family planning. The two subjects are vitally important from quite different considerations, although both are out-crops of social planning. It is necessary to mention that there is a nexus between regional planning and the Department of Health in that public health engineering is one of the agencies with which the central agency for regional planning must necessarily co-ordinate closely; but this nexus is not the primary reason in our minds for recommending the above grouping.

2.7.8 It is important to mention that the internal organisation of the department that we propose should be a matter deserving the most careful thought. The best way to get about it would be to select the administrative head of the department and then to require him to make a special study of the organisational needs of the new department, keeping in mind the developments in this field in other countries. It will be necessary to ensure that expert personnel are drawn into the regional planning process from all the important disciplines involved. The central agency should not take it upon itself to do the entire planning work from a New Delhi-based office, but should be concerned with promoting the setting up of adequate planning units within the states where the major work is to be done. It should also be concerned with devising new organisational forms that will ensure effective planning and implementation in the field, perhaps through regional planning boards or institutions of that nature, on which would have to be represented all the various interests, including the concerned central, state and local body agencies. In short, the whole problem of the setting up of a suitable regional planning machinery in the country requires to be given energetic and enlightened thought.

2.7.9 There could be a view that the setting up of a machinery for regional planning without there being funds to implement such plans amounts to putting the cart before the horse. But, for one thing, there is a considerable area in which useful activity could be undertaken without additional funds: items like rationalisation of the relevant laws to fit in with the requirements of regional planning, co-ordination of the activities of different agencies in the field, etc. would fall in this area. Then, there is the fact that some degree of expenditure on new projects keeps taking place in the normal course, through five year plans or otherwise, and attention to regional planning could help to ensure the proper channelisation of these funds. Finally, there is the overall consideration that significant additional funds can be expected to be provided for regional planning only after worthwhile plans come into existence, and the setting up of a machinery to handle the subject would be an essential step in this direction. What is important, therefore, is that this first step should be taken; otherwise a very live problem of the country will remain unsolved, and may later present serious difficulties.

8. Construction and other common services

2.8.1 The expression "common services" covers services like public works, printing and stationery, supply and disposals, and government estates. The efficient working of common service agencies is of considerable importance in improving the administration of client ministries. In this sense, therefore, all common service functions are of the nature of nodal functions.

2.8.2 There could be two possible views about organisational arrangements for common service functions. Either all such functions could be grouped together and handled from one place; or these functions could be dispersed in such a way that each is grouped along with the appropriate functional ministry. Today's arrangements are a mixture of these two approaches. Three major common service functions are handled from a central point; public works, printing and stationery, and government estates. A fourth, supply and disposals, is located along with technical development, presumably because there is a link between the two subjects. A fifth, publicity, is similarly located in the Ministry of Information and Broadcasting because of the link with that subject. The argument in favour of putting all common services in one place is that this can help to ensure that the service requirements of client ministries receive systematic attention from a ministry specially charged with this responsibility. But a more practical reason is that most of these items do not lend themselves to rational grouping in functional ministries, and the best way to deal with them is to put them together, the link between them being that they are common service items. The argument on the other side is that this brings

a number of heterogeneous items together which makes it difficult for the ministry concerned to develop any kind of specialisation. Also, a single ministry handling all service functions is apt to become the target of criticism from all client ministries. In our view, these objections notwithstanding, the right approach is to place as many common services together as possible. The ministry concerned could then be expected to develop expertise in administrative skills supportive of the work of client ministries, and this would be a positive gain.

2.8.3 We recommend, therefore, that the three common service items already in one place should continue to be grouped together; these are public works, printing and stationery, and government estates. We further suggest that supply and disposals should be brought back and grouped with these items. There is undoubtedly a connection between supply and industrial development, and because of this we considered the possibility of locating supply in the proposed Ministry of Industry. We rejected the idea chiefly because we felt that this would overburden that ministry, and also tend to divert its attention from its central purpose of promoting industrial development. We were also influenced by the fact that the connection between supply and industry is not what could be described as vital or one requiring day to day contact. It is to be noted that all the time that supply and technical development have been grouped together, there has not been much inter-change of ideas and experiences between the two organisations. Such support as supply requires from the Ministry of Industry could be provided through suitable co-ordination arrangements, even if the subject were to be located elsewhere. Other common service functions like publicity may remain where they are. Functions performed at present by the Ministry of Works, Housing and Urban Development other than common services should go to appropriate functional ministries. This would mean the transfer of urban development and housing to the proposed Department of Regional Planning, of government hotels to the proposed Department of Civil Aviation and Tourism, and of rehabilitation markets to the Delhi Administration. The new name of the ministry should be the Ministry of Works and Supply.

2.8.4 We have carefully considered whether defence supplies should also come over to this ministry. The Department of Defence Supplies was created primarily to develop civil capacity for defence purposes. This particular responsibility, we feel, should continue to be discharged by the Ministry of Defence, but it is our view that the task does not require a separate department and that the appropriate place from which it should be handled is the Department of Defence Production. This department would naturally have to operate in close concert with the ministries looking after various sectors of industries. The work of defence supplies as such should be transferred to the ministry concerned with supplies generally, *i.e.* the proposed Ministry

of Works and Supply. What we visualise is that the Ministry of Defence should consist of two departments: the Department of Defence and the Department of Defence Production.

2.8.5 Finding the right location for public works raises the wider question whether there is a case for creating a ministry of construction. The civil works component of five year plans is steadily increasing, and a committee appointed by the Minister of Works, Housing and Urban Development is of the view that there should be a construction or public works ministry responsible for ensuring that all buildings, etc. financed from public funds conform to accepted and economic standards. This ministry, in the view of that committee, should be responsible for carrying out all construction works financed by the Central Government, including works for public sector enterprises and for autonomous organisations, except works for defence, railways, and irrigation and power. We are of the view that centralising all civil works in a single ministry would not be the right thing to do, partly because a single organisation would find it difficult to deliver the goods, and also because this would make a dangerous inroad into the autonomy and accountability of public sector undertakings. At the same time, there is need for a central agency which would attend to the following nodal functions :

- (1) Acting as the sponsoring agency for the buildings industry, and, in that capacity looking into problems of finance, machinery for modernisation, training of supervisors and artisans, planning in the field of building materials and so on.
- (2) Building research.
- (3) Limited aspects of civil construction in public sector undertakings like :
 - (a) Setting norms for residential and office accommodation and seeing to their enforcement.
 - (b) Studying problems of materials and machinery required for the civil works of public undertakings.
 - (c) Controlling the deployment of civil engineers as between different public undertakings in order to get optimum results and least wastage of talent.
 - (d) Providing common services in regard to matters like a central design office, architectural and town planning advice, planning and so on.
 - (e) Providing consultancy services to public undertakings.
 - (f) Developing procedures and techniques in regard to contracting, accounting, etc.

We recommend that a directorate of construction should be created to handle these tasks and located in the Ministry of Works and Supply. It should be distinct from the CPWD, although the two organisations will need to work in close liaison with each other, particularly in developing common service agencies in the shape of a central design office and other such units.

2.8.6 One view could be that public works and the proposed Directorate of Construction should be separated out of the suggested Ministry of Works and Supply, formed into a department of construction and grouped with the proposed Department of Regional Planning to form a ministry of construction and regional planning. There has been a move in this direction in some foreign countries. But in those countries public works are not handled in the manner that obtains here. Also, regional planning is a subject of very wide-ranging nodal influences; its link with the building industry is only one of many other links with other industries and agencies. We are not convinced that this link by itself justifies the grouping of these two subjects together. For the present at least, we are satisfied that the right thing to do is to make a beginning by setting up a directorate of construction in the Ministry of Works and Supply.

2.8.7 A possible criticism could be that some of the tasks visualised for the proposed Directorate of Construction are today being attended to in the Bureau of Public Enterprises, and bringing these away from there would mean that the Bureau's comprehensive responsibilities would be cut into. What we have in mind is that the directorate should look after tasks like setting norms in the field of civil works in public sector construction. Other aspects of civil construction work of public sector enterprises already handled in the Bureau should continue to remain there. This would ensure that the new Directorate of Construction gets effective control over the nodal function of setting norms without reducing the comprehensive charter of the Bureau of Public Enterprises in any significant manner.

9. Statistics

2.9.1 Statistics suddenly became very important in free India, chiefly because of planning. Landmarks in the development of organisations for handling statistical work are the setting up of the Central Statistical Organisation in 1951, making this organisation responsible for supply of statistical information for planning purposes in 1954, the setting up of the Department of Statistics in 1961 and the constitution of an Indian Statistical Service in the same year. Everything points to this being only a beginning. The initial impetus given by planning needs has over the years been supplemented by the requirements of sophisticated policy-making and efficient management. Statistics

will thus be increasingly important in the life of the country and particularly in the work of public administration. But most executive agencies are not statistically minded and are even suspicious of figures. What is required is the active promotion of statistics as an aid to policy-making and efficient management. Seen in this way the subject acquires a nodal character requiring the right ideas to be radiated out from a central point of authority.

2.9.2 Fortunately there is already a central agency in the shape of the Central Statistical Organisation. While this organisation has done a good deal of work in setting standards, norms and methodology, much remains to be done to promote the gathering, storage and use of statistical data in the different ministries and also in the states. The CSO requires to be strengthened so that it may function effectively as a nodal agency, promoting the work of statistics in all branches of government, co-ordinating where that is required, attending to overall tasks like management of statistical cadres, statistical man-power planning, the setting of standards, and so on.

2.9.3 At present there is a department of statistics in the Cabinet Secretariat. This follows the British practice, and has some validity in that this important subject receives (in theory at least) the backing of the Cabinet Secretary and the Prime Minister. But what was conceived as an arrangement for prestigious handling has in fact proved unsatisfactory in some ways. The Cabinet Secretary has little time to spare, and the Prime Minister none at all. If the subject has to receive the careful and continuous attention it needs, it should be located in a ministry where the minister in charge and the administrative head can find the time to analyse the problems involved and to devise and implement appropriate measures. One alternative could be to locate statistics with the Planning Commission. But it is our view that the Planning Commission should shed as many functions extraneous to planning as possible, and locating statistics there would be a contrary trend. A second alternative is the Ministry of Home Affairs, particularly since it is where the census is handled. But the Home Ministry has a heavy charge already and cannot be expected to give this vital function the attention it needs. A third alternative could be the proposed Ministry of Science and Technology. Statisticians being scientists may feel more at home here than anywhere else. Also, this ministry could provide the right climate for ensuring a progressive approach to the subject, in the direction of modern information systems being evolved within departments, including computerised arrangements where justification exists. But a ministry for science and technology has yet to establish itself, and it may be unwise to give to the new ministry this additional charge at this stage. After considering various alternatives, we have come to the conclusion, that in the present circumstances, the best location would be the Ministry of Finance. There is an obvious and vital connection between economic policy-making and an efficient

system of statistics, and the two functions being in one ministry would be an obvious advantage. There is also the fact that most statistics relate to the economic field. A supplementary advantage would be that the cadre management of two sister services, the Indian Statistical Service and the Indian Economic Service, would be handled from a single point.

2.9.4 We visualise that the Department of Statistics should continue as a separate entity after the subject has been allotted as suggested above, although it need not for that reason be headed by a secretary. Its work should come under the co-ordinating discipline of the secretary in the Department of Economic Affairs. The Central Statistical Organisation should be so placed organisationally in the department that its head can deal directly with the administrative head of the department and the Finance Minister.

10. Administrative reforms

2.10.1 It is well accepted now that measures for improving public administration and making it a fit instrument of governmental policy are as important as the devising and implementation of economic and social policies. It does not need elaborate arguments to show that, while primary responsibility for maintaining efficiency must always vest in the various ministries, this function requires to be promoted in a continuous and effective fashion from some central point in the machinery of the Government of India. A step in this direction was taken when the Department of Administrative Reforms was constituted about three years ago in the Ministry of Home Affairs. But this measure was not sufficient for the requirements of the situation because of limitations in the mandate of the department and in its resources and authority. The need was felt for constituting an Administrative Reforms Commission two years after the setting up of the department. But the constitution of the Commission strengthens rather than weakens the case for a strong organisation to carry forward a programme of administrative improvement on a continuing basis.

2.10.2 Four kinds of problems require consideration. The first relates to the functions which should be allotted to the central agency for administrative reform. In a general way, it could be stated that such an agency should keep an overall eye on the administrative health of the machinery of the Government of India and initiate measures for promoting efficiency in all its branches. More particularly, the functions should be spelt out somewhat in the following way :

- (1) *Implementation of the report of the Administrative Reforms Commission.*—We have no doubt that this will be the main task of this agency for at least a year or two after the Commission

has submitted its report. The Commission will, in the nature of things, make foundational recommendations and the government will need to have an agency to work out the details and to oversee implementation. The importance of this task cannot be over-emphasised.

- (2) *Fresh studies.*—Implementation of the Commission's report will not bring the need for fresh studies to an end. But the problems to be studied will need to be selected with care, ensuring that fundamental matters do not get left out. The ambit of the studies should be wide enough to probe root causes of prominent weaknesses in administration, regardless of whether that means treading policy or not.
- (3) *Training.*—Training in work study, operational research, systems analysis and so on should be an essential part of the functions of the central agency.
- (4) *Research and administrative intelligence.*—Research should really be handled in the universities and in the Indian Institute of Public Administration. However, the central agency may be able to handle some kinds of research more effectively than academic bodies. In any case arrangements are necessary in the nature of a communications bridge between research and reform activities.
- (5) *Innovations.*—Bringing in new ideas and methods of working from outside should be one of the most important functions of the agency.
- (6) *Liaison with the Department of Personnel and the Ministry of Finance.*—If efficiency can be regarded as the best use of human and financial resources, close liaison will need to be maintained with the controlling agencies for these resources.
- (7) *Liaison with ministries.*—Ministries will require advice about their own improvement programmes. The central agency should be equipped to offer advice, and also to participate in intra-ministry studies when called upon to do so. This would keep it in touch with the state of affairs inside ministries.
- (8) *Liaison with state governments.*—The central agency should play a co-ordinating role here. It should provide the initiative for reform activities being undertaken in the states, and conversely be fed with information about developments taking place there. It can function usefully as a clearing house of information for the states.

Generally speaking, the central agency for administrative reforms should be responsible for locating weak areas in the administration

and dealing with them effectively. Implementation of reform measures and evaluating their success should be given as much importance as devising the measures. The agency should give top priority to promoting adequate O & M agencies within the ministries and executive organisations.

2.10.3 The second problem requiring consideration is in regard to the correct placement of this agency. There is a view that the central agency for administrative reform should function as an independent commission from outside the government, somewhat like the Union Public Service Commission or the Comptroller and Auditor General. An outside body would certainly be less fettered than an inside one, and could consequently be expected to range wider and higher. The more it does this, however, the less it may find it possible to be effective from the implementation angle. We are, therefore, of the view that the concept of a standing commission for administrative reform is wholly impractical and unjustified. If then the agency is to be located inside the government, the question is whether the present location in the Ministry of Home Affairs is the right one. The answer must be found in the light of the importance that is to be given to this subject. In organisations which are keen to promote efficiency, the principle is well recognised that the agency for devising measures for efficiency should be as close to the top executive as possible. This suggests that the right place for this agency is the Prime Minister's portfolio. It could be argued that this should be avoided as part of a general policy of not burdening the Prime Minister with portfolio business, as far as possible. Our own view is that the subject of administrative reforms needs to be given much greater importance than in the past, and that the agency for doing this work should be viewed as a kind of super-node, or a node of nodes. In this view of the matter, we consider that the question of over-burdening the Prime Minister should not arise, as keeping up the efficiency and effectiveness of the government's administration should be regarded as one of the essential tasks of the head of the government. Meaningful administrative reform necessarily involves making ministers and ministries do unaccustomed things, and the initiative for this can best come only from the Prime Minister, supported by an agency outside all ministries and directly under him. We recommend, therefore, that the Department of Administrative Reforms should be allocated to the Prime Minister's charge, and that it should operate under the overall control of the Cabinet Secretary.

2.10.4 We have separately recommended the constitution of a Cabinet committee on administration to deal with problems of personnel administration and administrative reform. It is our view that this, supported by a secretaries' committee, would provide an effective decision-making forum for wide-ranging reforms in the governmental machinery. We attach special importance to the link between personnel

administration and administrative reform sought to be achieved by both subjects being allotted to the same Cabinet committee.

2.10.5 The third problem relates to the correct placing of other agencies within the governmental machinery involved in some way or the other with the process of administrative reform. There is first the Staff Inspection Unit in the Ministry of Finance. It is our view that the separation of this from the agency for administrative reform has been a step in the right direction, even though precedents to the contrary can be found in some foreign countries. The Staff Inspection Unit is primarily concerned with work measurement, aimed at pruning departments of their excess staff and, of course, recommending additional staff where necessary. This in our view is essentially related to the most economic use of the staff, a task inseparable from that of enforcing economy in governmental expenditure. We would therefore recommend that the Staff Inspection Unit should continue to be lodged in the Department of Expenditure. There is then the management and development administration division of the Planning Commission. It seems to us that the Planning Commission should not be concerned with this kind of work, and we say this notwithstanding the fact that some good work has been done in this division. Our view is that the management part of this division should be transferred to the Bureau of Public Enterprises, which itself we have separately recommended for being located in the proposed Department of Industrial Development. The development administration part of this division should merge in the Department of Administrative Reforms. There is finally the Bureau of Public Enterprises itself, which is in a way responsible for the efficiency of public sector undertakings. We visualise that overall responsibility for efficiency in public sector administration should be treated as a specialised activity, not needing to be centralised within the Department of Administrative Reforms. The Bureau, therefore, should operate from the Department of Industrial Development, which is the right place for the handling of overall problems concerning public sector undertakings.

2.10.6 There is a fourth problem which also requires to be gone into, and this is in regard to the internal organisation of the Department of Administrative Reforms. We are not dwelling on this at the moment, because this is more appropriately a question for discussion in our next report dealing with intra-ministry structures and procedures. We would only mention in passing that the Department of Administrative Reforms needs to be organised on lines that will enable it to discharge the functions we have in mind for it. And to this end, there must be a willingness to induct specialists from outside the government, even if this means departing from conventional ideas about pay scales and so on.

CHAPTER III

GROUPING OF SUBJECTS

1. General

3.1.1 With ideas cleared about the scope and placing of nodal agencies, it is possible to proceed to the task of the grouping of subjects into ministries and departments.

3.1.2 It is necessary first that the confusion that exists at present about what precisely the expressions 'ministries' and 'departments' mean should be removed. In the present scheme of things, some ministries have no departments, some departments are not part of any ministry, some ministries have all their work distributed among departments and some others have only a part of the work allotted to departments. In our grouping exercise, we have tried to do away with this confusion. Earlier in this report, a ministry has been defined as the charge allotted to a minister, and a department as the charge of a secretary. In our view the entire business of government should form part of some ministry or the other. But this should exclude two kinds of work at present shown in the Government of India (Allocation of Business) Rules. One is the work handled in the secretariats of the President and the Prime Minister; important though this is it does not fall within the ambit of the word "business" as used in Article 77 of the Constitution. The other is the work handled in the Cabinet Secretariat; this again is not of the nature of portfolio work visualised by the Constitution, and has separately been recommended by us as worthy of mention in the Government of India (Transaction of Business) Rules rather than in the allocation rules. The underlying thesis should be that all business requiring to be distributed under the portfolio system inherent in Article 77 should be distributed amongst ministers and thus become part of some ministry or the other. Three agencies proposed to be allocated to the Prime Minister's portfolio, those for parliamentary affairs, administrative reforms and atomic energy, could however be exceptions in that they may continue to be known as departments.

3.1.3 Within individual ministries, the business relating to the portfolio of a particular minister should normally be handled in administrative units styled "departments". If there is a single department in a ministry, that should be known as a ministry rather than a department. If there is more than one, each unit should be known as a department, as is the current practice. All this should not preclude the possibility in exceptional situations of organisational forms other than departments within ministries. We have ourselves discussed

elsewhere the desirability of continuing the commission pattern of organisation for handling the work of national planning in the Ministry of Planning.

3.1.4 What should be done for effecting co-ordination in a multi-department ministry is a point meriting comment in this report, even though it might seem more relevant to our next report which is to deal with intra-ministry arrangements. The point requires to be dealt with now rather than later because our proposals for bunching departments into ministries assume a pattern of co-ordination as between such departments. Several models for effecting co-ordination are in operation today or have been tried out in the past. There was the experiment of a principal secretary in the Ministry of Finance, who co-ordinated the work of the various departments in the ministry. There was then the secretary-general in the Ministry of External Affairs, who co-ordinated the work of secretaries without departments under them. A third model is the present arrangement in the Ministry of Finance under which the secretary for economic affairs carries responsibility for co-ordinating the work of all the departments in the ministry. A fourth model is the present arrangement in the Ministry of Home Affairs, where the Home Secretary co-ordinates the work of other secretaries, who have no departments as such under them. Another model is a secretary having the main department in a ministry, with additional secretaries having other departments, the former carrying a co-ordinating role; this is in operation today in the Ministry of Petroleum and Chemicals. Yet another is that of a single secretary co-ordinating the work of additional secretaries, without the latter having departments as such under their charge; this is the position today in the Ministry of Labour and Employment. All these models have their value, but we have taken the opportunity afforded by this study to see whether the best of these can be identified and recommended for future application. It seems to us that the concept of a principal secretary or a secretary-general is not likely to make for efficient work, despite its apparent logic, because men of worth may not be willing to go as secretaries to a ministry where this kind of arrangement is in force. It also seems to us that having additional secretaries as chief functionaries for departments, for sizeable chunks of work, has its limitations, and the system tends to throw a heavy load on the secretary. We are, therefore, of the view that the function of co-ordination in a multi-department ministry should be allotted to one of the departments in the ministry, thus making it a special charge for the secretary heading that department; this would be in line with the arrangement obtaining in the Ministry of Finance today. Where a ministry does not lend itself to being split into departments (such as the Ministry of External Affairs), but has a heavy enough load to justify there being more than one secretary, one of such secretaries could be designated as the co-ordinator. This would rationalise things down to two models only.

3.1.5 In the subsequent sections of this chapter, we discuss various aspects of the grouping problem. As already mentioned, the two main criteria for determining how subjects should be grouped are rationality and manageability. These need to be tempered by considerations of stability. The criterion of rationality should, in our view, be based mainly on operational factors. In other words, subjects should be grouped into departments and ministries if such grouping would promote co-ordination in an operational sense. One test of affinity between subjects for the purpose of grouping would be whether there is need for day to day contact in their handling. The obvious needs to be stressed, namely that grouping subjects into departments and ministries is only one method of achieving co-ordinated administration. There would still be need for effecting co-ordination between subjects placed in different departments and ministries. Our approach to inter-departmental co-ordination within the same ministry is set out in the previous paragraph. As for inter-ministry co-ordination, some aspects of the problem are discussed in chapter IV of this report. And the whole point of the nodal agencies discussed earlier is to serve as co-ordinating influences in their areas of functioning.

2. Home affairs

3.2.1 The Ministry of Home Affairs handles broadly three types of work : internal affairs in the broadest sense, Union territories and services. The subject of internal affairs covers a wide range from matters involving state policy like Centre-state relationships or internal security to smaller matters like the census and man-power planning. Traditionally this ministry has come to occupy a position of strength, both in relation to other ministries at the Centre and in relation to the states. This should be regarded as an asset which needs to be preserved.

3.2.2 Two of our recommendations in the chapter on nodal agencies affect the work of this ministry vitally. One is the recommendation in favour of setting up a central personnel agency in this ministry in the form of a new department of personnel under a full time and wholly independent secretary. The other is the recommendation to transfer the Department of Administrative Reforms to the Prime Minister's portfolio. We have considered two other major issues concerning this ministry.

3.2.3 The first is in relation to judicial administration. The Law Commission suggested that all work relating to the subject of justice should be unified into a separate ministry of justice. This would involve transfer to such a new ministry of items of work at present handled in the Ministry of Home Affairs and the Ministry of Law. The underlying thought in this recommendation was that judicial administration should be handled in a ministry not concerned with the political pressures which necessarily operate in the Ministry of Home Affairs. Our own view is that the separation of the administration of justice from the executive

process is adequately outlined in the Constitution, and that there is no need for extending the principle into the machinery of the executive government itself. We fail to see how a minister of justice would be less open to political pressures than the Minister of Home Affairs. If anything, since the latter post may always be expected to attract one of the senior most Cabinet ministers, the subject of judicial administration is more likely to receive responsible handling from the Home Ministry than from a separate ministry of justice. Consequently, we do not support the view of the Law Commission and would recommend that *status quo* should continue.

3.2.4 The second issue concerns Union territories. The Estimates Committee suggested some time back that there should be a separate department to administer Union territories. Government's stand was that this was not necessary. But since then the Government has found it necessary to have a full secretary to look after the work of Union territories, although he does so without a separate department for this purpose. The Home Ministry is responsible for administering Union territories in an overall way, which means that functional aspects of this task are handled in the functional ministries concerned. There are minor exceptions to this; Minicoy and Amindivi Islands, for instance, are administered in every way by the Home Ministry itself. It seems to us that the present dispersal of tasks between the Home Ministry and functional ministries blurs responsibility and prevents an overall view being taken of *all* the problems of each territory from a single point. Also the work of Union territories in the functional ministries is a small part of their main work and consequently tends to receive low priority. We suggest, therefore, that the Home Ministry should function as a kind of nodal agency in regard to the work of Union territories, focussing attention on fundamental matters like the financial resources of Union territories, their personnel administration, and generally the efficiency of the total administrative process in these territories. Primary answerability to Parliament in regard to all work relating to Union territories should vest here rather than remain dispersed as at present. This would not preclude the Home Ministry obtaining the advice and services of functional agencies where necessary. We recommend that all this work should be handled through a separate department of Union territories, as was suggested by the Estimates Committee. There should be no difficulty in carving out a department from the rest of the functions of the Home Ministry, because the work pertaining to Union territories is of self-contained variety. We recognise that this department may not have enough work for a full-time secretary, but this is a separate problem dealt with later and in any case this need not stand in the way of a new department being created, if there is justification for that otherwise. We also recommend that there should be a parliamentary committee on Union territories analogous to the Committee on Public Undertakings, which should work continuously to keep an effective eye on the administration of these territories

3.2.5 Some relatively smaller points also require mention:

- (1) *Man-power administration.*—This subject embracing the whole ambit of manpower, namely, planning, policies, and programmes is at present allocated to the Home Ministry because of its link with the subject of services. One view could be that man-power planning should, in the new shape of things, be fitted into the proposed Department of Personnel. While this may in some ways be good for man-power administration, it would start a process of blurring the correct role of the new central personnel agency, on which feature we place so much importance. In our view the correct place for man-power administration is the Department of Labour and Employment. This arrangement would be in line with practice in other countries and also with what is recognised internationally by the fact of man-power planning being one of the subjects looked after by the International Labour Organisation. It might be argued that this arrangement may not give the necessary support to man-power administration, because the chief concern of the Department of Labour and Employment has in the past been industrial relations and it has not handled matters relating to labour in the sophisticated fields such as engineers and scientists. We do not see why the subject of labour should, for all times to come, connote only industrial relations and matters concerning lower strata labour. It should be the concern of the Department of Labour and Employment to range over all facets of the employment problem, and it seems to us that man-power administration is an important aspect of that work. What is important is not what this department has been dealing with in the past but what it ought to deal with in the future. Once the subject of man-power administration is allotted to this department along with the unit which has been handling it so far in the Ministry of Home Affairs, there is no reason why it should not be able to do justice to it. This might become one step in the direction of reorienting the attitude of the Department of Labour and Employment to fields other than industrial relations.
- (2) *Public grievances.*—If the institutions of Lokpal and Lokayukta proposed by the Administrative Reforms Commission in its first interim report come into being the Ministry of Home Affairs need no longer be concerned substantively with this item of work.
- (3) *Prohibition.*—We suggest that prohibition should be transferred to the agency which looks after the subject of social welfare.

- (4) *Nagaland*.—We find that the problems of Nagaland are at present dealt with in the Ministry of External Affairs. The subject essentially belongs to the agency responsible for internal affairs and should consequently be dealt with in the Ministry of Home Affairs. This would be in line with the transfer already effected of work relating to NEFA to the Home Ministry. The secretarial responsibility being allocated to the Home Ministry should not preclude, it is necessary to mention, the Prime Minister continuing to handle the sensitive aspects of this work, such as negotiations with underground leaders.

3.2.6 With the setting up of a department of Union territories, it would be appropriate and in line with the general concepts set out at the commencement of this chapter to think of the remaining work of the Ministry of Home Affairs (excluding that of the Department of Personnel) as being handled in a department of home. Although the Department of Union Territories will be a small one, the nature of its work will be such as to justify a secretary-rank officer as its head. Since he is unlikely to be fully occupied, there would be obvious advantage in his services being utilised for the handling of such other work as may be allotted to him in the otherwise heavy charge of the Department of Home. For all this work, this functionary would need to work under the co-ordinating discipline of the Home Secretary.

3.2.7 What all this amounts to is that the Ministry of Home Affairs should have three departments : a department of home, a department of Union territories and a department of personnel. The Home Secretary should play a co-ordinating role as between the first two of these. As to the third the position of the Personnel Secretary should be independent of the Home Secretary, and linked in a fashion to the Cabinet Secretary, as outlined earlier in this report. The Home Secretary should however be a member of the secretaries' committee on administration, as already suggested. In this picture, the Ministry of Home Affairs would present an exception to the general role of co-ordination enunciated at the beginning of this chapter, but this is inescapable because of the special position visualised for the Department of Personnel.

3. Industries

3.3.1 We have separately recommended that there should be a ministry of industry with a nodal department of industrial development and that this ministry should also look after engineering industries and such residual industries as have no compelling reasons to be located elsewhere. We have also suggested that the Ministry of Commerce should look after significant export-oriented industries. The underlying thought in this approach is that there should be agencies to look after

the nodal functions of industrial development and international trade, and that each agency should also have a sectoral charge that helps in the effective performance of nodal functions. The remaining sectors of industry might then be grouped in a suitable fashion. It is this thought which is further explored here.

3.3.2 But before this is done, two factors having an overall relevance need to be mentioned. Firstly, the volume of work to be handled by sectoral ministries is influenced to a large extent by the policy in regard to the degree of autonomy to be given to public sector enterprises. The right thing to do, in our view, is to operate a system of near total autonomy, but the activities of audit and the Parliament and its committee on public undertakings sometimes tend to act as forces in the reverse direction. The study team on public undertakings will no doubt have something to say on this subject. For our thinking, we have assumed that a method will be found by which the work-load of departments will be significantly decreased through greater autonomy being given to public sector undertakings. Secondly, the work-load of sectoral ministries is also influenced by the extent and type of control exercised in the field of industrial development. At present, most of the ministries are heavily engaged in control work of one kind or another. If controls should happen to be relaxed even partially, the work in these ministries would diminish correspondingly. We have assumed that, notwithstanding such possible reductions of work-load, there will be need for ministries of a reorganised variety, perhaps with more technical content, looking to the planning and development of the various sectors of industry.]

3.3.3 In a bird's eye survey of the industrial scene, it is evident that there are two complexes where the public sector is dominant; steel and oil. It seems to us that this yields a working principle to determine the grouping of industries. We would suggest, in other words, that there would be only two ministries outside the two nodal Ministries of Industry and Commerce, one to look after steel and associated sectors of industry and the other to be responsible for oil and sectors of industry that go naturally and conveniently with that. All the remaining industries should stay in the Ministry of Industry, except those which could be transferred to the Ministry of Commerce because of their export orientation. This would mean that the engineering group would stay in the Ministry of Industry, and we observe that this would be a source of strength in the performance of this ministry's nodal functions in that it would give it control over the key sector of machine-building.

3.3.4 Within this broad approach, we have the following recommendations to make :

- (1) The ministry to look after the steel complex and allied industries should be styled the Ministry of Steel, Mines and Metals.

Broadly speaking, it should be formed by merging the present Ministry of Iron and Steel with the Ministry of Mines and Metals. However, two points of detail require mention:

- (a) within the proposed Ministry of Steel, Mines and Metals, there should be two departments, one for iron and steel and the other for mines and metals,
 - (b) steel structurals, at present handled in the Ministry of Iron and Steel, should be transferred to the agency handling the engineering industries, viz. the proposed Ministry of Industry.
- (2) The ministry to look after the oil complex and associated industries should continue to be designated as the Ministry of Petroleum and Chemicals. Its field of operation should be much the same as at present, except that some of the chemical industries now located in the Ministry of Industry should be transferred here. Also, while we would leave synthetic rubber and rubber chemicals here, rubber products should go elsewhere. Considering the wide range of responsibilities allocated to this ministry and the fact that industries in this sector are likely to grow at a substantial pace, we would suggest the continuance of two separate departments, one for petroleum and the other for chemicals.
 - (3) Within the Ministry of Industry, there should be two departments, a department of industrial development and a department of engineering industries. The latter should look after not only the entire range of engineering industries, but also such residual industries as are not eligible for transfer to either the Ministry of Petroleum and Chemicals or the Ministry of Commerce.
 - (4) Within the Ministry of Commerce, again, there should be two departments, a department of trade and consumer protection and a department of export industries. The latter should look after all the industries at present located in the Commerce Ministry, and in addition take over a few export-oriented industries at present in the Ministry of Industry.

Details about the particular industries proposed to be allocated to the various ministries in the above manner are set out in annexure III.

3.3.5 In a grouping exercise relating to industries, it is necessary to review the location of individual public sector enterprises as amongst different ministries. Three possible approaches could be considered. There could either be a grouping of all public sector enterprises in one place, somewhat on the lines of the erstwhile Ministry of Production. This does not appear to be at all practicable. Another approach could

be to locate public sector enterprises according to the sector of industry to which they belong; this is the approach broadly in operation today. A third approach could be to link individual public sector units to ministries on the basis of end-use. This might mean locating Heavy Electricals (India) Ltd. in the Ministry of Irrigation and Power, the Fertilisers Corporation of India in the Ministry of Food and Agriculture and so on. We have still to give detailed consideration to these matters, and hope to offer such views as we may arrive at in our final report. By that time, we might also have the benefit of the views of our sister study team which is examining the working of public sector undertakings.

4. Food, agriculture, community development, co-operation, irrigation and power

3.4.1 These subjects are inter-linked in two ways, functionally and because they all (except for power) fall in the state list. The Centre's role in respect of the state list subjects can only be one of co-ordination and counselling, but even this must have a dynamism and orientation towards action and results in the context of shortfalls in agricultural production. We saw our primary task here, therefore, as one of reviewing the organisation of the Department of Agriculture, on which subject the study team on agricultural administration will no doubt also have something to say. Before stating our views about this, it is necessary to dwell on some ancillary points of importance.

3.4.2 The first question to consider is whether the subject of food should necessarily be looked after by the minister responsible for agricultural production. It could be argued that the food portfolio amounts essentially to feeding the consumer, and in that process arranging for supplies and distribution. In this view of the matter the subject could be grouped with other aspects of the problem of consumer protection. There is a good deal of validity in this line of thought, particularly because a unification of consumer problems in the machinery of the Central Government might help to focus attention on the felt problems of the consuming public. But attractive though the idea is, we do not find it possible to support it. Putting food and consumer protection in one place would involve either taking consumer protection away from the Department of Commerce or severing the link between food and agriculture. Both would be bad, the former because measures for consumer protection can best flow out of policies in regard to internal and international trade, and the latter because it might lead to the ministers responsible for food and agriculture blaming each other for inadequate sufficiency in food. Consequently we would support the continuance of the present grouping which places food and agriculture under the same minister.

3.4.3 The next question of importance in this sector is whether community development should continue to cover the activities that it does today and whether it needs to be looked after by a separate department. Much has been said on this subject and it is with some hesitation, therefore, that we are mentioning what appears to us the only common-sense view. We think that it is irrational and confusing for the agency in charge of community development to run programmes which rightly belong to functional ministries. In consequence we recommend that all such functions, e.g. social education, health and so on, should be dispersed to the appropriate functional ministries; the only exception we would make is agriculture. We are also of the view that there is a distinction between community development as a promotional programme and panchayati raj as an organisational and social development in the field of local self government. We consider that functions relating to panchayati raj should be taken care of in the agency responsible for co-ordinating developments in the local self government area generally. This would transfer this subject to the proposed Department of Regional Planning, which arrangement would also be appropriate from the angle that panchayati raj is essentially a social development and regional planning has social planning as one of its basic components. We see practically no justification in the community development organisation acquiring new functions as has been the case recently in regard to the applied nutrition programme; this in fact is being looked after partly here and partly, odd though this seems, in the Department of Food; the right place for it is the Department of Agriculture where it should be fitted in a unified way. All this would leave community development with its promotional activity, which would involve training extension workers and so on, and its activities in the field of agriculture. An orientation towards agriculture is in any case the accepted policy for community development programmes and our proposals only seek to give practical effect to this. We would suggest that the remanent organisation, after functions have been dispersed as above, should form a division in the Department of Agricultural Supplies and Services proposed in para 3.4.6; in other words we do not see justification for continuing a separate department for community development.

3.4.4 Our approach about co-operation is much the same as for community development. We would recommend that to the maximum extent possible the agency for promoting co-operation at the Centre should shed its functions to the sectoral ministries and more so to the state governments. Consumer co-operatives should, for instance, go over to the Department of Commerce, as separately suggested by us; and the same process should be applied to other co-operatives. The only exception we would make, as in the case of community development, is for co-operatives in the agriculture field. The agency for co-operation should in that event look after this subject as a promotional activity and in particular deal with co-operatives in the agriculture

field. With functions reduced in this manner, there would be no need for a separate department for co-operation and a division in the Department of Agriculture should be enough.

3.4.5 We have given considerable thought to the place of irrigation as a subject. Today, major and medium irrigation are looked after in the Ministry of Irrigation and Power, minor irrigation being the responsibility of the Department of Agriculture. This pattern is reflected in the state governments also. Apart from the historical reason that this has been the arrangement for many years, there is the more practical reason that major and medium projects require a high degree of engineering technology and are therefore placed in organisations with a predominantly engineering slant; there is also the fact that many projects are parts of hydro-electric schemes, which makes it convenient for such projects being handled along with power. Whether this bifurcation is organisationally sound or not is a well-debated issue, in which much can be said both for continuing bifurcation and for bringing it to an end by transferring minor irrigation to the Ministry of Irrigation and Power. But bifurcation is not the main gap in irrigation administration. The more serious deficiency is the inadequate attention given to overall irrigation problems like ground water surveys, water management, policy in regard to irrigation rates, maximising the utilisation of irrigation potential and so on. It is our view, that while bifurcation may possibly have contributed a little to the neglect of these matters, what is pressingly called for is not unification of minor irrigation with the rest of irrigation but administrative arrangements in one place for giving co-ordinated attention to hitherto neglected issues. This calls for a water management division being set up, to be manned by agricultural scientists and irrigation engineers operating together in a team of what might be called "irriculture" engineers. Ideally this division should be in the Department of Agriculture, but since irrigation should not be separated from power, we believe that the practical answer is to locate it in the Ministry of Irrigation and Power. Having done so it is important to make arrangements for effective co-ordination with agriculture, and more particularly with minor irrigation. This we consider, can be attained through a Cabinet committee on food and agriculture, supported by a secretaries' committee and inter-ministry consultation groups at technical level. We would accordingly make the following recommendations :

- (1) The subject of irrigation should remain dispersed as at present, major and medium irrigation in the Ministry of Irrigation and Power and minor irrigation in the Department of Agriculture. The definition of "minor irrigation" should be reviewed to ensure that the Department of Agriculture is not burdened with projects having substantial engineering content, particularly so in the case of projects exploiting ground water resources.

- (2) Within the Ministry of Irrigation and Power, there should be a water management wing manned by agricultural scientists, irrigation engineers and administrators. It should be the responsibility of this wing to consider overall problems like the development of water resources, including ground water resources, water management in the sense of optimum utilisation for agricultural purposes, and so on. While this wing should maintain liaison with the projects side of the ministry and also with the minor irrigation division of the Department of Agriculture, its main task should be to help in the formulation of policy and programmes in the field of water resources and management in the broadest sense. The head of the wing, while working under the overall control of the secretary of the ministry, should enjoy status and independence that would enable him to discharge his functions effectively. The wing should work in close co-operation with the Department of Agricultural Supplies and Services, which is being proposed in the next paragraph.
- (3) The Cabinet committee on food and agriculture recommended elsewhere in this report, should be headed by the minister in charge. This committee as also its supporting secretaries' committee should have representatives of the Ministry of Irrigation and Power. In particular, the head of the water management wing of this ministry should be a member of the secretaries' committee.

3.4.6 We now come to the central problem of reviewing the organisation of the Department of Agriculture. The present set-up in this department is on a functional basis, in which agricultural research has been unified in one place and kept away from administration for agricultural production, marketing, and other aspects. It seems to us that a sounder arrangement would be to allot to different divisions the total responsibility for all processes relating to individual major crops. Thus, for instance, the sugarcane division should handle sugarcane research, production and marketing and also sugar research and industrial production. In this way, a co-ordinated and integrated view of the different stages would become possible and responsibility for achieving targets can be unambiguously fixed. The Indian Council of Agricultural Research could still continue as an overall co-ordinating agency for research. We would accordingly suggest that, in order to give the greatest importance to agricultural production, the present Department of Agriculture should be reorganised into two departments, one the Department of Agricultural Supplies and Services and the other the Department of Agricultural Production and Processing.

3.4.7 The Department of Agricultural Supplies and Services would essentially be concerned with problems relating to agricultural input

like finance, personnel, research, fertilisers, seeds, pesticides, training, extension work and marketing. The Department of Agricultural Production and Processing would, in our reorganised picture, have a series of divisions looking after foodgrains, sugarcane, groundnuts and other commercial crops, forests, fruits and vegetables, fisheries, poultry and milk. Each division would be in charge of the whole range of processes stretching from research on the one side to primary processing of the agricultural products on the other. Divisions for the remanent work of community development and co-operation should be fitted into the former department. That department should, we would like to emphasise, handle problems of agricultural credit, including the playing of a role in relation to the Agricultural Credit Department of the Reserve Bank similar to the one envisaged for the nodal Department of Industrial Development in relation to industrial finance. Each department should be headed by a secretary, one of whom should be assigned the co-ordinating role for both the departments. He should also have under him divisions for agricultural planning and co-ordination, agricultural statistics and evaluation and internal administration of the two departments.

3.4.8 Some comments are necessary on the problem of co-ordination in the field of agricultural production. In September, 1963, the then Minister of Food and Agriculture was allotted responsibility for overall supervision of the Ministry of Irrigation and Power in regard to matters concerning both agriculture and irrigation. So far as is known, this interesting measure remained in the Presidential Order issued at the time and never travelled to the realm of implementation. A second experiment was the setting up in 1964 of an Agricultural Production Board presided over by the Minister of Food and Agriculture. Other ministers on the Board are those responsible for irrigation and power, planning and finance. The decisions of the Board are to be treated as the decisions of the Government of India so long as they are within plan and budget provisions. We understand that the Board has not been able to function effectively, but in our view this was a move in the right direction. We would recommend that the Board should give way to a Cabinet committee on food and agriculture of which the Minister for Food and Agriculture should be the chairman. This would give him a key position arising out of the functions that we visualise for chairmen of all Cabinet committees (see chapter IV). As in the case of other Cabinet committees, this one should also be supported by a secretaries' committee presided over by the Cabinet Secretary or, if he cannot find the time, the co-ordinating secretary for agriculture.

3.4.9 Power is discussed in this section chiefly because of its link with irrigation through hydro-projects. For many years to come, the main source of power will continue to be hydro-electric schemes and consequently we would not recommend a change in the present arrangement under which irrigation and power are under one roof.

5. Social services

3.5.1 We have nothing to add to what we have said earlier (in section 7 of chapter II) in regard to health and family planning. This section therefore discusses problems in the two remaining fields of social services, one being education and the other comprising labour, employment, rehabilitation and social welfare.

3.5.2 Over the years, the Ministry of Education has accumulated functions not directly related to the subject of education proper. Broadly, these are as follows :

- scientific and industrial research
- cultural affairs
- surveys
- youth services and community recreation.

The first of these will, in our scheme of things, go over to the proposed Ministry of Science and Technology.

3.5.3 As regards cultural affairs, there are countries which have separate departments or ministries to look after this subject. Thus, for instance, France has a ministry of cultural affairs to handle matters like music and drama, literature and visual and applied arts. West Germany also has a department of cultural affairs in the Ministry of Interior to promote art and culture. In Australia, art and culture are among the subjects allotted to the Prime Minister's department. Here in India, a separate ministry is not justified at this stage for considerations of economy. We recommend, therefore, that the subject should continue to be dealt with in the Ministry of Education, preferably through special arrangements (such as a council for cultural affairs) that would ensure that it does not get swamped by the subject of education proper and also that the mode of handling is adjusted to needs in the field of cultural affairs.

3.5.4 Among the surveys allotted to the Ministry of Education are the Survey of India, the Zoological Survey of India and the Botanical Survey of India. Originally, the first of these was looked after by the Ministry of Defence and the other two by the Ministry of Agriculture. In 1951, when the Ministry of Natural Resources and Scientific Research was set up, all the three were brought together and placed under the new ministry. On the abolition of the Ministry of Natural Resources and Scientific Research in 1957, survey work became the responsibility of the reconstituted Ministry of Education and Scientific Research, since when it has remained with the ministry responsible for scientific

research. Since these survey organisations are basically scientific departments, we recommend that they should go over to the new Ministry of Science and Technology. Elsewhere, we have recommended that this ministry should also take over the Geological Survey of India from the Ministry of Mines and Metals. All these four surveys could then form part of a comprehensive division of environmental sciences.

3.5.5 This brings us to one of the most important areas of administration relating to youth services and community recreation. Recent events have spotlighted the fact that the problems of young people, whether in educational institutions or outside, have not been studied and assessed in time, and that programmes aimed at meeting these problems are woefully lacking. This is not to say that a good deal of work has not been done. There is the National Cadet Corps looked after by the Ministry of Defence with an annual budget running into *Rs. 4.22 crores. There are then programmes handled in the Ministry of Education such as the National Fitness Scheme, physical education, sports, youth festivals and so on. But these activities are organisationally dispersed, with the result that integrated attention to the whole problem posed by a vast body of youth pushing its way up and wanting a place of respect in the life of the nation cannot be given from a central place. The Ministry of Education itself is too involved in its heavy responsibilities in the field of education proper to be able to spare attention to the study and thought which is required for developing programmes in the field of youth services. What it has been able to do so far is of a sporadic character, touching only the fringes of the problem. It has to be realised that persons in the age group 15 to 29 constitute over one-fourth of the total population of the country, and the problems of this large body should no longer remain unattended for lack of an adequate organisation in the machinery of the Central Government to handle them.

3.5.6 We have come to the conclusion, therefore, that the setting up of a department of youth services is a 'must'. Broadly this department should handle youth welfare, sports and other forms of community recreation. If the problems of young people are to receive integrated attention, both the National Cadet Corps and the proposed National Service Corps should be looked after from here. It could be argued that members of the National Cadet Corps are the second line of defence and that consequently control over the Corps should remain with the Ministry of Defence. But industry and agriculture are even more important as second line of defence, and cannot for that reason be incorporated into the subject of defence. In times of emergency, all organisations and activities become geared to the needs of defence and this could be the case

*Represents Central Government's share and excludes pay and allowances of army personnel attached to N. C. C. Total recurring cost of N. C. C. including states' share is estimated at Rs. 25 crores per annum.

with the National Cadet Corps if it were placed in the proposed Department of Youth Services. In our view, this organisation should be regarded more as one of the methods of handling the youth problem than as a second line of defence, and seen in this way, its right place is along with the National Fitness Corps and other youth services which are already with the Ministry of Education. Needless to say, it would have to be ensured that the defence authorities do not withhold their co-operation simply on account of this transfer.

3.5.7 The correct placing of this new department is important. Here, it may be urged by some that the provision of youth services is essentially a social welfare activity and that consequently the two Departments of Youth Services and Social Welfare should be grouped together. But the more realistic view is to recognise that most people in the age group which will be the concern of the Department of Youth Services are in educational institutions, and that as a result this department will have to work in close conjunction with the educational authorities. We would recommend, therefore, that the department should be located in the Ministry of Education, the two units there being the Department of Education and the Department of Youth Services. A separate Department of Youth Services would highlight this very important subject and also enable purposeful action to be taken, which might not be the case, if the subject remains one of secondary importance in the Ministry of Education. But the use of the word "department" need not invoke a conventional concept of functioning, and in particular, need not mean that the organisation should be headed by a secretary. In fact, it is important that the new organisation should be patterned in such a way as is most conducive to the achievement of results, and this requires careful thought.

3.5.8 Coming to the field of labour, employment and so on, it appears that rehabilitation activity will continue for an indefinite period, and will thus require to be dealt with through a suitable agency. It also seems to us that the ambit of social welfare activities will widen in the future, particularly in regard to social security measures. At the same time, it has to be recognised that most of the work in the field of social welfare has to be done through the state governments and indeed through private bodies. This would still leave the need for a co-ordinating agency at the Centre. Our suggestion in brief is that rehabilitation and social welfare should be combined into a single department; rehabilitation is after all a kind of social welfare activity. This department should then be grouped with the Department of Labour and Employment to constitute a Ministry of Labour, Employment and Social Welfare.

3.5.9 Although charitable and religious endowments and religious institutions have an important role to play in the field of social welfare, the overall responsibility for the subject is lodged with the Ministry of

Law. Considering the tremendous influence that these institutions can have on Government's social welfare programmes and in moulding public opinion in the field, we would recommend the transfer of the subject to the Department of Social Welfare. This will not of course affect the responsibility of sectoral ministries, like Education for the administration of the charitable and religious endowments and religious institutions in their respective fields.

3.5.10 Subject to what the sister team on administrative tribunals may have to say, we would suggest that Labour Appellate Tribunals should go over to the Ministry of Law.

3.5.11 The subject of child welfare should not, in our view, be separated from health and family planning. Not only would the ministry responsible for health and family planning be better equipped organisationally to handle problems of child welfare, because of its network of hospitals, maternity and child welfare centres and family planning clinics, there is also the fact that child welfare and family planning need to be approached in an integrated fashion. We recommend, therefore, that child welfare should be transferred from the Department of Social Welfare to the proposed Ministry of Health, Family Planning and Regional Planning.

6. Transport and communications

3.6.1 There are at present three organisations which look after the various subjects in the field of transport and communications :

I. Ministry of Railways (Railway Board)	Railways (except Railway Inspectorate)
II. Ministry of Transport and Aviation :	
A. Department of Transport and Shipping.	Road transport, shipping, navigation (including national inland waterways).
B. Department of Aviation and Tourism.	Aircraft and air navigation, meteorology, Railway Inspectorate and tourism.
III. Department of Communications.	Posts and telegraphs, telephones, wireless, overseas communications, Indian Telephone Industries and Hindustan Teleprinter Ltd.

3.6.2 "Railways" is a viable charge and has been so for decades. We see no difficulty, therefore, in recommending that a Ministry of Railways should continue separately in future also.

3.6.3 "Communications" became a separate charge from transport in September, 1963. Since the subject is a growing one, its separation recognises a genuine need. The secretary of the Department of Communications has a full charge, particularly as he is also chairman of the

P. & T. Board. The minister in charge handles parliamentary affairs in addition to communications, and so far as we can see the subject of communications by itself cannot provide enough work for a minister. We have separately recommended that the subject of parliamentary affairs should go over to the Prime Minister's charge. This suggests the need for the Department of Communications being grouped with other departments to form a viable political charge, keeping in mind considerations of work-load.

3.6.4 The subjects of transport, shipping and aviation are inter-related if viewed in the perspective of overall transport planning. Tourism is a subject in a class by itself, and could theoretically be placed away from these subjects. There is a view that tourism may suffer if it remains a small part of a large ministry of transport and communications, and that a better home for it might be the Ministry of Commerce, particularly because of the orientation of that ministry towards foreign exchange earning. Our own view is that, if tourism has suffered, this is not because of any locational handicap but rather because of lack of policy support from the government. Locating it here or there is not likely to make much difference. Tourism has an important nexus with the provision of transport facilities, and for that reason we do not feel that its present location calls for any change. In fact, we see no pressing reason to alter the present arrangements in regard to all the four subjects in this field. Grouping here has to be governed largely by work-load considerations, and we recommend the continuance of two separate departments, one for transport and shipping and the other for aviation and tourism.

3.6.5 A small point of some importance needs specific mention. The hotel industry requires to be placed squarely under the charge of tourism, and this should include responsibility for government hotels. This would involve transfer of some work from the Ministry of Works, Housing and Urban Development.

3.6.6 The three departments of Communications, Transport and Shipping, and Aviation and Tourism could, in our view, be very well looked after by a single minister and we recommend accordingly. His charge should be known as the Ministry of Transport and Communications.

7. Parliamentary affairs

3.7.1 The Department of Parliamentary Affairs was established in May, 1949. Its main tasks are :

- To ensure the disposal of official business in Parliament on a planned basis.

- To maintain liaison with all the ministries of the Government of India and the two Houses of Parliament.
- To ensure proper functioning of the informal consultative committees of Members of Parliament set up for each ministry.
- To co-ordinate government's views on recommendations of general concern made by Parliamentary committees and the fulfilment of assurances given by ministers in Parliament.
- To be responsible for the administration of Acts regarding the salaries and allowances of Members and officers of Parliament.
- To be generally in charge of miscellaneous matters relating to MPs, their powers, privileges and immunities, the nomination of MPs as members of committees set-up by government, and so on.

That an organisation is required to attend to these tasks is unquestionable. What we have addressed ourselves to is the right location for it.

3.7.2 This sector of the administrative machinery does not lend itself to easy analysis, since what is vitally involved is the parliamentary process and the conventions that develop out of that process. Four kinds of functionaries have come into existence over the years : the Prime Minister, the Leader of the House, the Minister for Parliamentary affairs and the Government Chief Whip. For many years the Prime Minister and the Leader of the House were one and the same person. At that time the Minister for Parliamentary Affairs did not have Cabinet rank and combined the functions of minister of state for parliamentary affairs with those of the government chief whip. In effect, therefore, there were at that time only two functionaries. Subsequently two major developments took place. One was that the holder of the office of the Minister of state for parliamentary affairs, who had handled this job ably for many years, became too senior a politician to be kept at the level of a minister of state, and his personal promotion to Cabinet rank led to the elevation of the post also and he became minister for parliamentary affairs. The other was the need to find a Leader of the House from amongst Cabinet Ministers who were members of the Lok Sabha, the present Prime Minister not being one. The office of Leader was assigned to the Minister for Parliamentary Affairs, and since this over loaded him, he shed his work in regard to the office of government chief whip. This last mentioned post then came to be held by a minister of state in the Department of Parliamentary Affairs.

3.7.3 It is only too clear that arrangements in this sector of administration depend very much on what is convenient politically in the handling of parliamentary work. Notwithstanding this difficulty, we would like to express ourselves in favour of the old arrangement under

which the Prime Minister was also the Leader of the House and was assisted in his duties by a minister of state for parliamentary affairs under him, who also functioned as government chief whip. This we believe is not only the most rational and logical arrangement; it is also one which is inescapably necessary for enabling the Prime Minister to discharge his functions in the matter of providing leadership in the relationship of Government with Parliament.

3.7.4 We consequently recommend that the subject of parliamentary affairs should be allotted to the Prime Minister's portfolio, and that he should look after this work as Prime Minister and Leader of the House. While it may be conceded that the Prime Minister should not ordinarily be burdened with direct charges, that should not be urged as an argument in the case of a subject like parliamentary affairs. What is necessary, in our opinion, is that the Prime Minister should avoid handling departmental charges in the ordinary sense, but having done that it is necessary for him to control in a direct way work of basic importance to the business of government. Elsewhere, we have suggested administrative reform as one such item. It seems to us that parliamentary affairs is clearly another one. Through the handling of these two subjects, the Prime Minister would have in his hands the reins of control over the political and the administrative processes, which after all meet at his level. Good government is very largely a question of adjusting these two processes to fit in with each other so that both work towards a common end in a co-ordinated manner. It is important that not only should the significance of this be recognised but that the Prime Minister should be enabled to act effectively in this field. We recognise that he need not be burdened with day to day responsibilities, and consider that the device of a minister of state for parliamentary affairs working under him would off-load him to the requisite extent.

3.7.5 Occasions may arise when it is not possible for the Prime Minister to be the Leader of the House as well. When such an exceptional situation occurs, the role of Leader should devolve on a senior Cabinet minister. In that event, it is this Cabinet minister in his capacity as Leader who should look after the bulk of the work of the Department of Parliamentary Affairs, of course under the overall guidance of the Prime Minister. There could still be a minister of state for parliamentary affairs, and in any case the subject should remain allotted to the Prime Minister's portfolio.

3.7.6 We suggest that there should be an administrative arrangement under which the Cabinet Secretary acts as a kind of principal secretary for the Department of Parliamentary Affairs, without being called so. The department should remain a separate one, but still have a link through its secretary operating under the overall discipline of the Cabinet Secretary. This arrangement is somewhat analogous to what we have

suggested for the Department of Administrative Reforms. The advantage in both cases is that the Cabinet Secretary is given a link with these basic items of work, which are considered important enough to be in the Prime Minister's portfolio. The arrangement also gives the facility to these two departments to invoke the Cabinet Secretary's authority, when need arises, in dealings with the various ministries.

3.7.7 Elsewhere in this report we have suggested the constitution of Parliamentary and public information committee of the Cabinet headed by the Prime Minister. The functions of the committee will include reviewing the progress of Government's business in Parliament and determining Government's attitude to non-official bills and resolutions.

8. Overall position

3.8.1 The proposals contained in the earlier sections of this chapter are to be read with a number of other recommendations in regard to grouping already covered in the chapter on nodal agencies. The net result of all our thinking is set out in a consolidated form in annexure IV. This annexure mentions the Cabinet Secretariat because of the pivotal position envisaged for it in the new scheme of things, though it does not handle business of a portfolio character.

3.8.2 The net result of this exercise may now be summed up. Work in the Government of India is parcelled out today among 23 ministers holding independent portfolios. These in turn are divided into 42 departments, the term being used in the usual sense of a secretary's charge. As against this, in the new scheme of things, there would be 21 minister's portfolios to be held as independent charges, divided into 41 departments. A list of the proposed portfolios and departments is at annexure V.

3.8.3 The Government of India (Allocation of Business) Rules require to be rationalised from the point of view of presentation and also of mentioning the core responsibilities of the different ministries and departments in a meaningful manner.

CHAPTER IV

MACHINERY AND PROCEDURES AT SUPRA-MINISTRY LEVELS

4.1 The main institutions in the machinery for the transaction of government business above the level of individual ministries are :

- the Council of Ministers
- the Prime Minister
- the Cabinet
- Cabinet committees
- inter-ministry committees of secretaries
- Cabinet Secretariat.

It is vitally important that these institutions should work efficiently because it is here that all major decisions are made. Also, institutions and personnel at lower levels take their cue from what goes on at this uppermost level. The working of these institutions is examined below.

Council of Ministers

4.2 Under the Constitution "the Council of Ministers shall be collectively responsible to the House of the People." The Council of Ministers includes three categories of ministers : Cabinet ministers (including the Prime Minister), ministers of state and deputy ministers. In 1947, the Council was composed of 16 members inclusive of the Prime Minister and the Deputy Prime Minister. Today, there are 51 members -- 15 Cabinet ministers (including the Prime Minister), 17 ministers of state and 19 deputy ministers; there are also 4 parliamentary secretaries. There has thus been a three-fold increase and more. Much of this is explained by the expansion of governmental business; some by the need to provide training opportunities to younger men; but a good bit can be ascribed to political compulsions. The present number is not alarming for a large country, but political uncertainties may at some future time make for a substantial swelling of this number. Such at least has been the experience in some states. There is room, therefore, for a convention being established now about the broad dimensions of the Council of Ministers. There can obviously be no inflexible rule about size but some general principles could be set down as part of what might become an accepted convention in this area:

- (a) The grouping of subjects into departments and of departments into ministries should be done purely on considerations of administrative efficiency, such as those suggested in this report. The arrangement so arrived at should not be lightly altered, and changes, if any, should be effected only after a thorough

study of administrative implications. On no account should the grouping be disturbed and new ministries carved out simply to provide for political contingencies.

- (b) Posts of parliamentary secretary should be utilised for inducting young and promising persons into administrative tasks, the age level to be tapped here being up to 40 years. Posts of deputy minister should provide training opportunities at a slightly later stage, say for persons up to 45 years.
- (c) All the four types of political posts have a purpose and value and should therefore continue. But within an individual ministry, there should not ordinarily be more than 2 levels, not counting parliamentary secretaries. At present, there are four ministries in which all the three categories of ministers, viz., Cabinet minister, minister of state and deputy minister, exist. The broad rule should be that in heavy ministries there should be a Cabinet minister assisted by either a minister of state or a deputy minister and, if necessary, further supported by a parliamentary secretary. In other ministries there could be a minister of state assisted by a deputy minister or a parliamentary secretary.
- (d) Wherever possible the charge of the second political executive in a ministry should be defined in clear terms.

The Prime Minister

4.3 The Constitution prescribes three duties for the Prime Minister : to be the link between the administration and the President (Article 78); to advise the President about the appointment of ministers (Article 75); and to be the head of the Council of Ministers (Article 74). Being the head of the Council of Ministers, and therefore of the Cabinet and the Government, casts on the Prime Minister the following responsibilities:

- providing leadership in policy formulation and implementation
- providing leadership in administrative efficiency
- providing leadership in establishing an effective communications bridge between the Government and the people, *i.e.*, public relations
- providing leadership in the relationship of the Government with the Parliament.

These, we recommend, should be considered the Prime Minister's primary tasks. It follows that there should be no portfolio in the Prime Minister's charge, or if there is one, it should not be of a kind that detracts from these primary responsibilities. There cannot obviously be an absolute rule in a matter like this. We do not preclude the possibility of a core subject like administrative reforms, and in emergencies subjects like defence, foreign affairs or planning (depending upon the nature of the emergency), being looked after by the Prime Minister.

4.4 Let it be said straightaway that there can be no substitute or prop for the quality of leadership. If a Prime Minister lacks this quality, no institutional arrangements can cure that. But what is important is to see that there are institutional arrangements through which the maximum advantage can be derived from the leadership that a particular Prime Minister is able to provide. The problem has to be viewed from two angles : there should be agencies for working out ideas thrown out by the Prime Minister or for developing candidate ideas for him to consider; and there should be channels of communication which ensure that the Prime Minister's ideas do get handed down for action.

4.5 There are two schools of thought about giving the Prime Minister institutional support for effective performance of leadership tasks. According to one, strengthening the Prime Minister's staff would tend to undermine ministerial authority and responsibility and would create administrative tensions that might nullify the good sought to be secured. This school of thought favours using the machinery already available within ministries, suitably strengthened if necessary, instead of creating new agencies. According to the other, the developing of agencies or thinking cells to give direct assistance to the Prime Minister for providing leadership in problems of an overall nature would meet a growing need of the sophisticated administration of today. The correct view in our judgment is a middle one. The Prime Minister *should* have institutional support, but

- it should not duplicate the work of individual ministries
- it should be related to overall issues which are sometimes missed when there is too sectoral an approach
- it should be developed only to the extent that quality experts are available to do this kind of job
- it should as far as possible be located in the Cabinet Secretariat rather than in the Prime Minister's office.

The tasks of providing leadership falling to the Prime Minister's lot are now examined in this background.

Policy formulation and implementation

4.6 The huge expansion of governmental business witnessed in recent years, coupled with the concept of ministerial responsibility (particularly in its overworked form sometimes evident), has led to ministries tending to become empires unto themselves. Theoretically intra-ministry policy and working is subject to Cabinet discipline; but too big an area escapes this discipline. The Prime Minister thus has the unenviable responsibility of keeping the enthusiastic minister from going too far or too fast, and prodding the sluggard into action. He can discharge this responsibility only if there is an efficient information system in operation. It is, therefore, suggested that ministers should be required under the rules of business to keep the Prime Minister informed of all major decisions in the realm of policy formulation and implementation. Preferably,

this should be in the form of short memoranda for Prime Minister's approval before decisions are finalised. But where decisions cannot wait such memoranda should be submitted after the event. Previous attempts in this direction have not been successful, but we feel they were not purposeful enough. Institutionalisation through an amendment of the rules of business and our recommendations for reorganising the Cabinet Secretariat (see para 4.22 below) should help to produce better results.

Administrative efficiency

4.7 Institutional support for providing leadership in this sphere will be available in the new arrangement visualised for the agency for administrative reforms working under the Prime Minister. There will in addition, be a Cabinet committee on administration to keep the machinery of the Government under constant review and to promote efficiency by all possible measures. We feel that, as is the practice in some states the Prime Minister should meet the secretaries and heads of department individually by rotation at least once in two months. This would help to keep him posted with what is happening in individual department and ministries.

Public relations

4.8 Increasingly heads of modern governments are feeling the need for an expert touch in the formulation of their public programmes and the drafting of their speeches. The present Prime Minister has made an innovation by the appointment of an information adviser on her staff. This, to us, appears to be a move in the right direction. The expert required for this purpose need not be an officer of the Cabinet Secretariat but may continue to be on the Prime Minister's personal staff, as at present.

Parliamentary affairs

4.9 In recent years Parliament has emerged as a powerful institution influencing both the Government and the people. With the spotlight very much on what goes on in Parliament, the Government cannot afford to present a poor picture of itself there. This calls for a more careful planning of government business in Parliament, a closer and more thorough scrutiny of non-official business, a better appreciation and anticipation of the issues likely to be raised in Parliament and consequently a greater degree of preparedness on the part of government to face situations in Parliament. It also calls for closer association of the Prime Minister as the leader of government with such deliberations. It is precisely for this reason that in another part of this report we have proposed that the Department of Parliamentary Affairs under a minister of state should be placed under the charge of the Prime Minister. For a similar reason, a standing Cabinet committee on parliamentary and public relations headed by the Prime Minister has been separately proposed.

The Cabinet

4.10 It is well accepted that for a Cabinet to function effectively it should be small and compact. Experts approaching the problem of size from the angles of political science and sociology are of the view that any group exercising collegiate responsibility is in its best numerical working conditions when it has 10 to 12 members. At present the Cabinet consists of 15 members. Generally speaking the size of the Cabinet in India has been kept within desirable limits. Nevertheless we feel that a convention should be established limiting the size of the Cabinet to around 12. This would have the twin virtues of helping towards men of the top-most standing only finding their place in the Cabinet and, what is more important, making it easier for the Prime Minister to make selections on the basis of merit.

4.11 Few will deny that the Cabinet should consider only matters of the highest importance and, as far as possible, nothing else. Also, it is desirable that no case falling within the purview of a standing committee of the Cabinet should be brought before the Cabinet unless (a) it has first been considered by the appropriate committee and referred to the Cabinet from there, or (b) the Cabinet, the Prime Minister or the chairman of the appropriate committee has directed that it should be brought before the Cabinet straightaway. The second schedule to the Government of India (Transaction of Business) Rules which lists cases that *must* be brought before the full Cabinet should, therefore, be amended to mention only those cases which the Cabinet, should see even after consideration by the appropriate Cabinet committees. This would leave the discretion to refer other cases to the Cabinet, to the appropriate Cabinet committee or its chairman. Such discretion will, in any case, be always available to the Prime Minister and the Cabinet. It is suggested that the position in this respect should be made clear in the rules of business. A revised list of cases which would be brought before the Cabinet under the proposed arrangement is at annexure VI.

4.12 Another means of ensuring that only the really important cases are brought before the Cabinet would be to incorporate in the rules of business a specific provision empowering the Prime Minister to have a particular issue proposed to be brought before the Cabinet examined further, or to remit it for investigation to a standing Cabinet committee or an *ad hoc* committee of ministers, or to have it settled in any other appropriate manner.

4.13 We feel that more use can be made of the provision in the rules of business whereby matters can be brought before the Cabinet at the Prime Minister's instance. Under the Prime Minister's guidance and encouragement the Cabinet should sometimes discuss matters informally without agenda or on the basis of brief notes prepared in the Cabinet Secretariat. It is such discussion that would transform the Cabinet into an initiator of ideas rather than a bench to give rulings on matters referred to it.

Cabinet committees

4.14 There are two possible ways of focussing supra-ministry attention on particular sectors of administration short of Cabinet level consideration and short also of the Prime Minister having to intervene. One is the system of having deputy prime ministers, or a variant of the idea in the shape of 'overlord' ministers. Although the concept of deputy prime ministers supervising the work of groups of ministers has never been tried in India, its variant of 'overlord' ministers was tried in U.K. and failed. The main difficulty in such a system is that responsibility becomes divided and so also does answerability to Parliament. Also deputy prime ministers or 'overlord' ministers can be effective only if their political standing in the party is of similar character, and this kind of matching is not only difficult to achieve but also renders the whole idea of having deputy prime ministers as a system unfeasible due to the uncertainty involved.

4.15 The other device is that of Cabinet committees. But such committees can provide an effective alternative only if they are operated in a manner substantially different to what is today the case. Some of the committees have hitherto not been meeting regularly, while some others have almost fallen into disuse. The composition of the committees also leaves much to be desired. Most Cabinet committees are loaded with Cabinet ministers; some ministers of state do not figure at all in any Cabinet committee, even though they are in independent charge of ministries; no deputy minister is included anywhere. Significant sections of the Council of Ministers are therefore excluded from the deliberative apparatus of the Cabinet. The subjects covered by the Cabinet committees in existence today range from the most important (emergency and economic co-ordination) to the almost trivial (location of offices in Delhi). The committee on industries consists of three Cabinet ministers and "the minister of the ministry or department concerned"; this is an unsatisfactory method of constituting a committee. Committees are empowered to take decisions only if matters have been referred to them by order of the minister concerned or by the Cabinet; thus neither the Prime Minister nor the chairman of a committee can refer a matter for decision in a committee.

4.16 A new approach to Cabinet committees should cover the following points :

- (a) Cabinet committees should be so formed that between them they span all important aspects of governmental functioning. This would ensure that almost nothing goes to the Cabinet without being intensively considered by some Cabinet committee or the other.
- (b) Ordinarily the Prime Minister should not be chairman of any Cabinet committee, although this need not be an inflexible rule. The Prime Minister should, for instance, head the Cabinet

committee on defence and foreign affairs, and the one on economic affairs, and any other that he thinks important enough. In any case, nothing should preclude the Prime Minister attending particular meetings of Cabinet committees of which he is not chairman when important issues are under consideration.

- (c) The composition of Cabinet committees should be such that all ministers in charge of subjects covered are included, subject to the number not going above, say, 8 for an average situation.
- (d) The attempt should be to involve all members of the council of ministers in some Cabinet committee or the other, thus providing for all a feeling of participation in the total process of Government.
- (e) Following the New Zealand practice, each Cabinet committee should have at least one minister from sectors other than the subjects entrusted to the committee. This would bring to bear on problems a mind that is fresh and unencumbered by special attitudes.
- (f) The rules of business should provide that chairmen of Cabinet committees function in a manner somewhat analogous to the Prime Minister *vis-a-vis* the Cabinet. For instance no matter should be referred to a committee unless it has been seen by the chairman, or of course unless the Prime Minister or the Cabinet have so directed. This would, in particular, enable a chairman to have a particular matter raised examined further or to have it referred to the Cabinet straightaway.
- (g) Cabinet committees should be serviced by well-manned cells in the Cabinet Secretariat (see para 4.22).
- (h) Each Cabinet committee should meet at regular intervals whether there is agenda or not. To ensure attendance, there could be fixed days for each committee, say, second and fourth Mondays of the month for one committee, third Friday for another and so on. Informal discussion or review on agenda-less days could prove a fruitful and powerful source of new ideas, depending on the leadership provided by the chairman and the contribution made by members.

4.17 In the light of these principles and the grouping of subjects suggested elsewhere, we have drawn up a new list of the proposed standing committees of the Cabinet and some thoughts about their composition and functions. The proposed list is at annexure VII. Column 3 of this annexure mentions ministers who, because of their direct interest in the subjects assigned to the committee, should necessarily be members. Subject to such convention as may be adopted regarding the optimum size of a Cabinet committee, the remaining seats on each committee may be filled by the Prime Minister in his discretion having regard to the degree

of interest of ministries not represented, the capabilities and aptitudes of individual ministers and the principles at (d) and (e) of the preceding para. This statement, *minus* column 3 regarding composition, should eventually replace the First Schedule to the Government of India (Transaction of Business) Rules.

4.18 While the number of Cabinet committees is suggested to be brought down from 13 to 11, the area that the new committees will cover will be larger than now and will extend to almost all important aspects of governmental functioning. The more important among the changes introduced are discussed below.

- (i) There will be a Cabinet committee on administration, which will be concerned with keeping the administrative machinery of the Government of India in a state of good repair and with promoting efficiency through all possible measures. This will involve providing leadership and guidance in the fields of personnel administration and administrative reform. Although the administrative reforms agency will be located under the Prime Minister, the Home Minister is suggested as the chairman of this committee so as to avoid overburdening the Prime Minister. Cases concerning administrative reforms proposed to be brought up to the committee need not be cleared first by the Prime Minister as minister in charge; clearance by the Home Minister should do. The rules of business will have to make this clear. Individual cases of appointment to key posts should not be within the committee's purview; they should be dealt with more or less as at present, *i.e.*, the Prime Minister's approval should be taken through the Home Minister.
- (ii) The existing three committees in the economic field will be merged into a single committee known as the Cabinet committee on economic affairs.
- (iii) Since problems of defence are inseparable from those of foreign affairs (and *vice versa*), a single committee, *viz.*, a Cabinet committee on defence and foreign affairs headed by the Prime Minister is proposed. This will replace the present Emergency Committee of the Cabinet.
- (iv) The existing Cabinet committee on Industry is proposed to be replaced by a committee on Commerce and Industry whose functions will also include promotion of international trade, consideration of overall problems concerning public sector enterprises, and questions of consumer protection.
- (v) A new committee to be known as the committee on internal affairs of the Cabinet is proposed to consider questions regarding the internal security of the country. This committee will also be responsible for sanctioning withdrawals otherwise than in accordance with competent legal advice of prosecutions instituted by or at the instance of the Government of India.

Under the existing rules of business such cases require the approval of the full Cabinet.

- (vi) Another new committee to be known as the Cabinet committee on Centre-state relationships is proposed to consider, in a continuing fashion, problems in the federal set-up of the country, particularly in the context of the new situation in which several state governments are to be of a political complexion different to that at the Centre.
- (vii) The existing two Cabinet committees on transport and tourism will be combined and the new committee made responsible for matters concerning communications also.
- (viii) A new committee is proposed for one of the most vital sectors of governmental functioning, viz., science and technology. Apart from overseeing the implementation of the scientific policy resolution and co-ordinating government's total effort in research and development, this committee will also review measures for import substitution. It will need to work in close concert with the committee on Commerce and Industry.
- (ix) A committee on social services is proposed for considering problems in the field of social services, i.e., education, family planning, health and social security measures, including labour welfare. This committee may be headed by one of the Cabinet ministers in this area to be nominated by the Prime Minister. With the setting up of this committee, the existing Cabinet committee on family planning will cease to exist.
- (x) A new committee to be known as the Parliamentary and Public Information committee of the Cabinet is suggested. Beside taking over the 'parliamentary affairs' functions of the present Parliamentary and Legal Affairs Committee of the Cabinet, it will also deal with problems of publicity and public relations. This committee's functions will include the consideration of proposals to summon or prorogue the Houses of Parliament or dissolve the House of the People; at present these require to be considered by the full Cabinet. As the Department of Parliamentary Affairs will be in the charge of the Prime Minister the committee should be headed by the Prime Minister. Incidentally, this arrangement will give the Prime Minister much needed institutional support in the fields of parliamentary affairs and public relations.

4.19 *Ad hoc* committees of ministers would still be necessary but their functions should be substantially different from those of the standing committees of the Cabinet. They should merely investigate particular issues and report back to the Cabinet or the Cabinet committee, as the case may be. The distinction between standing committees of the Cabinet and *ad hoc* committees of ministers should be made clear in the rules of business.

Secretaries' committees

4.20 The present list of committees of secretaries bears little comparison with the list of Cabinet committees. In some cases issues are first considered by committees of secretaries before they are referred up to the Cabinet or its committees, while in others they are referred direct to the Cabinet committee or the Cabinet. We suggest that committees of secretaries should exist as shadow committees at the administrative level for every Cabinet committee. These secretaries' committees should consider all matters to be sent to Cabinet committees a day or two prior to the meetings of the latter, so that areas of disagreement are narrowed and the resultant issues brought up for discussion in the Cabinet committees are carefully examined in advance. The composition of secretaries' committees should, as far as possible, reflect the composition of Cabinet committees. A special point requiring mention is that the secretaries' committee on administration should invariably have the Personnel Secretary and the Home Secretary as members. All important committees of secretaries should normally be presided over by the Cabinet Secretary. Since the proposed secretaries' committees are meant to be part of a standing institutional arrangement for handling work at supra-ministry levels, we suggest that they should be recognised in the rules of business.

4.21 We recognise that these secretaries' committees may require to be supported by committees or other inter-ministry consultation arrangements at lower levels, particularly at the technical level, for the picture in regard to co-ordinated functioning to be completed. But this is not the place to go into that area. We may have something to say on the subject in our next report.

Cabinet Secretariat

4.22 Despite very able and senior civil servants having functioned as Cabinet Secretary, the institution as such has been the object of some criticism on the score that it has not been effective enough in securing co-ordination, ironing out differences and helping to infuse into the governmental machinery a sense of unity of purpose. Comparisons are drawn with state governments where chief secretaries enjoy a pre-eminent position. Everyone is however agreed that the Cabinet Secretariat should be strengthened. Our recommendations in this respect are stated below.

- (1) With the transfer of statistics to the Department of Economic Affairs, the Cabinet Secretariat will consist merely of the Department of Cabinet Affairs. The Military Wing of this department provides secretariat support to the Defence Minister's committee, the Chiefs of Staff committee and other committees dealing with defence. We feel that this wing should be transferred over to the Ministry of Defence.
- (2) The rest of the department should be called the Cabinet Secretariat and should be so reorganised as to have cells specialising

in broad areas of governmental functioning. The main functions of such cells would be.

- To keep the Prime Minister posted with happenings in ministries.
- To receive memoranda of major decisions from ministers and put them up to the Prime Minister.
- To service Cabinet committees, if any, relating to the group of ministries assigned to them.
- To act as the *aides* of the Prime Minister, the Cabinet and the Cabinet committees in giving shape to new policies in supra-ministry fields.
- To keep in touch with follow-up of the Prime Minister's suggestions or the decisions of the Cabinet and its committees.

We recommend that eight such cells, as listed in annexure VIII should be organised. We appreciate there is a risk of this arrangement undermining ministerial responsibility, but it is worth taking because of the advantages to be secured. The risk can be avoided, or at least minimised, by insisting on very careful selection of officers to man these cells and by giving each cell a charge wide enough to rule out the possibility of unhealthy interest developing in a single ministry. One or more cells, depending on the workload, should be headed by a senior officer of joint secretary's rank, drafted in for the purpose from the sectoral ministry concerned on the basis of his ability, experience and knowledge. The posting of this officer should be strictly on a tenure basis, the tenure not exceeding 3 years.

- (3) It may be worthwhile experimenting with importing talent from outside government for utilisation in the appropriate cell in addition to the service personnel there. Imported experts should be appointed on contract for limited periods, should be subjected to the Official Secrets Act, and should function essentially as advisers. The extent to which this idea of importing outside talent can be experimented with will depend largely on the availability of persons of the requisite calibre. If suitable persons can be found and if they are made use of, this could become significant source of fresh ideas.
- (4) The joint secretary in charge of a cell should function as secretary of the secretaries' committees serviced by that cell, and also (on behalf of the Cabinet Secretary) of the related Cabinet committee. He should also be present at the meetings of the Cabinet when matters concerning the ministries assigned to his charge are discussed.
- (5) In addition to the functions listed in (2) above, each cell should obtain and scrutinise copies of important orders issued by

different ministries and the periodical reports for the Prime Minister or the Cabinet prescribed under the rules of business or other instructions to see that the implementation of Cabinet decisions is both correct and prompt and to bring to the notice of the Prime Minister through the Cabinet Secretary any instances of default by individual ministries.

- (6) The position of the Cabinet Secretary should be recognised in the Government of India (Transaction of Business) Rules.
- (7) Cases involving difference of opinion between two or more ministries should be reported by the secretary concerned to the Cabinet Secretary at as early a stage as possible so that the latter's good offices may be available for removal of the difference through informal consultation at administrative level.
- (8) If a question arises as to the ministry to which a particular case belongs it should be referred to the Cabinet Secretary who should decide the question after obtaining the orders of the Prime Minister, if necessary.
- (9) The Cabinet Secretary should, as has been proposed for the Prime Minister in para 4.7, meet secretaries periodically by rotation.
- (10) The Cabinet Secretary should be given a salary which brings out his pre-eminent position *vis-a-vis* other secretaries.
- (11) The Cabinet Secretariat being essentially the staff arm of the Cabinet providing secretarial assistance, should not be regarded as a department of the Government of India for the purpose of allocation of government business. Reference to it should consequently be deleted from the first and the second schedules to the Government of India (Allocation of Business) Rules. Instead, it is necessary to recognise its existence in the Government of India (Transaction of Business) Rules.

4.23. We have attempted a revision of the Government of India (Transaction of Business) Rules in the light of the recommendations made in this chapter, and the revised rules can be made available at the stage of implementation, should our ideas be found acceptable.

CHAPTER V

METHODOLOGY

5.1 The study team was constituted by the Administrative Reforms Commission on the 13th May, 1966 and comprised the following :

Shri S. G. Barve Member, Planning Commission	<i>Chairman</i>
Shri K. C. Pant, Member Parliament	<i>Member</i>
Shri K. T. Chandu Chairman, Food Corporation of India	”
Shri M. R. Chopra Vice-Chancellor, University of Roorkee	”
Dr. J. N. Khosla Director, Indian Institute of Public Administration	”
Shri N. K. Mukarji Joint Secretary, Department of Administrative Reforms.	<i>Member-Secretary</i>

The team was expected to examine the machinery of the Government of India and its procedures of work and to make recommendations. There was nothing more said in the way of terms of reference.

5.2 At the very first meeting, the team considered a paper styled “Scope of work and approach”, which made an analysis of the major problems in the field of study allotted to us and suggested a selective approach. The decisions taken at this initial meeting provided the foundation for the subsequent work of the team. A selective approach was necessary in view of the very wide area entrusted to us, and the short time in which we were required to complete our work. There was also the consideration that anything more elaborate might have tended to blur the really important points. A list was drawn up of working papers to be prepared on the basis of the approach decided above; priority was given to matters relevant to this first part of the report. As the study proceeded it became necessary to make additions and modifications to the list of working papers.

5.3 A study of this kind has to rest on a solid foundation of facts: about the existing situation, about the previous history of organisation and procedures, and about the position obtaining in selected foreign

countries. The burden of gathering information and data fell on the research staff made available to us from the Department of Administrative Reforms. Addressing the ministries for factual information of an elaborate nature would have delayed matters and would also have thrown a heavy and unwelcome burden on them. Therefore, the research staff was encouraged to collect information on an informal basis. Full use was, of course, made of the material supplied by the ministries in reply to a circular letter addressed to them by the Secretary of the Administrative Reforms Commission. For information relating to other countries, reliance was placed on published material as well as information and data secured on an informal basis from a variety of knowledgeable sources, not excluding persons in the diplomatic field.

5.4 It is also important for such a study to take account of the opinions of persons who may be expected to have useful views. We sent out a structured questionnaire to no less than 443 addressees, among whom were ministers, prominent Members of Parliament, political personalities, secretaries to government, officers at different levels in the Central and state governments, vice-chancellors of universities, professional and commercial bodies, and so on – all on a selective basis. It is the fate of most questionnaires that the very people whose views could be most valuable are unable to find the time to send thoughtful replies. In order that our questionnaire should not meet this fate, at least in regard to some of the outstanding figures whom we addressed, we arranged interviews with them. At these interviews, a member of the research staff took notes and later reproduced the views expressed in the form of a draft reply to the questionnaire. This was seen by the person interviewed before it became a part of our records. The plan was to meet thirty-three eminent persons, but it was possible to hold interviews in sixteen cases only. We wish to take this opportunity to record our grateful thanks to all those who responded so readily to our questionnaire and also to those who found time to accede to our request for personal interview. Their views have been of great value in the development of our own thinking.

5.5 The task of the study staff was to prepare background and working papers on the basis of the material gathered in the above manner, keeping in view the selective approach already settled. The draft working papers attempted to analyse the major problems in particular sectors and then went on to suggest remedies. In order that this process of analysis and evolution of remedial measures should receive as broad a measure of thinking as possible, we approved a suggestion of the member-secretary that the draft working papers should be discussed in informal gatherings of senior officers drawn from different ministries. The deliberations of such thinking groups assisted in no small measure the formulation of working papers for the consideration of the study team, and indeed the thinking of the study team itself. We owe a special debt of gratitude to all those who participated in these background discussions.

5.6 In all we considered twenty-eight working papers in fourteen sessions spread over twenty-four days. The normal practice was for the consideration of a particular working paper to be completed before we went on to the next. But this was not always possible because the subject-matter of some of the working papers was closely connected with that of others. And in any case we arrived at tentative conclusions only, realising that final conclusions would be possible only when all the working papers relevant to this report had been considered and a complete picture was available. In other words, the entire ground was reviewed towards the close of our work, and at that stage many of our earlier decisions were reviewed and modified.

5.7^a The field of study entrusted to us was such that we often found ourselves considering matters which could be regarded as falling within the jurisdiction of other study teams looking into special aspects of administration. It became necessary to ensure in such cases that we went only so far as was directly necessary for our own study, and also that in this limited area there was the maximum possible co-ordination with the other study teams concerned. Copies of all working papers prepared on our side, as also the proceedings of meetings of the study team, were made available to all the other study teams. More specifically, other study teams were requested to consider such of our decisions as impinged on their work and to let us know their reactions. We encouraged a process of personal discussion at the level of the study staff. Our report takes full account of the reactions communicated to us by other study teams, and we are grateful to our colleagues in those study teams for assisting us in this manner, even though we did not always find it possible to agree with them.

5.8^c We welcomed a suggestion of the Cabinet Secretary that the draft of our interim report should be discussed in a committee of secretaries. The thinking of the committee of secretaries so called proved to be of very great value to us, particularly as we recognised that it represented the views of persons with a practical knowledge of administration and experience of the kind of problems we were examining. There was a wide measure of agreement between the committee of secretaries and ourselves, made still wider by a process of interchange of views narrowing the area of disagreement. We are grateful to the Cabinet Secretary and his colleagues for the time and thought given to us in this manner. We are particularly grateful to those secretaries who responded to our invitation to discuss the draft of our report with us.

5.9 The Chairman of the Commission addressed us in one of our early meetings and we are beholden to him for the encouragement he gave us throughout our work in various ways. We shall feel gratified if this exercise proves of some use to the members of the Administrative Reforms Commission in arriving at their own recommendations on the machinery of the Government of India.

SUMMARY OF RECOMMENDATIONS

Chapter II – NODAL AGENCIES

2. *Personnel administration*

*1. An effective central personnel agency responsible for all functions of an overall character in the field of personnel administration should replace the present dual control by the services wing of the Ministry of Home Affairs and the establishment division of the Ministry of Finance.

[Paras 2.2.4 and 2.2.5]

2. The central personnel agency should have jurisdiction in relation to all types of government personnel except for members of armed forces and ambassadors and senior counsellors abroad. In respect of public sector employees, it should play only a limited role.

[Para 2.2.5]

*3. The central personnel agency should have sufficient powers to deal with individual personnel cases involving financial implications such as fixation of pay, and should have its own finance officer for expert financial advice.

[Para 2.2.5]

*4. Administrative ministries should continue to enjoy a wide measure of delegated powers and, if possible, the area of delegation should be further widened particularly in the matter of management of departmental cadres.

[Para 2.2.5]

5. The core functions of the central personnel agency should be as listed in paragraph 2.2.6.

[Para 2.2.6]

*6. The right location for the central personnel agency is the Home Ministry where it should take the form of a Department of Personnel, with a full-time and wholly independent secretary.

[Para 2.2.9 and 2.2.10]

7. The present arrangement under which the Cabinet Secretary has an important place in the matter of making key postings should continue, with the Personnel Secretary instead of the Establishment Officer, feeding the Cabinet Secretary.

[Para 2.2.10]

Note: The recommendations marked with an asterisk (*) are of basic character.

8. A convention should be developed under which the Cabinet Secretary should be regarded as a kind of secretary-general of the Department of Personnel so as to be in a position to provide leadership in the matter of personnel policies.

[Para 2.2.10]

9. The Home Secretary should invariably be a member of secretaries' committee in support of the Cabinet committee on administration.

[Para 2.2.11]

*10. Conscious efforts should be made to induct into the central personnel agency persons from a variety of services, including the technical and professional.

[Para 2.2.12]

11. Apart from a management and policy division, the proposed Department of Personnel should have divisions for training and research, vigilance and grievances, and finance.

[Para 2.2.12]

*12. There should be a standing council of personnel administration, mainly a professional body, for advising the central personnel agency.

[Para 2.2.13]

*13. The Cabinet committee on administration presided over by the Home Minister should keep an eye on the work and problems of the central personnel agency, and give this work the maximum possible support.

[Para 2.2.14]

3. *Financial administration*

*14. Full operational freedom for programme implementing agencies, supported by internal units for financial management should replace the centralisation of financial powers in the Finance Ministry.

[Para 2.3.2]

15. Some of the existing restrictions on powers of re-appropriation delegated to ministries unnecessarily limit the scope of operation of other financial powers and should be removed.

[Para 2.3.3]

*16. The Finance Ministry should retain only specified financial powers consistent with its overall responsibility for financial management, all the residuary powers going to administrative ministries for operational independence.

[Para 2.3.4]

17. As far as possible, every administrative ministry should have an internal financial adviser of the status of joint secretary responsible to the secretary for all aspects of financial management listed in para 2.3.5 in respect of the ministry proper as well as its executive agencies.

[Para 2.3.5]

18. Consistent with its overall responsibility for financial management of the Government, the Finance Ministry will have to perform tasks specified in para 2.3.6.

[Para 2.3.6]

19. Finance Ministry should continue to perform economic and fiscal functions of a nodal character listed in para 2.3.7.

[Para 2.3.7]

20. The Bureau of Public Enterprises should be transferred from the Ministry of Finance to the proposed Department of Industrial Development.

[Para 2.3.8]

21. The establishment division of the Department of Expenditure should be transferred to the proposed Department of Personnel in the Ministry of Home Affairs.

[Para 2.3.8]

*22. Financing institutions, both industrial and agricultural, while continuing to remain under the Finance Ministry, should increasingly obtain guidance about broad priorities from the sectoral ministries concerned and not Finance.

[Para 2.3.8]

23. Cultivation and manufacture of opium and opium products, preparations involving alcohol and narcotics may continue to be located in the Ministry of Finance.

[Para 2.3.9]

24. After rationalisation the work of the Finance Ministry could be looked after by two departments - Department of Revenue and Expenditure and Department of Economic Affairs. The Department of Co-ordination should cease to exist, its functions being distributed between the reorganised Department of Economic Affairs and the proposed Department of Industrial Development.

[Para 2.3.10]

4. Planning and economic co-ordination

*25. The Planning Commission should continue to operate as a non-statutory commission with the Prime Minister as its chairman.

[Para 2.4.5]

*26. The functions of the Planning Commission, particularly those of an executive nature should be cut down to the minimum, consistent with the essential tasks of planning.

[Para 2.4.5]

*27. The Planning Commission should consist normally of non-ministers only except for the Prime Minister as chairman and according to the exigencies of the time, deputy chairman also as minister for planning.

[Paras 2.4.5. and 2.4.8]

*28. Planning as a function should be looked after by a ministry under the minister for planning. If the best man for deputy chairmanship of Planning Commission is available in political circles that functionary should also be the minister for planning. Otherwise the planning portfolio should be allotted to the Prime Minister who should be assisted by a minister of state.

[Paras 2.4.6. and 2.4.7]

29. The pattern of organisation for the ministry of planning should be a commission rather than a conventional secretariat, functions like evaluation and progressing being discharged by an agency within the ministry but outside the commission.

[Para 2.4.7]

*30. There should be a Cabinet committee for economic affairs, as the effective decision-making body for planning, having as essential members the Prime Minister, the Minister of Planning (if there is one) and the Minister of Finance. It should look after both economic co-ordination and planning.

[Paras 2.4.8 and 2.4.9]

*31. Economic co-ordination should remain the sole function of the Ministry of Finance, more particularly of the Department of Economic Affairs.

[Para 2.4.10]

5. Industrial co-ordination and commerce

*32. There is need for a nodal agency from which effective leadership and initiative can flow in overall matters relating to industrial problems.

[Para 2.5.6]

33. The functions of the nodal agency for industrial co-ordination should be as listed in paragraph 2.5.7 read with annexure I.

[Para 2.5.7]

34. The functions of the expanded Bureau of Public Enterprises should be as indicated in annexure II.

[Para 2.5.7]

*35. While the ideal to work towards over a period of time should be a combined ministry of commerce and industry, the two should continue to remain separate for some time to come.

[Para 2.5.11]

*36. There should be a ministry of industry, the most important component of which should be the nodal Department of Industrial Development.

[Para 2.5.13]

*37. The Ministry of Industry should also look after engineering and such residual industries as have no compelling reason to be placed elsewhere.

[Para 2.5.13]

*38. The secretary in charge of the nodal Department of Industrial Development should have the co-ordinating role for the work of the ministry as a whole.

[Para 2.5.13]

*39. There should be a ministry of commerce, the area of operation of which should be much the same as now. It should also be squarely responsible for commercial policies, both external and internal and should in addition look after industries specially significant from the export angle.

[Para 2.5.13]

*40. There should be a single Cabinet committee to look after policy-making and co-ordination in the twin fields of commerce and industry with a single supporting secretaries' committee.

[Para 2.5.13]

41. Special attention should be given in the Ministry of Commerce to consumer protection. The scope of the ministry's responsibilities in this regard should be widened to include matters like consumers' co-operatives, policy in regard to prices (particularly in the context of internal and external price levels) and so on.

[Para 2.5.15]

6. *Science and technology*

*42. Functions such as those listed in para 2.6.3. for promotion of science and technology need to be performed from a nodal point.

[Paras 2.6.2 and 2.6.3]

*43. Atomic energy and science and technology must be kept apart at least for the present.

[Para 2.6.6]

***44. There is a need for a ministry of science and technology and vesting it with prestige and authority adequate for purposeful implementation of the scientific policy resolution.**

[Para 2.6.8]

45. The proposed Ministry of Science and Technology should perform certain broad functions as listed in para 2.6.9.

[Para 2.6.9]

46. Responsibility for advancement of higher mathematics should be transferred from the Department of Atomic Energy to the proposed Ministry of Science and Technology.

[Para 2.6.9]

47. The staffing pattern of the proposed Ministry of Science and Technology should be unconventional somewhat on the lines of the Department of Atomic Energy.

[Para 2.6.10]

48. There should be a Cabinet committee on science and technology for overseeing implementation of the scientific policy resolution and coordinating the total effort of government in research and development. The present scientific advisory committee to the Cabinet would then cease to function.

[Para 2.6.10]

7. Regional planning

***49. There is an urgent need for setting up an effective nodal agency for regional planning.**

[Para 2.7.1]

50. Eventually regional plans should cover the entire country and take into account techno-economic factors, social and geo-political factors and financial factors.

[Para 2.7.2]

51. Problems of regional planning needing immediate attention would be those listed in paragraph 2.7.3.

[Para 2.7.3.]

***52. The central agency for regional planning should have within its fold responsibility for town and country planning, urban development, housing, lands, and local self government, at present dispersed over different ministries.**

[Para 2.7.5]

53. The proposed central agency should be set up in the form of a department of regional planning. Its main functions should be as listed in para 2.7.6.

[Paras 2.7.5 and 2.7.6]

*54. When regional planning gains importance it can justify a full-fledged ministry. For the present, however, the proposed Department of Regional Planning should be grouped with Departments of Health and Family Planning to form a single ministry.

[Para 2.7.7]

55. The internal organisation of the proposed Department of Regional Planning should be such as to ensure that expert personnel are drawn into the regional planning process from all the important disciplines involved. Details can be worked out by its administrative head when nominated.

[Para 2.7.8]

56. The central agency should not take it upon itself to do the entire planning work from a New Delhi-based office but should be concerned with promoting the setting up of adequate planning units within states where the major work is to be done.

[Para 2.7.8]

8. *Construction and common services*

*57. The three common service items lodged in the Ministry of Works, Housing and Urban Development, namely, public works, printing and stationery and government estates, should remain together - supply and disposals now with the Department of Supply and Technical Development should also be grouped with them.

[Para 2.8.3]

58. The new name for the ministry dealing with common services should be the Ministry of Works and Supply.

[Para 2.8.3]

*59. Other functions at present performed by the Ministry of Works, Housing and Urban Development should go over to appropriate functional ministries, thus urban development and housing to the proposed Department of Regional Planning, government hotels to the Department of Civil Aviation and Tourism, and rehabilitation markets to the Delhi Administration.

[Para 2.8.3]

*60. Ministry of Defence should have only two departments: Department of Defence and Department of Defence Production. Work of defence supplies now attended to in the Department of Defence Supplies should be transferred to the reorganised Ministry of Works and Supply. Development of civil capacity for defence purposes should be the responsibility of the Department of Defence Production.

[Para 2.8.4]

*61. While there is no need for a ministry of construction, a directorate of construction should be created in the Ministry of Works [and Supply to handle the tasks enumerated in paragraph 2.8.5.

[Para 2.8.5]

9. *Statistics*

*62. The Central Statistical Organisation should be strengthened so that it may function effectively as a nodal agency, promoting the work of statistics in all branches of government, co-ordinating and attending to all overall tasks like management of statistical cadres, statistical man-power planning, the setting of standards and so on.

[Para 2.9.2]

*63. The Department of Statistics should be located in the Ministry of Finance as a separate entity although it need not for that reason be headed by a secretary.

[Para 2.9.3]

64. The Central Statistical Organisation should be so placed organisationally as to deal directly with the administrative head of the department and the Finance Minister.

[Para 2.9.4]

10. *Administrative reforms*

65. The functions of the central agency for administrative reforms should be as listed in para 2.10.2.

[Para 2.10.2]

*66. The Department of Administrative Reforms should be allocated to the Prime Minister's charge and should operate under the overall control of the Cabinet Secretary.

[Para 2.10.3]

*67. The proposed Cabinet committee on administration and its supporting committee of secretaries will deal with problems of personnel administration and administrative reforms, thereby maintaining the essential link between the two.

[Para 2.10.4]

68. Staff Inspection Unit should continue to be lodged in the Department of Expenditure.

[Para 2.10.5]

69. Management part of the management and development administration division of the Planning Commission should be transferred to Bureau of Public Enterprises under the nodal Department of Industrial Development, and the other part, namely, development administration should merge in the Department of Administrative Reforms.

[Para 2.10.5]

70. Department of Administrative Reforms should be organised on lines that will enable it to discharge effectively the expanded functions proposed for it.

[Para 2.10.6]

Chapter III – GROUPING OF SUBJECTS

1. *Genreal*

*71. All business requiring to be distributed under the portfolio system inherent in Article 77 of the Constitution should be distributed amongst ministers and it should become part of some ministry or the other, exceptions being parliamentary affairs, atomic energy and administrative reforms.

[Para 3.1.2]

*72. Within individual ministries, the business relating to the portfolio of a particular minister should normally be handled in administrative units styled “departments”. If there is a single department in a ministry, that should be known as a ministry rather than a department.

[Para 3.1.3]

*73. As far as possible, the function of co-ordination in a multi-department ministry should be allotted to one of the constituent departments, thus making it a special charge for the secretary heading it.

[Para 3.1.4]

*74. Two main criteria for determining grouping of subjects are rationality and manageability, tempered by considerations of stability.

[Para 3.1.5]

2. *Home affairs*

75. There is no need to disturb the existing arrangement in which certain items of work relating to judicial administration are handled in the Home Ministry and some others in Law.

[Para 3.2.3]

*76. The Ministry of Home Affairs should function as a kind of nodal agency in regard to the work of Union territories focussing attention on fundamental matters. Primary answerability to Parliament in regard to all work concerning Union territories should also vest here rather than remain dispersed as at present. This work should be handled through a separate department of Union territories.

[Para 3.2.4]

77. There should be a parliamentary committee on Union territories on the lines of the committee on public undertakings to keep an effective eye on the administration of these territories.

[Para 3.2.4]

78. Man-power administration should be transferred to the Ministry of Labour and Employment.

[Para 3.2.5]

79. Prohibition should be transferred to the agency which handles social welfare.

[Para 3.2.5]

80. Problems of Nagaland should be handled in the Ministry of Home Affairs instead of in the Ministry of External Affairs.

[Para 3.2.5]

81. With the formation of the Departments of Personnel and Union Territories, it would be appropriate for the remaining work in the Ministry of Home Affairs to be handled in a department of home.

[Para 3.2.6]

82. The services of the secretary to the Department of Union Territories may be utilised for the handling of such other work as may be allotted to him in the otherwise heavy charge of the Department of Home.

[Para 3.2.6]

83. The Ministry of Home Affairs should have three departments: a department of home, a department of Union territories and a department of personnel. The Home Secretary should play a co-ordinating role as between the first two of these. The position of the Personnel Secretary should be independent of the Home Secretary but linked in a way to the Cabinet Secretary.

[Para 3.2.7]

3. Industries

*84. There should be only two ministries outside the nodal Ministries of Industry and Commerce, one to look after steel and associated sectors of industry and the other to be responsible for oil and sectors of industry that go naturally and conveniently with that.

[Para 3.3.3]

*85. All the remaining industries should stay in the Ministry of Industry except those which could be transferred to the Ministry of Commerce because of their export orientation.

[Para 3.3.3]

86. The ministry to look after the steel complex and allied industries should be styled as the Ministry of Steel, Mines and Metals comprising two departments, one for iron and steel and the other for mines and metals.

[Para 3.3.4]

87. Steel structurals should be transferred from the Department of Iron and Steel to the Department of Engineering Industries in the proposed Ministry of Industry.

[Para 3.3.4]

88. The ministry to look after the oil complex and associated industries should continue to be designated as Ministry of Petroleum and Chemicals. Some of the chemical industries, now located in the Ministry of Industry, should be transferred here.

[Para 3.3.4]

89. The Ministry of Petroleum and Chemicals should continue to have two departments, one for petroleum and the other for chemicals.

[Para 3.3.4]

90. There should be two departments in the Ministry of Industry, namely, a nodal department of industrial development and a department of engineering industries, the latter to look after the entire range of engineering and other residual industries as are not eligible for transfer to either the Ministry of Petroleum and Chemicals or the Ministry of Commerce.

[Para 3.3.4]

91. There should be two departments in the Ministry of Commerce, a department of trade and consumer protection and a department of export industries, the latter to look after all the industries at present located in the Commerce Ministry and in addition take over a few export-oriented industries at present in the Ministry of Industry.

[Para 3.3.4]

4. *Food, agriculture, community development, co-operation, irrigation and power*

92. The present grouping which places food and agriculture under the same minister should continue.

[Para 3.4.2]

*93. All functions of the Department of Community Development, except those in the field of agriculture, should be transferred to the functional ministries concerned, e.g., social education to the Ministry of Education.

[Para 3.4.3]

94. Panchayati raj should be transferred to the proposed Department of Regional Planning.

[Para 3.4.3]

95. Applied nutrition work which is now dispersed should be unified and grouped with agriculture.

[Para 3.4.3]

96. The remanent community development organisation, after the functions have been dispersed as above should form a division in a department of agricultural supplies and services proposed in para 3.4.6.

[Para 3.4.3]

*97. The existing Department of Co-operation should similarly shed many of its functions to sectoral ministries and state governments.

[Para 3.4.4]

98. In particular, consumer co-operatives should go over to the Ministry of Commerce and other co-operatives to related ministries.

[Para 3.4.4]

99. The agency for co-operation should look after this subject as a promotional activity organised as a division in the proposed Department of Agricultural Supplies and Services and in particular should deal with co-operatives in the agricultural field.

[Para 3.4.4]

100. The subject of irrigation should remain dispersed as at present, major and medium in the Ministry of Irrigation and Power and minor irrigation in the proposed Department of Agricultural Supplies and Services. The definition of minor irrigation should be reviewed to ensure that the latter department is not burdened with projects having a substantial engineering content.

[Para 3.4.5]

101. Within the Ministry of Irrigation and Power, there should be a water management wing manned by agricultural scientists, irrigation engineers and administrators working in close co-operation with the proposed Department of Agricultural Supplies and Services.

[Para 3.4.5]

*102. The Cabinet committee on food and agriculture should be headed by the minister in charge. This committee as also its supporting secretaries' committee should have representatives of the Ministry of Irrigation and Power, the head of the water management wing of that ministry also being a member of the secretaries' committee.

[Para 3.4.5]

*103. The different divisions in the proposed Department of Agricultural Production and Processing should be allotted the total responsibility for all processes relating to individual major crops assigned for such divisions.

[Para 3.4.6]

*104. The present Department of Agriculture should be organised into two departments, one the Department of Agricultural Supplies and Services and the other the Department of Agricultural Production and Processing.

[Para 3.4.6]

105. The Department of Agricultural Supplies and Services should be concerned with agricultural inputs like finance, personnel, research, fertilizers, seeds, pesticides, training, extension work and marketing.

[Para 3.4.7]

106. The Department of Agricultural Production and Processing should have a series of divisions looking after foodgrains, sugarcane, groundnuts, and other commercial crops, forests, fruits and vegetables, fisheries, poultry and milk, each of the division being in charge of the whole range of processes, stretching from research to primary processing.

[Para 3.4.7]

107. Divisions for dealing with remanent work of community development and co-operation and agricultural credit should be fitted in the Department of Agricultural Supplies and Services.

[Para 3.4.7]

108. In the matter of agricultural credit the Department of Agricultural Supplies and Services should play a role in relation to the agricultural credit department of the Reserve Bank, similar to the one envisaged for the nodal Department of Industrial Development in relation to industrial finance.

[Para 3.4.7]

109. Each department in agriculture group should be headed by a secretary. One of them should be assigned the co-ordinating role for both the departments and have under him divisions for agricultural planning and co-ordination, agricultural statistics and evaluation and internal administration of the two departments.

[Para 3.4.7]

110. The existing Agricultural Production Board should be replaced by a Cabinet committee on food and agriculture under the chairmanship of the Minister for Food and Agriculture supported by a secretaries' committee.

[Para 3.4.8]

111. Power should continue to be linked with irrigation for many years to come.

[Para 3.4.9]

5. *Social services*

*112. Cultural affairs should continue to be dealt with in the Ministry of Education preferably through special arrangements, such as a council for cultural affairs.

[Para 3.5.3]

113. Survey of India, Botanical Survey of India and Zoological Survey of India, should go over to the proposed Ministry of Science and Technology.

[Para 3.5.4]

*114. A Department of Youth Services should be set up to handle youth welfare, sports and other forms of community recreation.

[Para 3.5.6]

115. National Cadet Corps should be looked after from the proposed Department of Youth Services instead of from the Ministry of Defence.

[Para 3.5.6]

116. The Department of Youth Services should be located in the Ministry of Education, the other department of which should be Department of Education.

[Para 3.5.7]

117. Rehabilitation and social welfare should be combined into a single department and grouped with labour and employment to constitute a ministry of labour, employment and social welfare.

[Para 3.5.8]

118. Responsibility for charitable and religious endowments and religious institutions should be transferred from the Ministry of Law to the Department of Social Welfare.

[Para 3.5.9]

119. Labour appellate tribunals should be transferred from the Ministry of Labour and Employment to the Ministry of Law.

[Para 3.5.10]

120. Child welfare should be transferred from the Department of Social Welfare to the proposed Ministry of Health, Family Planning and Regional Planning.

[Para 3.5.11]

6. *Transport and communications*

*121. Railways should continue as a separate ministry.

[Para 3.6.2]

*122. Communications should be grouped with transport, shipping and aviation to form a ministry of transport and communications. The reorganised ministry should consist of three departments, namely, a department of communications, a department of transport and shipping and a department of aviation and tourism.

[Paras 3.6.3, 3.6.4 and 3.6.6]

123. The hotel industry should be placed squarely under the charge of tourism. This should include responsibility for government hotels and would therefore involve transfer of related work from the Ministry of Works, Housing and Urban Development to the Department of Aviation and Tourism.

[Para 3.6.5]

7. *Parliamentary affairs*

*124. The subject of parliamentary affairs should be allotted to the Prime Minister's portfolio and he should look after this work as Prime Minister and Leader of the House.

[Para 3.7.4]

*125. In exceptional situations when it is not possible for the Prime Minister to be the Leader of the House, the role of the Leader should devolve on a senior Cabinet minister. In that event, that Cabinet minister *qua* Leader should look after the bulk of the parliamentary affairs work under the overall guidance of the Prime Minister, the subject continuing to remain in the Prime Minister's portfolio.

[Para 3.7.5]

*126. There should be an administrative arrangement under which the Cabinet Secretary acts as a kind of principal secretary for the Department of Parliamentary Affairs, without being called so. The department should remain a separate one, but still have a link through its secretary operating under the overall discipline of the Cabinet Secretary.

[Para 3.7.6]

8. *Overall position*

127. Overall position regarding grouping of subjects and departments should be as indicated in annexure IV.

[Para 3.8.1]

128. In the proposed scheme of things, there would be 21 minister's portfolio as independent charges divided into 41 departments (as against the present 23 and 42, respectively) as shown in annexure V.

[Para 3.8.2]

129. Government of India (Allocation of Business) Rules require to be rationalised from the point of view of presentation and also of mentioning the core responsibilities of the different ministries and departments in a meaningful manner.

[Para 3.8.3]

Chapter IV – MACHINERY AND PROCEDURES AT SUPRA-MINISTRY LEVEL

*130. Grouping of subjects into departments and of departments into ministries should not be disturbed too often and changes, if any, should be effected only after a thorough study of administrative implications.

[Para 4.2]

131. Posts of parliamentary secretary and deputy minister should be utilised as a training ground for young and promising persons of specified age groups.

[Para 4.2]

*132. All the four types of political posts have a purpose and may continue. Within a ministry there should ordinarily be no more than two political levels, not counting the parliamentary secretary. Wherever possible, the charge of the second political executive should be clearly defined.

[Para 4.2]

*133. There should normally be no portfolio in the Prime Minister's charge; even if there is one, it should not be of a kind that detracts from his primary responsibilities.

[Para 4.3]

*134. The Prime Minister should be provided institutional support for effective performance of leadership tasks. The Departments of Administrative Reforms and Parliamentary Affairs should be in his direct charge.

[Paras 4.5., 4.7 and 4.9]

135. Individual ministers should be required under the rules of business to keep the Prime Minister informed of all major decisions in the realm of policy formulation and implementation.

[Para 4.6]

136. The Prime Minister should meet secretaries and heads of departments individually by rotation at least once in two months to know what is happening in individual departments and ministries.

[Para 4.7]

137. The information adviser to the Prime Minister should continue to be on his personal staff and not in the Cabinet Secretariat.

[Para 4.8]

138. A convention may be established limiting the size of the Cabinet to around 12.

[Para 4.10]

*139. Unless otherwise directed by the Cabinet, the Prime Minister or the chairman of the appropriate standing committee, no case should be brought before the Cabinet unless it has been first considered by the committee. The second schedule to the Government of India (Transaction of Business) Rules may be revised as in annexure VI.

[Para 4.11]

*140. The Prime Minister should be empowered under the rules of business to have a particular issue intended for the Cabinet examined or investigated by a standing Cabinet committee or an *ad hoc* committee of ministers or to have it settled in any other appropriate manner.

[Para 4.12]

141. More use may be made of the provision in the rules of business whereby matters can be brought before the Cabinet at the Prime Minister's instance. The Cabinet should sometimes discuss matters informally without agenda or on the basis of brief notes prepared in the Cabinet Secretariat.

[Para 4.13]

*142. The standing committees of the Cabinet should be so formed that between them they span all important aspects of governmental functioning.

[Para 4.16]

143. Ordinarily, the Prime Minister should not head a Cabinet committee, although this need not be an inflexible rule.

[Para 4.16]

*144. The composition of each Cabinet committee should be such that all ministers in charge of subjects covered are included subject to the number not exceeding say 8 for average situations.

[Para 4.16]

*145. All members of the council of ministers should be involved in some Cabinet committee or the other to provide for all a feeling of participation.

[Para 4.16]

146. Each Cabinet committee should have at least one minister from sectors other than the subjects assigned to the committee.

[Para 4.16]

*147. Rules of Business should provide that in relation to the business transacted by a standing committee of the Cabinet, its chairman should function in a manner somewhat analogous to the Prime Minister *vis-a-vis* the Cabinet.

[Para 4.16]

148. Cabinet committees should meet at regular intervals, whether there is agenda or not. To ensure attendance there should be fixed days for the meetings of each committee.

[Para 4.16]

149. The existing 13 standing committees may be reconstituted into 11 with composition and functions indicated in annexure VII. The proposed committees will cover certain new fields like administra-

tion, internal affairs, Centre-state relationships, science and technology, social services and public relations.

[Paras 4.17 and 4.18]

150. The rules of business may be modified to make it clear that cases concerning administrative reforms, a subject proposed to be allotted to the Prime Minister, may be brought up before the Cabinet committee on administration without their being cleared by the Prime Minister first as the minister in charge, the Home Minister's clearance being considered sufficient for this purpose.

[Para 4.18]

151. *Ad hoc* committees of ministers should merely investigate (and not decide) particular issues and report back to the Cabinet or Cabinet committees as the case may be.

[Para 4.19]

*152. For every Cabinet committee, there should be supporting committee of secretaries to consider in advance all matters to be taken up in the Cabinet committees. As far as possible, these committees should reflect the composition of the corresponding Cabinet committees and be presided over by the Cabinet Secretary. These committees should also be recognised in the rules of business. The secretaries' committee on administration should, as a special case, have both Home and Personnel Secretaries on it.

[Para 4.20]

153. The Military Wing of the Department of Cabinet Affairs should be transferred to the Ministry of Defence and the rest of the department named as Cabinet Secretariat.

[Para 4.22]

*154. The Cabinet Secretariat should be so reorganised as to have cells specialising in broad areas of governmental functioning. The composition and functions of these cells should be on the lines indicated in the report.

[Para 4.22]

155. The position of the Cabinet Secretary should be recognised in the Government of India (Transaction of Business) Rules. This functionary should perform certain functions and be given salary which brings out his pre-eminent position *vis-a-vis* other secretaries.

[Para 4.22]

156. The Cabinet Secretariat should not be regarded as a department of the Government of India for the purpose of allocation of Government business; instead its role should be defined in the Government of India (Transaction of Business) Rules.

[Para 4.22]

ANNEXURES

ANNEXURE I

(Para 2.5.7)

Functions envisaged for the proposed nodal Department of Industrial Development in the Ministry of Industry

I. *Industrial policy :*

Basic policy of industrial development, *e.g.*

- Balance between the public and private sector.
- Strategy for promoting efficiency in both sectors.
- Balancing the need of large, medium and small sectors of industries.
- Industrial location.
- Industrial structure.

Operational industrial policy, *e.g.*

- Administration of Industries (D & R) Act, 1951.
- Advising on allocation of foreign exchange to various sectors of industries.
- Import of capital goods and raw materials for industries.
- Approval of foreign collaboration and foreign investment proposals.
- Liaison with private sector.
- Productivity in industry.
- Industrial co-operatives.
- Measures for promotion of small scale industries and village industries.

II. *Industrial planning :*

- Laying down priorities for various industries
- Co-ordinating industrial planning in various sectors of industries and evolving an overall plan for industries.
- Fixing targets of industrial production.
- Periodical review and assessment of implementation of plan schemes in the industries sector.

III. *Technological development :*

- Overall technical guidance to the sectoral technical cells in regard to planning and development of industries in different sectors.
- Consultation on assistance given to medium and large scale industries in the private sector, by way of allocation of foreign exchange, scarce raw materials, policy regarding indigenous clearance etc.
- Standards, patents and designs.

IV. *Overall aspects of public sector work :*

- Liaison with the Committee on Public Sector Undertakings.
- Personnel management problems :
 - Incentives and bonus.
 - Training of personnel.
 - Policy regarding recruitment, retirement, promotion etc.
 - Assistance in appointments to key posts.

Management consultancy :

Providing consultancy services in management to public sector undertakings-
Identification and study of problems in the field of management of public
sector undertakings.

Liaison with management institutes, consultancy organisations etc.

Projects scrutiny :

Ensuring appropriate scrutiny of projects and schemes of sectoral depart-
ments and those of state governments, excepting scrutiny for the purpose
of budget allocation which will continue to be the responsibility of De-
partment of Expenditure.

Studies in cost reduction, transportation, bottlenecks etc.

Periodical review of new projects.

National Industrial Development Corporation.

Introduction of standard costing and accounting procedures in public
sector undertakings.

Studies in construction aspects of projects.

Review of financial working of public sector projects and submission of
reports thereon to Parliamentary Committees.

Awards to best public sector undertakings.

V. *Rendering broad guidance to industrial financing institutions :*

Financial assistance to village, small, medium and large industries through
the following institutions :

Industrial Finance Corporation.

Industrial Investment and Credit Corporation of India.

Industrial Development Bank of India.

Khadi and Village Industries Commission.

National Small Industries Corporation.

Indian Investment Centre.

VI. *Company Law Affairs.*

VII. *Common service facilities like industrial consultancy, materials planning,
industrial economics and so on, in respect of both private and public sectors.*

VIII. *Co-ordination in industrial training, industrial man-power planning and
industrial research.*

N.B. Item (V) will be operated within the broad policy laid down by the
Ministry of Finance from time to time.

ANNEXURE II

(Para 2.5.7)

Functions envisaged for the Bureau of Public Enterprises**(After transfer from the Finance Ministry to the proposed Department of Industrial Development)**

While individual public sector undertakings will continue to be looked after by sectoral ministries, overall problems will be handled in the nodal agency so as to secure co-ordinated policies in regard to matters like personnel, management, project scrutiny, productivity and so on.

2. The Bureau, even after transfer from the Ministry of Finance to the nodal Department of Industrial Development, will carry its present overall responsibilities in regard to non-industrial public sector enterprises, *i.e.* those of a commercial and financial character. The new responsibilities visualised below for the Bureau in executive matters like appointments to key posts will not extend to such undertakings.

3. Subject to the above stipulation, it is envisaged that the Bureau should consist of the following four divisions with functions noted under each :

(1) Personnel division

- *General advice.*—To advise the government in the formulation of overall personnel policy for public sector undertakings.
- *Appointments to key posts.*—To assist sectoral ministries in the manning of key posts in public sector undertakings by maintaining panels of suitable persons. Individual proposals for any key appointment in industrial undertakings would be initially settled between the sectoral ministry or department concerned and the nodal Department of Industrial Development. These would then be forwarded to the secretary of the Department of Personnel in the Ministry of Home Affairs, who will have them processed in the same manner as appointments to key posts in the government.
- *Personnel policies.*—To evolve and review common policies and guidelines in fields like incentives, bonus, reporting on personnel, pension schemes, participation of labour in management, labour matters, labour welfare, training etc. and to frame model service rules.
- *Advising personnel units in undertakings.*—To advise, on request, personnel units in individual undertakings in evolving correct evaluation systems, incentive schemes, personnel reporting systems, etc.
- *Man-power planning.*—To co-ordinate the needs of technical, managerial and other man-power requirements of public sector undertakings and to project them to the appropriate planning and training agencies.
- *Talent hunting.*—To assist in developing and locating suitable persons for appointment in public sector undertakings.
- *Overall aspects of training.*—To review training arrangements of undertakings, to arrange for such common training programmes as are found necessary and feasible and to co-ordinate the training of personnel abroad.
- *Cadre management of I.M.P.*—Cadre management of the Industrial Management Pool (if it is decided to retain it).

(2) Management consultancy division

The Bureau should be the chief motivating force of the government for efficiency and productivity in public sector undertakings and in this field the Bureau's functions *vis-a-vis* public sector undertakings would be roughly the same as those of the proposed nodal agency for administrative reforms in relation to ministries and departments. In particular, this division's functions would be :

- *Identification of problems.*—To identify problems in the field of management of public sector undertakings and suggest solutions to them with the assistance of institutes of management, private consultants, etc.
- *Advice to undertakings.*—To foster growth of management service unit within the plants by assisting undertakings in evolving suitable methods of reporting and analysis of performance data.
- *Consultancy services.*—To provide consultancy services in the field of management at the request of undertakings.
- *Training.*—To assist undertakings in the matter of training of analysts in management techniques, co-ordinating requirements of undertakings for top management training and to liaise with management training institutes for this.
- *Management research.*—To remit practical problems of undertakings to research institutes and act as a bridge between research and reform in the field of public sector undertakings.
- *Innovations.*—To keep abreast of developments in the field of management and bring in new ideas and methods of working from outside to the notice of public sector undertakings.
- *Liaison with the Department of Administrative Reforms.*—To collaborate with the proposed agency for administrative reforms for conducting joint studies and common training programmes in fields like work study and operations research etc.

(3) Evaluation and co-ordination division

- To undertake overall appraisal and evaluation of public sector undertakings in particular areas like financial working, construction programmes etc. (Evaluation of specific projects would be the responsibility of sectoral ministries).
- To prepare for presentation to Parliament an annual report on the working of Central Government undertakings or such other reports as may be called for by committees of Parliament and other government agencies.
- To process implementation of reports of the Committee on Public Sector Undertakings, the Estimates Committee and the Public Accounts Committee.
- To devise steps for improving the productivity and profitability of public sector undertakings by keeping under review their performance and production schedules.
- To introduce standard costing and accounting procedures in public sector units.
- To attend generally to matters in respect of public sector undertakings involving more than one sector of industries, including the processing of reports of parliamentary committees and resolving of disputes between undertakings regarding pricing etc.

(4) Project scrutiny division

- To lay down the arrangements that should obtain for simultaneous scrutiny of individual projects from all angles, including technical, economic and financial, of both sectoral ministries and state governments. To keep, in this connection, panels of suitable experts from the public and private sectors to work on scrutiny committees of individual projects

(The association of Finance representatives in such scrutiny committees from an early stage should obviate the need for detailed scrutiny by the Ministry of Finance at a later stage. All that should be required at that stage should be scrutiny for the purpose of budget allocation, *i.e.* whether funds to the requisite extent can be made available or not).

- To review the execution of new projects from time to time and to keep overall watch on progress in constructions like factories, erection of machinery, townships, schools, etc.
- To undertake studies in cost reduction, bottlenecks in transportation, investments in overheads etc.
- To develop expertise in technical consultancy etc. and to enlist support of outside agencies in these fields.

ANNEXURE III

(Para 3.3.4)

Grouping of industries in sectoral ministries/departments**I. DEPARTMENT OF ENGINEERING INDUSTRIES (MINISTRY OF INDUSTRY)***Electrical industries*

- Equipment for generation, transmission and distribution of electricity, including transformers, switch gears, motors etc.
- Electrical furnaces
- Equipment for electronics
- Cables, conductors and wires
- Storage batteries and dry cells
- Electric lamps
- Prime movers

Electrical appliances

- Electric fans
- Electric iron, heaters and the like
- Airconditioners
- Refrigerators

Auto industries

- Motor cars
- Buses
- Trucks
- Motor cycles
- Scooters
- Accessories for above industries

Commercial and office and household appliances

- Typewriters
- Calculating machines
- Vacuum cleaners
- Sewing and knitting machines
- Hurricane lanterns etc.
- Weighing machines

Scientific, medical and industrial instruments

- All types of scientific instruments
- All types of medical and surgical appliances

Industrial manufacturing machinery

- Textile machinery (such as spinning frames, carding machines, powerloom and the like) including textile accessories

- Boilers and steam generating machinery
- Jute machinery
- Rayon machinery
- Sugar machinery
- Tea machinery
- Mining machinery
- Metallurgical machinery
- Cement machinery
- Chemical machinery
- Pharmaceuticals machinery
- Paper machinery

General machinery (like equipment required for various "unit processes")

- Size reduction equipment—crushers, ball mills and the like
- Conveying equipment— bucket elevators, skip hoists, cranes, derricks and the like
- Size separation units—screens, classifiers and the like
- Mixers and reactors—kneading mills, rotary filters and the like
- Filtration equipment—filter presses, turbo-mixers and the like
- Centrifugal machines
- Evaporators
- Crystallisers
- Driers
- Power driven pumps—reciprocating, centrifugal and the like
- Air and gas compressors and vacuum pipes (excluding electrical furnaces)
- Refrigeration plants for industrial use
- Fire fighting equipment and appliances including fire engines
- Ball, roller and tapered bearings
- Speed reduction units

Machine tools

- Machine tools
- Grinding wheels and abrasives

Agricultural machinery and mobile equipment including earthmoving equipment and diesel engines

- Agricultural implements
- Tractors, harvestors, bulldozers, dumpers, scrapers, loaders, bucket wheel excavators, road rollers and the like

Iron and steel fabrication

- Castings
- Forgings
- Structures, structurals and pipes

Light engineering products

- Stationery
- Razor blades
- Hardware

Mineral industries

- Cement and cement industries
- Refractories
- Glass and enamel ware
- Ceramics and clay products
- Asbestos and asbestos cement products
- Graphite products
- Salt
- Miscellaneous products from minerals other than those specified elsewhere

Wood and cellulose based industries

- Timber
- Paper and pulp
- Matches
- Pencils
- Photographic raw films and paper

Food, tobacco and toiletry products

- Biscuits
- Confectionery
- Baby food, invalid food, milk food and special foods
- Cigarettes
- Cosmetics and toiletry products
- Miscellaneous food products
- Planning, development and control of, and assistance to, all industries dealt with by the Department
- Public sector projects in this sector

II. DEPARTMENT OF EXPORT INDUSTRIES (MINISTRY OF COMMERCE)

- Textiles (excluding non-cellulosic synthetic fibres) and jute Handloom and village industries
- Coir
- Plantation industries (tea, coffee, rubber and cardamom)
- Sericulture
- Rubber products (tyres, tubes, footwear etc.)
- Leather products
- Mica products
- Planning, development and control of, and assistance to, all industries dealt with by the Department
- Public sector projects/Commodity Boards in this sector

III. MINISTRY OF STEEL, MINES AND METALS

A - Department of Iron and Steel

- Steel plants in the public and private sectors, the re-rolling industry and ferro-alloys
- Development of ore mines, coal washeries, etc. for steel plants
- Production, distribution, prices, imports and exports of iron and steel and ferro-alloys
- Metallurgical industries - ferrous
 - Iron and steel (metal)
 - Ferro-alloys
 - Special steels
 - Other products of iron and steel
- Planning, development and control of, and assistance to, all industries dealt with by the Department

B - Department of Mines and Metals

- Fuels, coal, lignite and coke
- Mines and minerals development (excepting atomic minerals)
- Non-ferrous metals and precious metals other than gold and silver
- Indian Bureau of Mines
- Planning, development and control of, and assistance to, all industries dealt with by the Department
- Public sector projects in this sector

IV. MINISTRY OF PETROLEUM AND CHEMICALS

A - Department of Petroleum

- Production, supply, distribution and prices of petroleum and petroleum products
- Exploration and exploitation of oil resources
- Minerals oil (crude oil), motor and aviation spirit, diesel oil, kerosene oil, fuel oil, diverse hydrocarbon oils and their blends including synthetic fuels, lubricating oils and the like
- Fuel gases—(coal gas, natural gas and the like)
- Oil refineries and lubricating plants
- Planning, development and control of, and assistance to, all industries dealt with by the Department
- Public sector projects in this sector

B - Department of Chemicals

- Fertilizers
- Petro-chemicals
- Industries relating to the production of non-cellulosic synthetic fibres (nylon, terylene, polyester, acrylic, etc.)
- Plastics, including the industry of fabrication of plastics
- All types of drugs and pharmaceuticals
- All types of dye stuffs and intermediates
- Soaps and detergents

- Pesticides
- Acids and alkalies
- Heavy chemicals, fine chemicals, aromatic chemicals and other miscellaneous chemicals
- Explosives
- Industrial gases
- Paints, varnishes, enamels and resins
- Fermentation products
- Synthetic rubber
- Rubber chemicals
- Leather chemicals including glue and gelatin
- Planning, development and control of, and assistance to, all industries dealt with by the Department
- Public sector projects in this sector

ANNEXURE IV

□□
(Para 3.8.1)

Comparative statement showing existing and proposed grouping of subjects and departments

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8

Cabinet Secretariat

A—Department of Cabinet Affairs

Secretariat assistance to Cabinet and its committees

Rules of business

Secretariat assistance to Defence Minister's committee, Chiefs of Staff committee, and other intra-ministry committees on defence (Military Wing). Def.

B—Department of Statistics

See 1-B below

Cabinet Secretariat

Secretariat assistance to Cabinet and its committees

Rules of business

Partly from other ministries/departments

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
1	P.M.'s portfolio			1	P.M.'s portfolio		
	A—Department of Atomic Energy	Research and development of nuclear science, atomic energy. Peaceful uses of outer space. Advancement of higher mathematics.	S & T		A—Department of Atomic Energy.	Research and development of nuclear science, atomic energy. Peaceful uses of outer space.	
		Tata Memorial Hospital.	Health				
		Indian Cancer Research Institute	„				
	B—Department of Statistics	Statistical standards, norms and methodology (C.S.O.) National Sample Survey	Fin. „		B—Department of Parliamentary Affairs.	Liaison with Parliament and Government Salaries and allowances of Members and officers of Parliament.	Portfolio of Minister for P.A. & C. „

	I.S.I.	”	Rights, privileges etc. of Members of Parliament.	”
			Administrative Reforms	M.H.A.
			O. & M.	”
			Development administration.	P.C.
2 Ministry of Home Affairs				
A—Main Ministry	Internal security (including border security)		Internal security (including border security)	
	Police (including Indian Police Service)		Police (including Indian Police Service)	
	Visas : control over foreigners		Visas : control over foreigners	
	Emergency relief		Emergency relief	
	Political matters		Political matters	
	Centre-state relationships		Centre-state relationships	
	Judicial Administration (like appointment of Chief Justice and Judges of Supreme Court and High Courts)		Judicial Administration (like appointment of Chief Justice and Judges of Supreme Court and High Courts)	
		2 Ministry of Home Affairs		
		A—Department of Home.		

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8

Language

Minorities

National integration
(e.g., State emblem,
national anthem)

Vigilance (investigation
by CBI)

Teaching of Hindi to
Central Government
employees.

Other general admini-
stration matters like
census, awards and
decorations, warrant
of precedence.

Administration of
Union territories,
scheduled areas and
tribal areas.

Language

Minorities

National integration
(e.g., State emblem,
national anthem)

Vigilance (investigation
by CBI)

Teaching of Hindi to
Central Government
employees.

Other general admini-
stration matters like
census, awards and
decorations, warrant
of precedence.

Administration of
Union territories,
scheduled areas and
tribal areas (including
overall responsibility

B—Deptt. of
Union Terri-
tories.

Partly new
item.

Administration of NEFA;
I.F.A.S.

Posting to key posts

Overall personnel poli-
cies.

Overall aspects of train-
ing (including National
Academy of Admini-
stration)

Grievances machinery
and staff welfare

Vigilance - general policy

Centralised aspects of
management of All-
India and inter-Minis-
try cadres

I.A.S.

C.S.S. (Grade I and
above)

Liaison with UPSC

of a nodal character for
matters looked after by
functional ministries
concerned)

Frontier administration
(including Nagaland
and NEFA); I.F.A.S.

Partly from
Ext. Aff.

C—Deptt. of
Personnel

Posting to key posts

Overall personnel poli-
cies.

Overall aspects of train-
ing (including National
Academy of Admini-
stration)

Grievances machinery
and staff welfare

Vigilance - general po-
licy

Centralised aspects of
management of All-
India and inter-Minis-
try cadres

I.A.S.

C.S.S. (Grade I and
above)

Liaison with UPSC

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
		Industrial Management Pool.	I.D.			Service rules (like FRs and SRs, CSRs)	Exp.
		Indian Economic Service	Eco. Aff.			Talent hunting	New Item
		Indian Statistical Service	Fin.			Career development	„
		Man-power administration - Planning policies and programmes (Directorate of man-power and Institute of Applied Man-power Research).	L & E			Research in personnel administration	„
		Prohibition	SW				
	B—Deptt. of Administrative Reforms	Administrative Reforms	P.M.'s Portfolio				
		O & M	„				

3 Ministry of Defence

A—Main Ministry Defence policy

Armed forces
T.A. and A.A.F.

N.C.C.

Hydrographic surveys
and navigational charts

Cantonments and cantonment administration.

Y.S.

B—Deptt. of Defence Production. Defence production (including H.A.L., B.E.L., M.D.L., G.R.W.L., P.T.L., B.E.M.L.)

Defence research and development

C—Deptt. of Defence Supply Import substitution [for defence purposes

Co-ordination of defence research and development with civil

37 Ministry of Defence

A—Department of Defence

Defence policy

Armed forces
T.A. and A.A.F.

Hydrographic surveys
and navigational charts

Cantonments and cantonment administration

Secretariat assistance to the Defence Minister's Committee, Chiefs of Staff's committee and other intra-ministry committees on Defence (Military Wing)

Cab. Aff.

B—Deptt. of Defence Production.

Defence production (including H.A.L., B.E.L., M.D.L., G.R.W.L., P.T.L., B.E.M.L.)

Defence research and development

Import substitution for defence purposes

Co-ordination of defence research and development with civil

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
		Development of Electronics	S. & T.				
		Defence supplies	W. & S.				
4	Ministry of External Affairs	External affairs Liaison with UN and its specialised agencies and other international bodies Passports and visas Extradition, repatriation and deportation Emigration/Immigration IFS External publicity Frontier administration (Nagaland)	U.T.	4	Ministry of External Affairs	External affairs Liaison with UN and its specialised agencies and other international bodies Passports and visas Extradition, repatriation and deportation Emigration/Immigration IFS External publicity	

	Protection of muslim monuments	Covered by the entry "minorities" under MHA	
	Protection to minorities	..	
5	Portfolio of Minister for Planning and Social Welfare.		5 Planning Commission (Ministry of Planning)
A—	Planning Commission.	Formulation and appraisal of plans	Formulation and appraisal of plans
		Assessment of resources - human, physical, financial - for planning	Assessment of resources - human, physical, financial - for planning
		Determination of priorities and allocation of resources	Determination of priorities and allocation of resources
		Public co-operation in national development	Public co-operation in national development
		Perspective planning	Perspective planning
		Management and development administration :	
	(a) Management studies.	I.D.	
	(b) Development administration.	DAR	

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8

B—Department of Social Welfare
Social welfare (Central Social Welfare Board) L.E. & S.W.

Education of handicapped ..

Welfare of scheduled castes, scheduled tribes and backward classes. ..

Social and moral hygiene programmes concerning women in moral danger ..

Orphans and orphanages ..

Social security measures ..

Child welfare Health

6 Ministry of Finance

6 Ministry of Finance.

A—Deptt. of Economic Affairs Budget (other than Railways budget)

A—Deptt. of Economic Affairs Budget (other than Railways budget)

Currency and banking

Exchange control

Foreign investment

Foreign aid for economic development

Control over mints

Security presses

Stock exchanges

Economic studies and advice

Capital issues

Control over gold mines

Industrial and other financing institutions :

- (a) administrative control
- (b) rendering broad guidance regarding priorities I.D.

Agricultural financing :

- (a) administrative control
- (b) rendering broad guidance regarding priorities Agr.

Currency and banking

Exchange control

Foreign investment

Foreign aid for economic development

Control over mints

Security presses

Stock exchanges

Economic studies and advice

Capital issues

Control over gold mines

Industrial and other financing institutions :

administrative control

Agricultural financing :

administrative control

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8

B—Deptt. of Expenditure

Expenditure control and financial advice

Review of staffing of govt. establishments (S.I.U.)

Financial rules (e.g., G.F.Rs., etc.)

Service rules (e.g., C.S.Rs., F.Rs. and S.Rs.)

Per.

Insurance R. & I.
 Local taxation Coord.
 Capital budget „
 Grants and loans to States „
 Fiscal and economic co-ordination (except individual project scrutiny) „
 Indian Economic Service M.H.A.

B—Deptt. of Revenue and Expenditure.

Expenditure control and financial advice

Review of staffing of govt. establishments (S.I.U.)

Financial rules (e.g., G.F.Rs., etc.)

C—Deptt. of Revenue and Insurance.

Union taxation

Collection of revenues

Sales tax

Cultivation, manufacture and export of opium

Medicinal and toilet preparations involving use of alcohol, opium, hemp or narcotics

Gold control

Insurance

Eco. Aff.

D—Deptt. of ordination

Co- Grants and loans to States

„

Capital budget

„

Bureau of Public Enterprises

I.D.

Local taxation

Eco. Aff.

Fiscal and economic co-ordination including individual project scrutiny.

Eco. Aff. and sectoral industry ministries concerned

Union taxation

Collection of revenues

Sales tax

Cultivation, manufacture and export of opium

Medicinal and toilet preparations involving use of alcohol, opium, hemp or narcotics

Gold control

C—Deptt. of Statistics

Statistical standards, norms and methodology (C.S.O.)

Cab. Sectt.

National Sample Survey

„

Research and training in statistics (including I.S.I.)

Cab. Sectt. and partly from ministries like Agr.

Indian Statistical Service M.H.A.

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
7	Ministry of Commerce			7	Ministry of Commerce		
		Trade (including trade marks and import and export).		A—Deptt. of Trade and Consumer Protection		Overall commercial policy, both internal and external	Partly new item
		Tariffs				Trade (including trade marks and import and export)	
		Enemy property				Tariffs	
		Commercial intelligence and statistics				Enemy property	
		Civil supplies				Commercial intelligence and statistics	
		Textiles (excluding synthetic fibres) and jute		B—Department of Export Industries		Consumer protection (civil supplies, price stabilisation, quality control in trade, consumer co-operatives.)	Partly new item: partly from Coopn.
						Textiles (excluding synthetic fibres) and jute	

Handloom and village industries

Coir

Plantation industries (tea, coffee, rubber and cardamom)

Sericulture

Handloom and village industries

Coir

Plantation industries (tea, coffee, rubber and cardamom)

Sericulture

Rubber products (tyres, tubes, etc.) Ind.

Mica products ..

Leather products ..

8 Ministry of Industry

Industrial policy—IDR Act

Small scale industries

Standards, patents and designs

Productivity

Development of engineering, electrical engineering machinery and auto industries. Eng. Ind.

8 Ministry of Industry

A—Deptt. of Industrial Development Industrial policy—IDR Act

Small scale industries

Standards, patents and designs

Productivity

Industrial financing : rendering broad guidance regarding priorities Eco. Aff.

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
		Steel structures, castings, forgings and pipes	Eng. Ind.			Rehabilitation Industries Corpn.	Rehab.
		Light industries other than chemicals	„				
		Rubber products (tyres, tubes, footwear, etc.)	E.I.			Overall aspects of public sector work including :	
		Leather products	„			(a) Bureau of Public Enterprises	Coord.
		Mica products	„			(b) Industrial Management Pool	M.H.A.
		Explosives	Chem.			(c) Management studies and consultancy	Partly from P.C.
		Industrial gases	„				
		Paints, varnishes, enamels and resins	„				
		Fermentation products	„				
		Acids and alkalis other than those already allocated to the Ministry of Petroleum and Chemicals	„				

Heavy chemicals, fine
chemicals, aromatic
chemicals and miscel-
laneous chemicals other
than those already al-
located to the Ministry
of Petroleum and Che-
micals

Chem.

9 Ministry of Sup-
ply, Tech. Dev.
and Materials
Planning.

A—Deptt. of Sup-
ply and Tech.
Dev.

Technical development :

(a) nodal functions I.D.

(b) sectoral functions Min./Deptts.
concerned

Procurement and dispo-
sal of government
stores. W. & S.

B—Deptt. of Ma-
terials Plann-
ing

Raw materials planning I.D.

Technical development : S. & T.D.
nodal functions

Industrial planning (in-
cluding raw materials
planning) Mat. Plg.

Industrial structure; New item
industrial consultancy

Company affairs : C.A.(Law)

(a) Administration of
Companies Act

(b) Profession of char-
tered accountants,
cost accountants,
works accountants

B—Deptt. of Engg.
Industries

Development of engg.,
elect. engg., machinery
and auto industries Ind.

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
						Scientific, industrial, medical, surgical, electrical, commercial and office and house-hold instruments and appliances.	Ind.
						Steel structurals, castings, forgings, steel structures and pipes.	Ind. and I.&S.
						Light industries other than chemicals.	Ind.
10	Ministry of Iron and Steel	Steel structurals	Eng. Ind.	9	Min. of Steel, Mines and Metals.		
		Metallurgical industries (ferrous)	I. & S.		A—Deptt. of Iron and Steel	Metallurgical industries (ferrous).	I. & S.
		Iron and steel industry (excluding steel structurals)	”			Iron and steel industry (excluding steel structurals)	”
		Development of ore mines and coal washeries for steel plants	”			Development of ore mines and coal washeries for steel plants	”

11 **Ministry of Mines and Metals** Mines (excluding gold mines) M. & M.
 Non-ferrous metals . . .
 Coal, coke and lignite . . .
 Geological Survey of India S. & T.

B—Deptt. of Mines and Metals Mines (excluding gold mines) M. & M.
 Non-ferrous metals
 Coal, coke and lignite

12 **Ministry of Petroleum and Chemicals**

A—Deptt. of Petroleum Petroleum and petroleum products.

B—Deptt. of Chemicals Fertilizers

Industries relating to the production of non-cellulosic synthetic fibres (nylon, terylene, polyester, acrylic, etc.)

Synthetic rubber

Drugs and other fine chemicals

Plastics, including the industry of fabrication of plastics

Dye stuffs

Caustic soda and soda ash

10 **Ministry of Petroleum and Chemicals**

A—Deptt. of Petroleum Petroleum and petroleum products.

B—Deptt. of Chemicals Fertilizers

Industries relating to the production of non-cellulosic synthetic fibres (nylon, terylene, polyester, acrylic, etc.).

Synthetic rubber

Drugs and other fine chemicals

Plastics, including the industry of fabrication of plastics

Dye stuffs

Caustic soda and soda ash

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
		Chlorine				Chlorine	
		Sulphuric acid				Sulphuric acid	
		Soaps and detergents				Soaps and detergents	
		Insecticides				Insecticides	
		Petro-chemicals				Petro-chemicals	
		Antibiotics				Antibiotics	
		Power alcohol				Power alcohol	
						Explosives	Ind.
						Industrial gases	..
						Paints, varnishes, enamels and resins	..
						Fermentation products	..
						Other acids and alkalies	..

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8

Agricultural production
(foodgrains, oil seeds,
etc.)

B—Department
of Agricultural
Production
and Process-
ing

Agricultural indebted-
ness and credit

Co-operation in agri. sector

National Co-operative
Organisation

Agricultural Financing :

Rendering broad
guidance regard-
ing priorities

Agricultural production

Research, production,
marketing and pro-
cessing of :

(a) foodgrains

(b) sugarcane and
sugar

(c) oil seeds (grou-
ndnut and other
commercial crops)

Coop.

„

„

Eco. Aff.

Sug. ind. from
Food.

Vanaspati ind.
from Food.

Poultry, fisheries and milk

Forestry

Fruits and vegetables

(d) poultry, fisheries and milk.

(e) forestry

(f) fruits and vegetables

Research and production of :

(a) cotton

(b) jute

B—Department of Food. Procurement, storage and distribution of food

Warehousing

Price control of food-grains and foodstuffs

Sugar and vanaspati A.P. & P.

C—Deptt. of Community Development Rural community dev. programmes Ministries concerned

Panchayati raj R.P.

Drinking water works except piped water Health

D—Deptt. of Co-operation Agr. indebtedness and credit A.S. & S

Co-operation in agr. sector „

C—Department of Food. Procurement, storage and distribution of food

Warehousing

Price control of food-grains and foodstuffs

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main Subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8

National Co-operative Organisation. A. S. & S

Consumer Co-operatives T. & C.P.

14 Ministry of Irrigation and Power
 Major and medium irrigation
 Inter-state rivers and river valleys
 Flood control
 Anti-water logging and drainage
 Electricity other than that generated through use of atomic energy

12 Ministry of Irrigation and Power
 Major and medium irrigation
 Inter-state rivers and river valleys
 Flood control
 Anti-water logging and drainage
 Electricity other than that generated through use of atomic energy
 Development of water resources including ground-water resources
 Water management

15 Portfolio of Minister for Parliamentary Affairs and Communications

A—Department of Parliamentary Affairs.	Liaison between Parliament and Government	P.M.'s portfolio
	Salaries and allowances of Members and officers of Parliament	"
	Rights, privileges etc. of Members of Parliament	"
	Secretariat assistance to Legal and Parliamentary Affairs Committee of Cabinet	Cab. Sectt.
B—Department of Communications	Posts and Telegraphs	T & C
	Telephones	"
	Wireless	"
	Overseas communications	"
	Indian Telephone Industries Ltd.	"
	Hindustan Teleprinters Ltd.	"

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
16	Ministry of Railways (Railway Board)	Railways (except railway inspectorate) Railway budget		13	Ministry of Railways (Railway Board)	Railways (except railway inspectorate) Railway budget	
17	Ministry of Transport and Aviation.			14	Ministry of Transport and Communications.		
	A—Deptt. of Transport and Shipping	Road transport Shipping Water navigation (including national inland waterways)			A—Deptt. of Transport and Shipping	Road transport Shipping Water navigation (including national inland waterways)	
	B—Deptt. of Aviation and Tourism	Aircraft and air navigation Meteorology Railway inspectorate Tourism			B—Deptt. of Aviation and Tourism	Aircraft and air navigation Meteorology Railway inspectorate Tourism	

Youth hostels Y.S.

Luxury hotels (e.g. WH & UD
Ashoka/Janpath)

Admn. of Delhi Hotels
(Control of Accommo-
dation) Act. ”

C—Department of Posts and Telegraphs Portfolio of
Communications Minister for
P.A. & C.

Telephones ”

Wireless ”

Overseas communications ”

I.T.I.L. and H.T.L. ”

18 Ministry of Edu-
cation

Education (including
science, education and
technical education)

Cultural affairs

Libraries, book develop-
ment and copyright

15 Ministry of Educa-
tion

A—Department of Education (including
science education and
technical education)

Cultural affairs

Libraries, book develop-
ment and copyright

Financial assistance to I. & B.
distinguished musici-
ans, dancers and dra-
matists for contribu-
tion to AIR

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main Subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
		<p>Youth welfare</p> <p>Youth dev. programmes (N.F.C., N.S.C.)</p> <p>Physical education</p> <p>Sports</p> <p>Theatres in state capitals and open air theatres in rural areas</p>			B—Department of Youth Services	<p>Youth welfare</p> <p>Youth dev. programmes (N.F.C., N.S.C.)</p> <p>Physical education</p> <p>Sports</p> <p>Community recreation (including theatres)</p> <p>N.C.C.</p> <p>Youth hostels</p>	<p>Def.</p> <p>A & T</p>
		<p>Scientific policy and planning</p> <p>Scientific research (except research in sectors specifically assigned to other ministries, e.g. agricultural</p>	S & T	16	Ministry of Science and Technology	<p>Scientific policy and planning</p> <p>Scientific research (except research in sectors specifically assigned to other ministries e.g. agricultural</p>	Edn.

research, medical re-
search)—CSIR and
laboratories there-
under

Survey of India S & T

Zoological Survey of India „

Botanical Survey of India „

Co-ordination of scientific research „

research, medical re-
search)—CSIR and
laboratories there-
under

Survey of India Edn.

Zoological Survey of India „

Botanical Survey of India „

Co-ordination of teaching of science and scientific research Partly new item

Geological Survey of India M & M

Advancement of higher mathematics A.E.

Sponsoring of vanguard items like electronics, computers Partly from Defence and partly new item

Technological processes and engineering designs New item

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
19	Ministry of Health and Family Planning.			17	Ministry of Health, Family Planning and Regional Planning.		
	A—Deptt. of Health	Public health including quarantine. Drugs control Medical education and research Prevention of food adulteration Protected drinking water supply	R.P.		A—Deptt. of Health	Public health including quarantine. Drugs control Medical education and research Prevention of food adulteration Drinking water supply (including unprotected)- Child welfare Tata Memorial Hospital Indian Cancer Research Institute	Partly from C.D. S.W. A.E. „
	B—Deptt. of Family Planning	Family planning and research			B—Deptt. of Family Planning	Family planning and research	

20 Ministry of Labour and Employment

A—Department of Labour and labour welfare and Employment

Trade unions - industrial and labour disputes

Employment and un-employment

Vocational and technical training

Labour Appellate Tribunal Law

C—Deptt. of Regional Planning

Regional planning

Partly from W.H. & U.D.

Housing

W.H. & U.D.

Local self govt.

Health

Panchayati raj

C.D.

18 Ministry of Labour, Employment and Social Welfare

A—Department of Labour and Employment

Labour and labour welfare

Trade unions - industrial and labour disputes

Employment and un-employment

Vocational and technical training

Man-power administration - planning, policies and programmes. (Directorate of Man-power and Institute of Applied Man-power Research)

M.H.A.

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main Subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main Subjects	Transferred from
1	2	3	4	5	6	7	8

B—Department of Rehabilitation
 Relief and rehabilitation of displaced persons including migrants from Pakistan occupied areas of J & K and repatriates from Burma, Ceylon and Mozambique.
 Rehabilitation Industries I.D. Corporation

B—Department of Social Welfare
 Relief and rehabilitation of displaced persons including migrants from Pakistan occupied areas of J & K and repatriates from Burma, Ceylon and Mozambique
 Rehab.

Social Welfare (Central Social Welfare Board) Portfolio of Minister for P. & S. W.
 Education of handicapped ,,
 Welfare of scheduled castes, scheduled tribes and backward classes ,,
 Social and moral hygiene programmes concerning women in moral danger ,,

			Orphans and orphanages	Portfolio of Minister for P. & S. W.	
			Social security measures	„	
			Charitable and religious endowments and religious institutions	Law	
			Prohibition	M.H.A.	
21	Ministry of Information and Broadcasting	Govt. advertising	19	Ministry of Information and Broadcasting	Govt. advertising
		Govt. publicity (excluding external publicity)			Govt. publicity (excluding external publicity)
		Press policy			Press policy
		Radio			Radio
		Films			Films
		Financial assistance to distinguished musicians, dancers and dramatists for their contribution to AIR.			Edn.
22	Ministry of Works, Housing and Urban Development	Govt. property	20	Ministry of Works and Supply	Govt. property
		Govt. estates			Govt. estates
		Civil works (CPWD)			Civil works (CPWD)

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
		Stationery and printing (C.C.P. & S.)				Stationery and printing (C.C.P. & S.)	
		Housing	R.P.			Procurement and disposal of Govt. stores. (D.G.S. & D.)	S. & T. D.
		Regional planning	„			(including defence stores)	D.S.
		Luxury hotels (e.g., Ashoka/Janpath)	A. & T.			Directorate of Construction:	New item.
		Administration of Delhi Hotels (Control of Accom.) Act.	A. & T.			Promotion of and research in building industry	
						Limited aspects of civil construction in public sector enterprises and common services like - design, architecture, consultancy, developing common procedures for contracting, accounting and so on	

Laying down constructional norms

Problems of machinery and materials

23 Ministry of Law

A—Department of Legal Affairs

Legal advice to government.

Govt. litigation

Attorney General

Solicitor General

Govt. law officers

Central legal service

Admiralty jurisdiction

Law Commission

Legal profession

Enlargement of jurisdiction of Supreme Court

Income-tax appellate tribunals and special tribunals

Legal aid to poor

21 Ministry of Law

A—Department of Legal Affairs

Legal advice to government.

Govt. litigation

Attorney General

Solicitor General

Govt. law officers

Central legal service

Admiralty jurisdiction

Law Commission

Legal profession

Enlargement of jurisdiction of Supreme Court

Income-tax appellate tribunals and special tribunals

Legal aid to poor

Labour appellate tribunal L & E

<i>Existing</i>				<i>Proposed</i>			
Sl. No.	Ministry/Deptt.	Main subjects	Transferred to	Sl. No.	Ministry/Deptt.	Main subjects	Transferred from
1	2	3	4	5	6	7	8
	B—Legislative Department.	<p>Drafting of bills, laws, Constitution orders, etc.</p> <p>Publication of Acts, Ordinances, Regulations and their translation into Hindi.</p> <p>Election to Parliament, State legislatures, to the office of President, Vice President</p> <p>Election Commission</p> <p>Official Language (Legislative) Commission</p> <p>Bankruptcy and insolvency</p> <p>Transfer of property, marriage and divorce, adoption, wills, contracts, intestate successions.</p>			B—Legislative Department.	<p>Drafting of bills, laws, Constitution orders, etc.</p> <p>Publication of Acts, Ordinances, Regulations and their translation into Hindi.</p> <p>Election to Parliament, State legislatures, to the office of President, Vice President</p> <p>Election Commission</p> <p>Official Language (Legislative) Commission</p> <p>Bankruptcy and insolvency</p> <p>Transfer of property, marriage and divorce, adoption, wills, contracts, intestate successions.</p>	

	Charitable and religious endowments and religious institutions	S.W.
C—Department of Company Affairs	Company Affairs:	
	(a) Administration of Companies Act	I.D.
	(b) Profession of chartered accountants, cost accountants and works accountants	I.D.

List of abbreviations used in annexure IV

A

Accom.	.	.	.	.	Accommodation.
Admn.	.	.	.	.	Administration.
A.A.F.	.	.	.	.	Auxiliary Air Force.
A.E.	.	.	.	.	Atomic Energy.
Agr.	.	.	.	.	Agriculture/Agricultural.
A.I.R.	.	.	.	.	All India Radio.
A.P. & P.	.	.	.	.	Agricultural Production and Processing.
A.S. & S.	.	.	.	.	Agricultural Supplies and Services.
A. & T.	.	.	.	.	Aviation and Transport.

B

B.E.L.	.	.	.	.	Bharat Electronics Limited.
B.E.M.L.	.	.	.	.	Bharat Earth Movers Limited.

C

Chem.	.	.	.	.	Chemicals.
Coopn.	.	.	.	.	Co-operation.
Coord.	.	.	.	.	Co-ordination.
Cab. Aff.	.	.	.	.	Cabinet Affairs.
C.A.	.	.	.	.	Company Affairs.
C.B.I.	.	.	.	.	Central Bureau of Investigation.
C.C.P. & S.	.	.	.	.	Chief Controller of Printing and Stationery.
C.D.	.	.	.	.	Community Development.
C.P.W.D.	.	.	.	.	Central Public Works Department.
Cab. Sectt.	.	.	.	.	Cabinet Secretariat.
C.S.O.	.	.	.	.	Central Statistical Organisation.
C.S.S.	.	.	.	.	Central Secretariat Service.
C.S.I.R.	.	.	.	.	Council of Scientific and Industrial Research.
CSRs	.	.	.	.	Civil Service Regulations.

D

Def.	.	.	.	.	Defence.
Deptt.	.	.	.	.	Department.
Dev.	.	.	.	.	Development.
D.A.R.	.	.	.	.	Department of Administrative Reforms.
D.G.S. & D.	.	.	.	.	Directorate General of Supplies and Disposals.
Def. Prod.	.	.	.	.	Defence Production.
D.S.	.	.	.	.	Defence Supplies.

E

Edn.	.	.	.	.	Education.
Exp.	.	.	.	.	Expenditure.
Eco. Aff.	.	.	.	.	Economic Affairs.

Ext. Aff.	External Affairs.
Elect. Engg.	Electrical Engineering.
E.I.	Export Industries.

F

Fin.	Finance.
FRs & SRs	Fundamental Rules and Supplementary Rules.

G

Govt.	Government.
GFRs	General Financial Rules.
G.R.W.L.	Garden Reach Workshops Limited.

H

H.A.L.	Hindustan Aeronautics Limited.
H.T.L.	Hindustan Teleprinters Limited.

I

Ind.	Industry.
I.A.S.	Indian Administrative Service.
I. & B.	Information and Broadcasting.
I.C.A.R.	Indian Council of Agricultural Research.
I.D.	Industrial Development.
IDR Act.	Industries (Development and Regulations) Act.
I.F.S.	Indian Foreign Service.
I.F.A.S.	Indian Frontier Administrative Service.
I & S	Iron and Steel.
I.S.I.	Indian Statistical Institute.
I.T.I.L.	Indian Telephone Industries Limited.

J

J. & K.	Jammu and Kashmir.
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L

L. & E.	Labour and Employment.
L.E. & S.W.	Labour, Employment and Social Welfare.

M

M.D.L.	Mazagon Dock Limited.
M.H.A.	Ministry of Home Affairs.
M. & M.	Mines and Metals.
Mat. Plng.	Materials Planning.

N

N.C.C.	. . . . .	National Cadet Corps.
N.F.C.	. . . . .	National Fitness Corps.
NEFA	North East Frontier Agency.
N.S.C.	National Service Corps.

O

O & M	Organisation and Methods.
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P

Per.	Personnel.
P.A. & C.	Parliamentary Affairs and Communications.
P.C.	Planning Commission.
P. & C.	. . . . .	Petroleum and Chemicals.
P.M.	. . . . .	Prime Minister.
P.T.L.	. . . . .	Praga Tools Limited.
P. & S.W.	. . . . .	Planning and Social Welfare.

R

Re.	. . . . .	Regarding.
Rehab.	. . . . .	Rehabilitation.
R & E	. . . . .	Revenue and Expenditure.
R & I	. . . . .	Revenue and Insurance.
R.P.	. . . . .	Regional Planning.

S

Sug. Ind.	. . . . .	Sugar Industry.
S.I.U.	. . . . .	Staff Inspection Unit.
S. & T.	. . . . .	Science and Technology.
S. & T.D.	. . . . .	Supply and Technical Development.
S.W.	. . . . .	Social Welfare.

T

T.A.	. . . . .	Territorial Army.
Tech. Dev.	. . . . .	Technical Development.
T & C	. . . . .	Transport and Communications.
T. and C. P.	. . . . .	Trade and Consumer Protection.

U

U.N.	. . . . .	United Nations.
U.P.S.C	. . . . .	Union Public Service Commission.
U.T.	. . . . .	Union Territories.

W

W.H. & U.D.	Works, Housing and Urban Development.
W. & S.	Works and Supply.

Y

Y.S.	Youth Services.
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ANNEXURE V

(Para 3.8.2)

List of proposed portfolios and departments

Portfolios	Departments	
1. P.M.	A. Department of Atomic Energy	1
	B. Department of Parliamentary Affairs	2
	C. Department of Administrative Reforms	3
2. Home Affairs	A. Department of Home	4
	B. Department of Union Territories	5
	C. Department of Personnel	6
3. Defence	A. Department of Defence	7
	B. Department of Defence Production	8
4. External Affairs		9
5. Planning		10
6. Finance	A. Department of Economic Affairs	11
	B. Department of Revenue and Expenditure	12
	C. Department of Statistics	13
7. Commerce	A. Department of Trade and Consumer Protection	14
	B. Department of Export Industries	15
8. Industry	A. Department of Industrial Development	16
	B. Department of Engineering Industries	17
9. Steel, Mines and Metals	A. Department of Iron and Steel	18
	B. Department of Mines and Metals	19
10. Petroleum and Chemicals	A. Department of Petroleum	20
	B. Department of Chemicals	21
11. Food and Agriculture	A. Department of Agricultural Supplies and Services	22
	B. Department of Agricultural Production and Processing	23
	C. Department of Food	24
12. Irrigation and Power		25
13. Railways		26
14. Transport and Communications.	A. Department of Transport and Shipping	27
	B. Department of Aviation and Tourism	28
	C. Department of Communications	29

15. Education	A. Department of Education	30
	B. Department of Youth Services	31
16. Science and Technology		32
17. Health, Family Planning and Regional Planning	A. Department of Health	33
	B. Department of Family Planning	34
	C. Department of Regional Planning	35
18. Labour, Employment and Social Welfare.	A. Department of Labour and Employment	36
	B. Department of Social Welfare	37
19. Information and Broadcasting.		38
20. Works and Supply .		39
21. Law	A. Department of Legal Affairs	40
	B. Legislative Department	41

ANNEXURE VI

(Para 4.11)

Proposed list of cases to be brought before the Cabinet

- Cases involving legislation including the issue of ordinances.
- Addresses and messages of the President to Houses of Parliament.
- Cases involving negotiations with foreign and commonwealth countries on treaties, agreements and other important matters.
- Cases relating to a proclamation of emergency under Articles 352-360 of the Constitution and other matters related thereto.
- Cases relating to commencement or cessation of a state of war and related matters.
- Proposals to appoint public commissions or committees of inquiry and consideration of the reports of such commissions or committees.
- Proposals relating to (a) creation of new corporations or companies wholly owned by Central Government or by a public sector undertaking; (b) participation by the Central Government or a public sector undertaking in providing share capital to a new or any existing corporation or company; and (c) winding up, amalgamation, or such other major schemes of structural reorganisation of public sector undertakings.
- Cases in which a difference of opinion arises between two or more ministers and a Cabinet decision is desired.
- Cases in which a committee of Cabinet or its chairman desires a decision or direction of Cabinet in a matter of importance on a subject assigned to its charge.
- Cases involving financial implications on which the Finance Minister desires a decision of the Cabinet.
- Proposals to vary or reverse a decision previously taken by the Cabinet.
- Any other cases which the President or the Prime Minister may by general or special order require to be brought before the Cabinet.

ANNEXURE VII

(Para 4.17)

Statement showing composition and functions of proposed Standing Committees of the Cabinet

Sl. No.	Name of the Committee	Essential members	Functions
1	2	3	4
1	Committee on Administration	Minister of Home Affairs (Chairman) Minister of Finance Minister of Planning	To keep the machinery of government under constant review. To consider overall problems concerning personnel administration. To promote efficiency by all possible measures.
2	Committee on Centre-state Relationships.	Prime Minister (Chairman) Minister of Home Affairs Minister of Finance Minister of Planning Minister of Food and Agriculture	To consider questions concerning Centre-state and inter-state relationships.
3	Defence and Foreign Affairs Committee	Prime Minister (Chairman) Minister of Defence Minister of External Affairs Minister of Home Affairs Minister of Finance	To consider questions concerning the security of the country. To consider matters relating to foreign affairs.
4	Economic Affairs Committee	Prime Minister (Chairman) Minister of Finance Minister of Planning Minister of External Affairs	To direct and co-ordinate all government activities in the economic field (including planning) and generally to regulate the working of the national economy.

- To review economic relations (including economic and technical assistance) with foreign countries and international organisations.
- 5 Commerce and Industry Committee. Minister of Industry } One of them
Minister of Commerce } may be appointed as
Chairman
- Minister of Steel,
Mines and Metals
Minister of Petroleum and Chemicals
Minister of Finance
Minister of Planning
- To consider matters concerning development of industries and consumer protection.
To promote international trade.
To consider overall problems concerning public sector enterprises.
- 6 Food and Agriculture Committee. Minister of Food and Agriculture (Chairman)
Minister of Irrigation and Power
Minister of Finance
Minister of Planning
- To consider matters concerning food, agriculture, irrigation and power.
- 7 Internal Affairs Committee . Minister of Home Affairs (Chairman)
Minister of Defence
Minister of Law
- To consider questions of internal security.
To consider other matters of general administration not falling within the purview of any other committee.
- 8 Parliamentary and Public Information Committee. Prime Minister (Chairman)
Minister of Information and Broadcasting.
- Leaders of the two Houses of Parliament.
Minister of Finance
Minister of Law
- To review progress of government business in Parliament.
To consider matters concerning government's relations with Parliament (including government's attitude to non-official bills and resolutions).
To consider matters concerning government publicity and public relations.

Sl. No.	Name of the Committee	Essential members	Functions
1	2	3	4
9	Transport, Tourism and Communications Committee	Minister of Transport and Communications Minister of Railways Minister of Finance Minister of Planning	Either may be appointed as Chairman To consider matters concerning transport and communications. To consider ways and means of promoting tourist traffic.
10	Science and Technology Committee	Prime Minister (Chairman) Minister of Science and Technology Minister of Education Minister of Industry	To oversee implementation of Scientific Policy Resolution. To review and co-ordinate measures for the development of science and technology. To consider matters concerning development of 'vanguard' items like electronics.
11	Social Services Committee	Minister of Education Minister of Health, Family Planning and Regional Planning. Minister of Labour, Employment and Social Welfare Minister of Finance Minister of Planning	One of them may be appointed as Chairman To consider matters concerning education, family planning, health, regional planning, social security measures including labour welfare.

ANNEXURE VIII

(Para 4.22)

Statement showing (a) proposed cells in the Cabinet Secretariat (b) groups of ministries assigned to them and (c) Cabinet committees and secretaries committees to be serviced by them

Sl. No.	Name of the cell	Names of ministries assigned to the cell	Cabinet committees and secretaries committees to be serviced by the cell
1	2	3	4
1	Defence and External Affairs Cell	Ministry of Defence Ministry of External Affairs.	Defence and Foreign Affairs Committee.
2	Internal Affairs Cell	Ministry of Home Affairs (excluding Deptt. of Personnel) Ministry of Law Department of Parliamentary Affairs Ministry of Information and Broadcasting	Committee on Centre-state Relationships. Internal Affairs Committee. Parliamentary and Public Information Committee.
3	Commerce and Industry Cell	Ministry of Commerce Ministry of Industry Ministry of Petroleum and Chemicals Ministry of Steel, Mines and Metals Ministry of Science and Technology Department of Atomic Energy	Commerce and Industry Committee. Science and Technology Committee.
4	Economic Affairs Cell	Ministry of Finance Planning Commission.	Economic Affairs Committee.

Sl. No.	Name of the cell	Names of ministries assigned to the cell	Cabinet committees and secretaries committees to be serviced by the cell
1	2	3	4
5	Food and Agriculture Cell	Ministry of Food and Agriculture Ministry of Irrigation and Power.	Food and Agriculture Committee.
6	Transport and Communications Cell	Ministry of Railways Ministry of Transport and Communications.	Transport, Tourism and Communications Committee.
7	Social Services Cell	Ministry of Education Ministry of Health, Family Planning and Regional Planning. Ministry of Labour, Employment and Social Welfare	Social Services Committee.
8	Public Administration Cell	Department of Personnel (Ministry of Home Affairs). Department of Administrative Reforms. Ministry of Works and Supply.	Committee on Administration.

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