

**THE ECONOMIC IMPACT OF COMMODITY
EXPENDITURE OF THE GOVERNMENT OF
INDIA DURING 1961-62 TO 1965-66**

**A THESIS SUBMITTED TO
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CHAPTER IINTRODUCTION

The growth of Government expenditure has become quite a significant phenomenon all over the world in recent times. It has been realised that the level as well as the composition of the Government expenditure affects the allocation of resources, distribution of income and supplies of the factors of production. In recent times, manipulation of the Government expenditure has become a favourite technique which is often used to affect the level of the economic activity.

It has been often argued that there exists an intricate and complex relationship between Government Expenditure, Taxation, Borrowing and Public Debt Management, which are the ways by which Government affects the economic activity. Hence it may appear that, for the purpose of calculating the economic impact of the Government activity, all these factors will have to be taken into account. But the Government expenditure deserves separate study also, because it is the Government expenditure which sets the pace.

[The subject of Government expenditure has not received satisfactory attention and the studies in Public Finance are mainly related to the taxation aspect in detail. This is because, traditionally, the role of government was restricted to certain minimum functions like the maintenance of external

and internal peace and order, law and justice, and taxation was meant to cover this exactly. Once the income and expenditures of the Government were conceived to be equal, the Government was only conceived as one more economic agent like any individual or company, and have to equalise their income and expenditure. The study of taxation was mainly a study of its incidence, that is, an attempt to find out how this entity earns its income, and a study of its expenditure was just like that of individual family budgets trying to depict various tendencies in different socio-economic-politico contexts. It was Keynes who drove a 'wedge' between this equality of income and expenditure, and also showed that how, in certain circumstances, this inequality may become an important instrument in the hands of the Government, for the management of the economy. Taking Government expenditure as an autonomous part of the economic system, together with investment decisions and foreign trade, Keynes showed how the rest of the economic activity depends on these. Out of these three, however only the first was in the hands of the State, which it could use as an instrument of policy. Thus the changes in Government expenditure become crucial for understanding the changes in the economic behaviour pattern.]

The above aggregative approach took us a long way in appreciating economic situation. However, that was not enough. As soon as situations were reached where goods were not perfect substitutes, even through international trade a

disaggregative picture became more and more necessary, and that was provided by Leontief's technique of open input-output analysis. Leontief¹ himself used that for delineating the hypothetical impact of a reduction in defence expenditure on various economic activities, and also for finding the impact of other equivalent Government programmes on different economic sectors and those identifying the areas of distress and boom that will result by the replacement of defence expenditure by some other socially desirable Government programmes.

In 1962-63 China attacked India, and consequently India made a programme of defence priorities involving substantial expenditure. However, politically it was not prepared to reduce its development programme which, in itself, was experiencing quite a few 'bottlenecks'. The whole exercise was sought to be justified with respect to the total savings investment identities, and in that context Mathur² used the technique of Input-Output analysis in trying to identify the areas where bottlenecks are likely to occur. He posed the problem as follows: 'This means that our mobilisation measures shall have to take into account the total utilisation

1 Wassily Leontief and Marvin Hoffenberg, "The Economic Effect of Disarmament," Scientific American, April 1961.

2 P. N. Mathur, "Defence Efforts and Physical Balances," Indian Economic Journal, April 1963.

of each commodity curtailed as a result of those measures, and then they will have to be matched with the requirements of defence, viz., of direct defence production and of extra consumption of those who derive their income from these. Not only direct demands, but also the indirect demands generated by this extra expenditure, will have to be taken into account in arriving at physical balances of the economy as a whole. The tools for this detailed analysis are the family budgets of various classes affected, and a reliable input-output flow table. If it is desired that the defence and development efforts should not be seriously hampered in their execution due to serious 'bottle-necks' and/or serious inflationary pressures, it is necessary that these detailed exercises are done before deciding the overall defence and development plan. The pert lead given by the Finance Minister in raising financial resources alone, will not suffice.'

The study was preliminary and could not take into account the multiplier side or the consumption side of the picture, but taking only the direct and indirect effect of extra defence expenditure, using a rough 17 x 17 Input-Output Table, and the defence pattern of 1957-58, he found out that there are likely to be 'bottlenecks' in the supply of agricultural products, animal husbandry and fishery products, power, chemicals, iron and steel and transport, as direct and indirect requirements of these commodities were sufficiently

higher than the direct requirements, and there seemed to be no way that they were being taken into account. These gloomy forecasts were made at a time when India had completed her First and Second Five Year Plans during the decade 1951-52 to 1960-61, which laid a firm foundation of her industrial development. During the decade covering first two Plans India's National Income rose by 43.84 per cent while per capita income rose by 18.45 per cent. Industrial production went up by 82.48 per cent and agricultural production by 48.74 per cent. The rise in wholesale prices was of the order of 11.72 per cent while the rise shown by the prices of food articles (wage goods) was only 6.6 per cent. Gross capital formation of the Government increased by nearly four and a half times during the decade. In the industrial field machinery building industry showed a rapid growth and beginning was made to manufacture electrical equipment and scientific instruments in India. Chemical industry made a tremendous progress and the capacity for manufacture of a number of organic chemicals was installed. Manufacture of many new industrial items like boilers, milling machines, industrial explosives started in India. Manufacture of other industrial products like automobiles, motorcycles, scooters, radios, electric fans and sewing machines, recorded good progress. Indigenous content of industrial products produced in the country showed rapid increase on account of various international collaborations. Thus during the decade Indian

economy made a significant progress especially in the field of industrial production within a framework of moderate price stability.

During the period of Third Five Year Plan (1961-62 to 1965-66) National Income indicated a rise of 13.05 per cent while per capita income in 1965-66 remained at the same level as in 1960-61. The gains of increase in National Income were neutralized by increase in population which grew at the rate of 2.5 per cent per annum. Industrial production, during the period indicated rise of 44.47 per cent and extensive diversification took place. Increase in capacity was mostly noticed in production of Aluminium, Machine Tools, Electric Machines, Transport Equipment, Fertilizer, Cement and Minerals. In the field of agriculture on account of unfavourable weather conditions and failure of monsoons in most parts of the country, agricultural production decreased by 7.10 per cent in 1965-66 as compared to 1960-61. In general failure of agricultural production during the Third Plan resulted in a 32.19 per cent rise in the level of wholesale prices and 44.60 per cent rise in the prices of food articles (wage goods). The lower rate of growth of agricultural production led to a depressed rate of growth of the economy because of short supplies of raw materials for agro-based industries and consequential rise in wages resulting in higher prices of the finished products. It also resulted in excessive dependence on imports of foodgrains and other

agricultural commodities. Chinese aggression in 1962-63 and Indo-Pak conflict in 1965-66 and consequent disruption of flow of foreign aid resulted in reduction of the rate of growth of industrial production. On the whole, during the Third Plan, as against the industrial targetted growth rate of 11 per cent per annum, the actual rate of growth was only 8.2 per cent per annum. In order to keep industrial production at an increasing rate, it was necessary for the economy to invest at an increasing rate especially in capital goods industries.

Government in 1962-63 realised that only the declaration of non-alignment was not sufficient and had to undertake a huge programme of defence preparedness. Government was trying to keep tempo of both planning and defence preparedness at the same time. However it was not realised that, for achieving the same, much more comprehensive and rigorous control of the economy was necessary. The result was that even with bumper crops in 1964-65 the prices of foodgrains went on rising. The index number of prices of food articles indicated rise of 33.25 per cent (over 1960-61), as compared to rise of 14 per cent in 1963-64 and 5.08 per cent in 1962-63. Thus it was apparent that it was not possible to continue development and defence preparedness together in spite of controls at sensitive points of the economy, like distribution of foodgrains and other consumable products. Government gave planning a second priority which resulted into a plan

holiday instead of systematic economic planning. The top priority given to defence preparedness resulted into higher and higher expenditure on wages and salaries resulting into directly or indirectly more and more demand for consumer goods. Again a big programme of construction of border roads and defence installations which were mostly labour intensive were undertaken, resulting into increasing demand for consumer goods. An attempt to become self-dependent in defence preparedness resulted into higher requirements of crucial imported items, giving rise to higher demand for foreign exchange. Short supplies of foreign exchange and stoppage or suspension of foreign aid in later period led to postponement of economic planning for some time. This affected the national output and generated a phenomenon of recession in production in face of rising prices. The prices of food-grains almost doubled while those of manufactured goods rose by 25 per cent. Thus in the later years, even with substantial increase in purchasing power, tendencies of economic recession were observed which could not be explained with the help of "General Theory".

The economic picture which emerged after these five years 1961-62 to 1965-66, is in no way bright. We have seen above how we were faced with recession, as well as with inflationary price rises. The development strategy was in a shambles. The economy which was ready for a big spurt in 1961-62, was lying prostrate, and while there was extra

demand chasing certain sectors, certain other sectors were facing bottlenecks due to raw materials being in short supply, and while, at the same time, there were lots of engineering and other industries facing a substantial amount of unutilized capacities. Evidently, the balancing arithmetic had not been done. The study below is an attempt to do that arithmetic for Government expenditure, post facto, and to see whether Mathur's analysis has been borne out by the events, or whether there were some other causes which underlined this unfortunate situation. Thus the period covered by this study is the same as covered by the Third Five Year Plan of the Government of India, viz., 1961-62 to 1965-66. This period was characterized by the sudden shifts in the resource allocation for the purpose of defence, twice over the period, i.e. once in October 1962-63 and next in 1965-66. The Government expenditure also increased by 79 per cent over this period. The share of Government expenditure to the national income rose from 18 per cent in 1961-62 to 22 per cent in 1965-66. It is in the context of these conditions characterising Indian economy, during the period of the Third Plan that the present study is undertaken.

(Detailed data are available for this period only. The data available with the Director General of Supplies and Disposals, relate to the purchases made on behalf of the Central Government Ministries, and Departments, Union Territories, State Governments, Central Government Undertakings

and Quasi-Public Bodies etc. However, it is observed that only the Central Government Ministries and Departments and Union Territories cover more than 95 per cent of the total purchases by the D.G.S. & D. in any of the years. In case of the purchases for the D.G.S. & D. as a whole, the breakdown of the total purchases is available into indigenous and imported commodities. Similarly the regionwise or Statewise breakdown of the purchases of the D.G.S. & D. as a whole, is available into the Factory Sector ^{Cottage and Small Scale Sector,} and imported items also. However, in case of the data regarding the Ministrywise purchases, the commodity breakdown of the D.G.S. & D.'s purchases relate to total purchases e.g., indigenous and imported together and the breakdown of this is not separately available.] Thus the commodity purchases with respect to Ministries cannot be classified according to Indigenous purchases and the imports. We mention below some of the main features of the data used.

(A) D.G.S. & D. Data

(i) While discussing the Ministrywise economic impact of Government expenditure, the data is related to total (indigenous + imported) purchases of the commodities, available at four digit Trade Group Classification.

(ii) In case of total for Central Government including Union Territories, the totals were obtained by adding Ministrywise purchases along with purchases for Union

Territories together. Thus in this case the analysis relates to total (indigenous + imported) purchases of commodities at four digit Trade Group Classification.

(iii) For the purpose of calculating direct and indirect impact of the Government expenditure of the Government as a whole, the breakdown of the commodity purchases for D.G.S. & D. as a whole, have been utilized, so that only indigenous purchases can be taken into account.

(iv) Similarly for the purpose of calculating regional impact of the Government expenditure, the Statewise breakdown of the data regarding purchases for the D.G.S. & D. as a whole has been utilized, because of lack of data with respect to the Central Government separately.

(B) Budget Data

The volumes of the Demands for Grants, submitted to the Parliament along with the Budget, give Ministrywise details of the Government expenditure. The total expenditure of a particular Ministry was divided into expenditure on Factor payments and transfers and expenditure on commodities under various heads.]

The Factor payment and transfer type of expenditure have been excluded from our study as they are treated as, in the nature of monetary transfer, from one hand to another. The details of the commodity expenditure are only taken into account in case of this study. The identifiable commodities

have been directly classified into respective sectors of the Input-Output Table used for the study. The rest of the commodities which are non-identifiable in nature, the sector-wise breakdown has been obtained on the basis of the D.G.S. & D. data for the rest of the sectors. Additional information regarding commoditywise breakdown of certain heads of commodity expenditure like 'Other Charges' which is available in case of Post and Telegraphs, has been utilized for our study.

Limitations of the Study

One of the important limitations of the study is the non-availability of the breakdown of the Ministrywise purchases into indigenous and imported commodities separately. Hence Ministrywise direct requirements are in terms of total (indigenous + imported) purchases.

Secondly, in order to calculate economic impact of Government expenditure in India, only indigenous purchases should be taken into account. But the breakdown into indigenous and imported commodities available with the D.G.S. & D. is for the D.G.S. & D.'s purchases as a whole. Hence this data has been utilized for studying the economic impact for the years 1961-62 to 1965-66 for the Government as a whole on the grounds that the Central Government purchases amount to more than 75 per cent in case of D.G.S. & D.'s purchases.

Third limitation arises on account of the coverage of

the D.G.S. & D.'s data utilized for the present study. The data should cover, according to the provisions made by the Government, the purchases above Rs. 2,000 each in case of Central Government Departments and Rs. 10,000 each in case of State Governments and others. The lower monetary limit was raised to Rs. 5,000 in case of the Central Government Departments since 1963-64. However, it is said that under-reporting often takes place. Also it may be noted that final products produced in the departmental workshops by the Ministries like Defence, Railways, are likely to be treated in the nature of internal transfers and hence may not be reported to the D.G.S. & D.

The Scheme of the Present Study

Chapter II deals with views on role of Government expenditure under which classical, welfare and Keynesian views are studied; and with the approaches adopted to study the Government expenditure, under which Historical approach, Partial equilibrium approach (cost-benefit analysis) and Government expenditure as a constituent of General equilibrium theory (Input-Output analysis), are studied.

Chapter III pertains to the data on Government sector and data adjustments. The chapter describes calculation of total expenditure into non-commodity (Factor payments and transfers) and commodity expenditure, with respect to individual Ministries from the detailed study of the 'Demands for

Grants' for respective years, and the limitations of the data from Demands for Grants. The data available in the 'Directory of Government Purchases' and from the Office of the Directorate General of Supplies and Disposals (D.G.S. & D.) have been reviewed and the limitations are explained. In order to obtain commoditywise details of Government expenditure a procedure of collation of sources and adjustments has been adopted.

Chapter IV deals with the study of change in the sectorwise commodity requirements both direct (and direct + indirect) as well as total (indigenous + imported) of the different Ministries and Departments as compared to the preceding years respectively over the period. Attempt has been made to explain changes noted on the basis of Government expenditure policy in the light of the information contained in the annual administration reports and budget documents etc. The trend analysis has been carried out in respect of different sectors for each Ministry or Department and the economic significance of each trend pattern is discussed.

Chapter V deals with the study of the economic impact of the purchases of the Government of India for the years 1961-62 to 1965-66. Different types of trends have been distinguished in respect of sectors having their share more than one per cent in at least two years, and the economic

significance of sectors belonging to these trends is noted. It is observed that wider fluctuations are noticed in the level of aggregate Government demand during the years 1961-62 to 1965-66.

Chapter VI deals with the study of regional impact of Government expenditure. In this case each State has been regarded as a region and the data available in the Directory of Government Purchases have been used for the purpose. The study covers the period of Third Five Year Plan (1961-62 to 1965-66). The main conclusion of this study is that the Government demand is highly related with the level of economic development of the different States, as it is the highly developed States which contribute most of the Government requirements.

CHAPTER II

THE STUDY OF GOVERNMENT EXPENDITURE

The Government expenditures in modern times are exercising an increasing influence upon the national economies and it is recognized that the changes in the volume and pattern of the expenditure affect the level of income, output, employment and the distribution of income and wealth.

2.1 Views on the Role of Government Expenditure

In this context it will be interesting to review briefly the various views on the role of government expenditure.

2.1.1 The Classical View

The classical economists regarded Government activities as non-economic and exogenous factor. They held the view that taxation was only for raising required revenues and was not meant to exert any other effects. Thus in order to keep taxes as low as possible, expenditure should be restricted only to the necessary purposes.) Sir Parnell held that, "Every particle of expenditure beyond what necessity absolutely requires, for the preservation of social order and for protection against foreign attack, is waste and unjust and oppressive imposition on the public."¹ Though

¹ As quoted by Adams, H. C. Adams, Science of Finance, 1898, p. 50.

more or less similar views were held by Ricardo and J. S. Mill, their prescriptions with regard to the public expenditures vary in details.² However, Malthus made positive case for public expenditures, at least under certain circumstances. He was doubtful about operational significance of the Say's Law, as he feared that the "glut" might be chronic and general.³

They advocated balanced budgets, and according to them income transferred from community to Government should be equal to that spent by it on public needs. The balanced budget will not disturb the pattern of income distribution, flow of productive resources and preference structure of the economy. They regarded Government expenditure as unproductive.⁴ They thought that unbalanced or deficit budgets would expand Government activities which may lead to irresponsible government actions and inflation, while balanced budgets would provide an easy rule to guide the transfer of resources

2 Ricardo held the view that some necessary functions could be held only on the public account, and J. S. Mill emphasized the economic influence of State as a "civiliser" i.e. sponsor of improved educational facilities and cultural amenities like parks and gardens. He also thought that Government could perform a stabilizing function.

3 "Although existence of unemployed resources was recognised no adequate theoretical account of the phenomenon was given." B. A. Corry, "The Theory of Economic Effects of Government Expenditure in English Classical Economy," Economica, February 1958, p.

4 According to them, maximum level of the national product is reached mainly by the private initiative in the absence of any deliberate Government policy, while Government provisions are made at the expense of national product; and Government expenditure did not aim at maximum level of national product. Hence 'the smallest budget is the best'.

from the private to the public sector. Also "it may be that popular thinking about Government budget was based on popular thinking about household budget."⁵

2.1.2 The Welfare View

The welfare economists concentrate their attention on the process through which the market system allocates the resources. They make an attempt to prescribe criteria for the nature and volume of the Government expenditures and income, with the help of the technique of marginal analysis. "Starting from some concept of economic welfare, defined in terms of individual choice, they attempt to specify the taxing and spending activities of government that conduce to ideal conditions of such welfare."⁶

They assume full employment of the factors of production and the conditions of perfect competition; because perfect competition is one form of social organization by which "social optimum" can be achieved. They defined "social optimum" "as a situation in which nobody can move to a position which he prefers, without moving somebody else to

⁵ J. Burkhead, "The Balanced Budgets," in Readings in Fiscal Policy. A.E.A., 1955, p. 25.

⁶ Peacock and Wiseman, op.cit., p. 13. A long list of authors may be cited e.g., Pigou, A. P. Learner (R.E. Stud. 1934), Bergson (QJE, February 1938), Hotelling (Economica, July 1938), Kaldor (E.J., September 1939), J. R. Hicks (E.J., December 1939), T. Scitovsky (R.E. Stud., November 1941), O. Lange (Econometrica, July-October 1942), Stigler (AER, June 1943), Samuelson "Foundations of Economic Analysis, March 1947. But studies by Hla Mint, Reder and I.M.D. Little will be more illuminating.

a position which is less preferred."⁷

These writers assume the Government to behave just like an individual having its own tastes and preferences like other individuals and the income and expenditure of the government can be examined like those of an individual. An attempt was made by them to prescribe size and nature of the public sector by applying the marginal analysis which is generally used for the study of individual consumers.⁸ The approach may be modified by showing that people can make use of political process instead of the market while taking the decisions regarding utilization of economic resources. Thus they make use of the political voting system in the place of the market voting system, and "the ideal political system is thus regarded as one that best promotes economic liberalism and the ideal volume and type of government expenditure is that which such a system would generate."⁹

Thus the approach made extensive use of the technique of marginal analysis. However, from the recent developments in the theory of marginal cost pricing it may be concluded

⁷ K. E. Boulding, "Welfare Economics," in B.F. Haley (ed.), A Survey of Contemporary Economics, 1954, p. 24.

⁸ A. C. Pigou, A Study in Public Finance, 3rd Edition, Part I, Chapter V, London, 1947.

⁹ J. M. Buchanan and G. Tullock, "The Calculus of Consent," as quoted in Peacock and Wiseman, op.cit., p. 13.

that the marginal analysis¹⁰ is not a suitable technique for the study of government expenditure.¹⁰

Boulding has argued that, "Any argument for perfect competition is impossible unless the size of the unit of economic decision is small relative to the market. Consequently in case where the efficiency of the economic unit (measured say by some reciprocal of average cost) increases with the size of the unit over a large range of output we run into dilemma, that perfect competition can only be obtained at the cost of productive inefficiency. The only answer to this dilemma seems to be public operation or control of these large scale enterprises in order to secure 'marginal cost pricing'; for it is only when price is equal to marginal cost that the marginal conditions of the social optimum can be met."

The assumptions of welfare economics move away from reality and there are situations in which the analysis cannot be applied.¹¹ Thus the welfare approach may be regarded

10 (1) Harold Hotelling, "The General Welfare in Relation to Problems of Taxation and of Railway and Utility Rates," Econometrica, July 1938, pp. 242-69; (2) Nancy Ruggles, "The Welfare Basis of the Marginal Cost Pricing Principle," Review of Economic Studies (1949-50), p. 2946; (3) Nancy Ruggles, "Recent Developments in the Theory of Marginal Cost Pricing," Review of Economic Studies, pp. 107-26; (4) R. F. Kahn, "Some Notes on Ideal Output," Economic Journal, March 1935, pp. 1-35; (5) Ragner Frisch, "The Deput Taxation Theorem," Econometrica, April 1939, pp. 145-50.

11 C. L. Allen, "Modern Welfare Economics and Public Policy," S.C.J., 1952-53, pp. 28-36.

as having a limited use in the determination of the appropriate economic policy.

2.1.3 The Keynesian View

Events that took place in 1930's made economists skeptical about the prescriptions of the Classical and welfare approaches. Also the monetary policy as a regulator of the short-run disequilibrium proved to be ineffective. This led Keynes to advise the conscious use of positive and active fiscal policy.

"In staging his assault against the orthodox theory Keynes did not attack the internal consistency of its logical structure; he rather attempted to demonstrate the unreality of its fundamental empirical assumptions by showing up what he considered to be the obvious falsity of its factual conscious. The orthodox theory proves that involuntary unemployment cannot exist; but we know that it actually exists. Since the formal logic of the orthodox proof is essentially correct, the fault must be sought in the choice of the basic empirical premises. This is the general plan of the Keynesian attack."¹²

Keynes rejected laissez-faire policies since they were likely to result in deficit demand, unemployment and wastage of the resources.

¹² W. Leontief, "Postulates: Keynes General Theory and the Classicists," in H. S. Ellis (ed.). New Economics. London, 1948, p. 232.

According to Keynes the total volume of employment depends upon the aggregate effective demand and lack of this demand makes the Classical equilibrium as an exception rather than a rule. Keynes, therefore, advocated for bold and extensive programme of government action which will generate aggregate demand and hence full employment. Further Keynes has shown that, it is the variation in the amount of exogenous expenditure like investment and Government expenditure which generates the variations in the level of income and employment.

Thus Government according to him is a great compensating factor that could correct the vagaries of laissez faire capitalism. He argued that in case when business anticipations were poor and investment slumped, the government should step in to invest, so that the gap is filled up. Government expenditure would generate as much income as private investment and would mean enlargement of the markets. If the government wants to stop a decline in national income brought about by the fact that savings are accumulating faster than new investment, it should increase its expenditure in such a way as not to decrease private expenditure on consumption or investment. The money borrowed by the government to fill up the gap between the revenues and expenditures should come either from private savings which are otherwise hoarded or from bank credit. The government should follow the reverse policy when investment exceeds

savings. His main emphasis was on governmental compensatory fiscal policy to be followed in such a manner as to moderate flaws in the economic system which was, however, to be left substantially free. His main concern was to avoid fluctuations in national income and to stabilize the total income.

Prior to Keynes the role of Government was kept out of theoretical analysis. However Keynes showed that Government by way of raising and spending large amounts can play an important role in the economic affairs of the nation.

Keynesian approach deals with highly aggregative concepts like aggregate consumption, aggregate investment, aggregate income and aggregate output, and it analyses the behaviour of these aggregates. As the approach deals with the economy as a whole and in terms of aggregates, important relationships within the aggregates could not be revealed and hence partial economic disequilibrium i.e. depression in a particular sector only, cannot be studied with the help of this approach.

Hansen has argued that, "Whatever the character of initial expenditure whether on investment or consumption, the effect as far as the multiplier process is concerned is the same."¹³ This may not hold true if we realise that there is not one consumption or investment good but there are

13 A. H. Hansen, A Guide to Keynes, 1953, p. 90.

different types of consumption and investment goods and various commodities have different production requirements and uses. Increase in demand for different commodities may generate quite different effects on the rest of the economy.

2.2 Approaches to the Study of Government Expenditure

In this section we will study various approaches adopted by different writers for the study of government expenditure.

2.2.1 Historical Approach

The writers adopting this approach carry out the secular and time pattern analysis of the growth of Government expenditure vis-a-vis the growth of economic activity as indicated by trends in national income. Two benchmark studies adopting this approach are those of Wagner and Peacock and Wiseman.

Wagner's Approach :- Wagner adopted explanatory rather than prescriptive approach and made an attempt to draw inference about relationship of the Government expenditure with the community output on the basis of historical data.¹⁴ He argued that the Government expenditure must increase at a faster rate than the community output and this statement is known as the Wagner's Law (Law of Increasing

¹⁴ Wagner, "Public Finances," in Musgrave and Peacock (ed.). Classics in the Theory of Public Finance, p. 8.

State Activity).] It was based on the empirical observation in a number of developed countries e.g., Prussia, Bavaria, Britain, North America, Switzerland; which showed a rising trend of output per head, although they differed from each other in various other respects.

[The Wagner's Law is looked upon as a law of increasing State activity, for he has argued that the growth of government expenditure is on account of growth in State activity which is the result of social progress.] Again the law is concerned with the secular behaviour of the expenditure rather than the short term changes or the actual process of change.

In order to explain his law, he divided government activities into three types, e.g., (i) Maintenance and enforcement of law and order internally and externally, so that the market economy can function smoothly; (ii) Participation in material production; and (iii) Provision of economic services like postal and education and banking services. He also gave separate reasons so that the law may hold good for each type of the activity.

As an explanation of the first type of activity he stated that an increasing amount of division of labour is associated with the economic development. It gives rise to various frictions in social and economic life which require larger and extensive State activities both of preventive and repressive character, so that the economy may function smoothly.

While explaining the second type of the government activity, he argued that increasing participation in material production is the result of the development of new technical processes which lead to public corporations as an alternative to joint stock companies.

In order to explain third type of activity, he argued that the technical developments create ground for monopolies to flourish. Certain economic activities will not be undertaken by private individuals because their economic returns cannot be evaluated in quantitative terms. This may work as a stabilizer in a situation when government takes over large enterprises which otherwise may create instability in the market economy.

Thus he tried to explain the enlargement of the State activities. However, he did not give sufficient reasons to explain why public expenditure should always rise at a faster rate than the community output.

In tune with the above approach is the study containing^{ed} in the Taxation Enquiry Commission Report 1953-54.¹⁵ It discusses the pattern and recent developments in public expenditure with respect to Central and State Governments for some of the years between 1921-22 to 1953-54. In this report, expenditure on revenue and capital accounts and

¹⁵ Government of India. Report of the Taxation Enquiry Commission 1953-54.

composition of public expenditure in terms of developmental, social services and non-developmental are taken into consideration. In addition, the distribution of public expenditure under different heads and the factors responsible for the growth of public expenditure over these years are discussed. Besides, economic effects of public expenditure by way of correcting regional imbalances and reducing hardships created by heavy taxation, are explained. One of the conclusions of the report is that the trends and composition of public expenditure in India have been able to reduce economic and social inequalities to a moderate extent but its effects need not be significant as long as the ratio of public expenditure to National Income remains as small as they are at present, which was 11 per cent in 1953-54.

[K. Mukerji¹⁶ in his study analyses the size and composition of Government expenditure for the years over the period 1901-02 to 1951-52. He considers revenue and capital accounts of the Government budgets. He gives the breakdown of the revenue expenditure for Central, State and Local Governments. He also gives in real terms the proportion of Central Government expenditure to the total public expenditure and the proportion of public expenditure to National Income. After deducting the transfer expenditures from the

√ 16 K. Mukerji, Levels of Economic Activity and Public Expenditure in India. Bombay : Asia Publishing House, 1965.

aggregate outlay of the public sector, he estimates public sector expenditure on goods and services for the years 1948-49 to 1953-54. His estimates vary from the Government estimates because the latter relate to public expenditure on current account only.] This study also concerns itself with manpower utilization of the public sector. It also makes an attempt to find out impact of (i) per capita income, (ii) population, (iii) urbanization (ratio of urban population to total population) on per capita public sector outlay.

Martin and Lewis¹⁷ in their work make an attempt to compare "The revenues and expenditures of sixteen countries at different levels of economic development", India being one of them. The object of their study is to find out what patterns of expenditure and sources of revenues are appropriate to different levels of development. The study uses the figures for 1953-54 for all the countries except for Columbia. The figures are shown as proportion of Gross National Product at factor cost "except in two cases". As for public expenditure, it is related with the expenditure on Government accounts only. Though distinction is made between current and capital expenditure, transfers and expenditure on goods and services are not distinguished.

17 A. Martin and W. A. Lewis, "Patterns of Public Revenue and Expenditure," The Manchester School, September 1956.

The authors find out that, very broadly, public expenditure rises relatively to National Income as income grows. They find that, there is a rough relationship between total expenditure and GNP per head. But this is not so in case of expenditure on civil administrative services, health and education. They call such expenditures as 'basic expenditures' and find that, these expenditures consist of major part of the public expenditure in case of poor countries. In case of rich countries the amount spent on defence-loans, social insurance schemes, food and agricultural subsidies and capital outlays constitute major portion of their public expenditure. Further sub-dividing civil administrative services of basic expenditure into administration and economic services (Public Works, Water Supplies, Roads Transport, Agriculture, Industry Housing) they have shown that, proportions spent on them are relatively constant over these countries as compared to the proportions of GNP spent on health and education. They find that the proportions of GNP spent on public services in India, Nigeria, are quite low as compared to other poorer countries. They take into consideration the median value of the combined expenditure (current and capital) as percentage of GNP of 16 countries, for aggregate expenditure as well as for different heads of basic expenditure. They show that the proposals under Indian Second Five Year Plan fall short of these median values except in case of agriculture and industry. However, they

realise that different factors affect different countries differently. "In the final analysis there is no model which can show what Government expenditure ought to be without taking into account different political pressures." Patterns of revenue and local government finances are also analysed in this study.

[Peacock and Wiseman's "Suggested Approach" :- Peacock and Wiseman¹⁸ have collected and studied the empirical data of public expenditure in the United Kingdom from 1890 to 1959. They have argued that with the rise in national income, rising tendency is shown by the government expenditures in all countries. The process of economic growth brings along with it an increased complexity in social and economic relationships and for the purpose of smooth functioning of market economy increased public expenditure becomes a necessary condition. Government investments in social overheads like irrigation and transport projects etc. are prerequisites for economic growth. As the community income rises, a part of its increased income is likely to be spent on consumption of public goods rather than private goods.]

In the United Kingdom the ratio of public expenditure to national income rose from 9 per cent in 1890 to 37 per cent in 1959. However the growth of the public expenditure

✓ 18 A. T. Peacock and Jack Wiseman, The Growth of Public Expenditure in the United Kingdom, 1961, pp. 20-34.

in ~~the~~ United Kingdom showed a pattern of "peak and ascending plateau"; reaching peaks during the periods of social disturbances like wars, and the plateaux were observed during normal periods; and this upward shift in the growth pattern was termed as "displacement effect".

During the normal periods of time there may be persistent divergence between ideas about desirable public spending and ideas about desirable limits of taxation. This divergence may be reduced by major social disturbances like wars, which may create "displacement effect" and public revenues and expenditures are shifted to new levels. As the disturbance is over, new ideas about tolerability of tax levels develop and a new level of expenditure may be reached. Also expenditures which were regarded by the government as desirable but could not be realised before the disturbance, could be incurred after the disturbance. The social disturbances also create new and continuing obligations on government due to increased functions and changes in social ideas.

There is also an "Inspection effect". The general revision of the tax-system and raising revenues by way of new taxes become possible under the conditions of social disturbances.

The process of economic growth leads to change in the size and functions of the government. When the functions of the government are allocated between the Central and other authorities, on account of revenue raising capacity and

technical efficiency during such abnormal periods, concentration in the powers and the functions of the Central Government takes place. This change is termed as "Concentration Process".

[In India Reddy¹⁹ made a modest attempt to apply Peacock and Wiseman's approach to study the growth of public expenditure in India over roughly a century (1872-1968). The author enumerates his principal conclusions as follows:

"Government expenditure has grown at a faster rate than community output and the removal of 'permanent influences' - population and price changes has not affected the secular growth."

"When examined during the shorter periods, the time pattern of expenditure growth suggests that increase or decrease in community output has no relevance whatsoever on the growth of Government expenditure."

The author has clearly found out 'displacement effect' in case of India. "The displacement effect produced under the impact of the world war disappeared after the war while the displacement effect produced after Independence (particularly after 1951) is still in force." Though Reddy says that he has clearly found out a displacement effect, it is

19 Kaipa Narayan Reddy, The Growth of Public Expenditure in India (A Secular and Time Pattern Analysis). New Delhi: Sterling Publishers (P) Ltd., 1972.

more likely an inspection effect rather than a displacement effect, especially because the displacement effect finished after the Second World War. However, the War gave sufficient knowledge of the possible sources of extra government revenues, which were utilized by the government as soon as it started thinking of using government resources for economic development in a really big way.

2.2.2 Partial-Equilibrium Approach: Cost-Benefit Analysis

The partial equilibrium analysis takes account of only a few of the variables, assuming that there is no change in others i.e. ceterius paribus. This approach helps us to reduce the number of variables, whose value is to be determined. It helps to simplify the analysis. With the help of this approach it is possible to predict immediate effects of any change in the behaviour of consumers and the sellers of a given commodity, when other things remain more or less the same.

When the economic behaviour of small sectors of the economy is to be studied, it may be reasonable to assume that impact of the behaviour of the small sector exerts no appreciable influence on the rest of the sectors or even if there is some external impact on the small sector of the economy under consideration, the small sector adjusts itself without exerting any appreciable effect on the rest of the economy.

Leontief remarks that "In case of partial analysis, which operates simultaneously with only two or three variables, the inter-relation among these few elements can often be perceived directly, such intuitive inference becomes practically impossible as soon as the number of variables increases upto four or five not to say ten or twenty."²⁰

[An example of partial equilibrium approach adopted for the study of Government expenditure is what is generally termed as 'Cost-Benefit Analysis'.²¹ This technique is extensively used to study the repercussions of Government expenditure on irrigation, defence, transport projects, and other public utilities. The approach makes an attempt to enumerate and evaluate relevant advantages or benefits and disadvantages or costs. The growth of public sector and the growth of large investment projects seem to have led to the extensive use of the technique.

Prest and Turvey have observed that, it is a "technique for taking decisions within a framework which has to be decided upon in advance and which involves a wide range of considerations many of them political and social in character."²²

20 W. Leontief, The Structure of American Economy, 1951, p.34.

21 The technique is also known under various other names depending upon its applications, e.g., 'Operations Research', 'Systems Analysis', 'Cost-Effectiveness Analysis', 'Investment Planning', 'Project Appraisal'. See R.N. Mackean, Public Spending, 1968, p. 136.

22 A.R. Prest and R. Turvey, "Cost-Benefit Analysis - A Survey," in N.S. Buchanan (ed.). Surveys of Economic Theory, Vol. III, A.E.A., 1967. Although originally the technique was associated with natural resource projects, gradually it has been extended to other fields like defence, education, health, research and development, land use, etc.

He termed the factors of production, measured in this way, as "productive services". In order to make systematic presentation of general description he made a number of simplifying assumptions. In his model he tried to explain how under the conditions of free competition and static equilibrium, with given utility functions for individuals, individual and market demand and supply functions and also "coefficients of production", unknown prices and quantities of productive services and products produced could be calculated. He defined, "Coefficients of production" as "the quantities of each of the productive services ... which enter into the production of one unit of each of the products."²⁶ However, it was recognized by Walras that owing to the simplifying assumptions the economic equilibrium described is an ideal rather than a real state. He made no attempt to apply his system of analysis to the study of empirical problems; although in order to make interdependence among economic variables quite clear, he aimed to indicate the general relations among them.

The importance of the theory developed by Walras cannot be under-estimated. However he has not discussed the problems arising out of aggregation of products or industries, which meant that each individual factor and each individual product has to be given a set of equations. However, even

26 Ibid., p. 239.

with the present stage of development of high speed electronic computers, it would be difficult to solve such a large system of equations. In the words of Leontief, "The comprehensive general equilibrium theories developed by the Lausanne School are essentially grand classificatory taxonomic devices. They define and stratify the basic types of economic phenomena and describe their mutual inter-relationships in so general a form that very few, if any, operational propositions concerning the measurable properties of specific economic systems can actually be derived from them. Neither Walras nor Pareto made any stipulations concerning the possible empirical implementation of their explanatory schemes ... the theory of general inter-dependence ... was not intended by its creators to become a tool of factual analysis."²⁷

However, the empirical application of general equilibrium approach (or an approach which comes nearer to it) was made possible by the development of input-output technique. Prof. Leontief in 1930's made an attempt to apply general equilibrium approach in a simplified form to empirical quantitative analysis of the American economy. His object was "an empirical study of inter-relations among the different parts of a national economy".²⁸ He tried to

27 W. Leontief, "Input Output Analysis and the General Equilibrium Theory," in T. Barna (ed.), The Structural Interdependence of the Economy, 1954, pp. 41-42.

28 W. Leontief, The Structure of American Economy 1919-1939.

overcome "the persistent cleavage between a preponderantly deductive type of analysis on the one side and radical empiricism on the other."²⁹

Input-output approach "consciously aimed at concentration of the empirical data gathering phase of economic analysis on direct observation of the basic structural characteristics of the particular economy concerned. All its other operational properties are then derived deductively."³⁰

According to the Input-output approach, the economy is regarded to be having a large number of inter-dependent economic activities or sectors, and each sector absorbs commodities and services produced by the other sectors of the economy and at the same time, produces commodities and services, which are absorbed in the other sectors of the economy. Thus an Input-Output Table can be constructed, showing the flow of the commodities and services between the various sectors of the economy, within a particular period of time, usually a year. Such a table consists of an equal number of rows and columns and each row and the corresponding column is named accordingly. The row-wise entries show the

29 W. Leontief, Studies in the Structure of the American Economy, 1953, p. 5.

30 W. Leontief, "Input Output Analysis and the General Equilibrium Theory," in T. Barna (ed.). The Structural Interdependence of the Economy, 1954, p. 44.

distribution of the output of the particular sector to all the other sectors of the economy and the column-wise entries indicate the distribution of inputs absorbed by a particular industry or sector. In addition, other columns are also given, one showing the total output of each industry and the others indicating the outputs going for "Final Demand" e.g. for consumption, along with $n \times n$ Input-Output Table.

A simple Input-Output system may be described in terms of a set of simultaneous, linear, "balance" and "structural" equations.

The balance equation is given by :

$$X_i = \sum_{j=1}^n x_{ij} + Y_i \quad (i = 1, 2, \dots, n)$$

where X_i is the total gross output of the i th industry

x_{ij} is the output of the i th industry used as input in the j th industry

Y_i is the output of i th industry available for "Final Demand".

Thus each of the balance equations states that the total gross output of a commodity is equal to its inter-industry requirement and outside consumption or Final Demand. The Final Demand is usually constituted of household and government consumption, capital formation and net foreign trade. All these balance equations describe the balance of inputs and outputs for all the commodities and services.

The structural equation is given by :

$$a_{ij} = \frac{x_{ij}}{X_j}$$

Where x_{ij} is the amount of the i th industry's output, absorbed by the j th industry as input

X_j is the gross total output of the j th industry

a_{ij} is known as the i th "technical coefficient" in the j th industry e.g. the amount of the commodity i which is required to produce one unit of the commodity j .

Thus a set of the structural equations explains the internal structure of the respective sectors of the economy and also explains the interdependence between the quantities of inputs absorbed and the amount of products produced in a given process. The assumption made is that every commodity is produced only by one given process.

The system of structural equations shows the flow structure of the economy, hence the technical coefficients are sometimes called as "flow coefficients".

The fundamental relationship of a simple input-output system is revealed by the equation system as :

$$X_i = \sum_{j=1}^n a_{ij} X_j + Y_i \quad (i = 1, 2, \dots, n)$$

And for each sector, Final Demand is given by :

$$X_i - \sum_{j=0}^n a_{ij} X_j = Y_i \quad (i = 1, 2, \dots, n)$$

Taking all the sectors, we get, in matrix notation

$$(X - AX) = Y$$

where X is gross output vector

A is input coefficients matrix

Y is the final demand vector.

Hence, when the final demand vector is given, the necessary output to be produced, in order to satisfy direct and indirect demand is given by :

$$X = (I - A)^{-1} Y$$

where X is the total output

$(I-A)^{-1}$ is the inverse of the matrix $(I - A)$

Y is the final demand vector.

Any change in the demand for final products may generate repercussions in the economy and alter the composition of industrial output. This implies that a reallocation of the industrial resources in terms of final products and also in terms of intermediate products is required.

The basic assumptions of Input-Output Analysis are linearity of production function (constant returns to scale), fixed input coefficients and absence of joint products. On the face of it these assumptions seem to have been made to simplify statistical and computational problems. However on closer examination these assumptions also appear to be the best ones which could be made at least for short term analysis. 'Constant returns to scale' assumption might not be the best at a firm level but at macro-level i.e., for an industry as a whole the question of scale is irrelevant as the industry is composed of large number of units. The expansion of industry may simply take place by addition of new firms. The aggregate production function studies seem

to point to the suitability of constant returns to scale assumption more than to any other assumption.

As far as the assumption of fixed input coefficients is concerned, the implication is that the techniques of production remain constant over the short run and input or factor substitutions do not take place. In this context Leontief himself observes: "A large number of phenomena, which in economic discussions are referred to as instances of factor substitution, prove upon closer examination to conceal the non-homogeneous character of the conventional industrial classification."³¹

The joint product problem can at least partly be taken care of by suitable scheme of aggregation so as to keep the joint products in one sector, with the implied assumption that their proportions in the total production of the sector remains the same.

The first input-output model constructed by Leontief was of the closed type, where totality of production and consumption coefficients was specified. With the help of this type of model impact of any economic change could be calculated.

However, the closed type of model was in the tradition of the Walrasian general equilibrium model, where everything

31 W. W. Leontief, The Structure of American Economy 1919-1939, p. 39.

was determined through the operations of the behavioural characteristics of thousands of economic agents. The Government's role was not taken as unique it was one of the agents not specifically distinguished, following the neo-classical precedent, and like any other firm it was collecting revenue equivalent to its expenditures and had its own priorities.

However, the development of open input-output,^{model,} described above completely changed the perspective. It allowed an exogenous determination of certain sections of final demand and could work out its economic consequences. Similarly, it could allow exogenous determinings of certain constituents and value added, and work out its consequences for the economy. This enabled to analyse the effect of changes in the total level and pattern of government purchases and its repercussions throughout the economy.

2.3.1 Application of the Input-Output Technique to the Study of Government Expenditures

In the following, some studies, in which the use of the input-output model has been made to study the economic impact of the government expenditure have been summarised.

Peacock and Stewart³² made use of input-output approach to the study of public expenditure and tried to "generalize

32 A. T. Peacock and I. G. Stewart, "Fiscal Policy and the Composition of Government Purchases," Public Finance, Vol. 13, No. 2, 1958, pp. 135-44.

the theory of fiscal policy" by making an attempt to explain the fact that, "the composition of government expenditures as well as its aggregate amount is obviously important in examining the multiplier effects of government expenditure". For example, 'If Government spending is concentrated on a sector or sectors whose 'import content' is relatively high, then an obvious extension of multiplier analysis leads one to expect that the impact on income (and therefore expenditure) will be lessened, since that sector will spend abroad rather more than do others.'

For the purpose of their study they divided the British economy into six productive sectors, e.g., (1) Agriculture, Forestry, etc., (2) Mining and Quarrying, (3) Manufactures, (4) Building and Constructing, (5) Gas, Electricity and Water, (6) Other Industries and Trade. They treated government expenditure as exogenously determined and the government purchases were classified according to these sectors. With the help of the open-ended Input-Output Table for the year 1956 they were able to show the 'direct' or 'primary' and the 'indirect' or 'secondary' effects of government purchases on the sectoral incomes.

They concluded that "The multiplier effects of changes in the levels of government expenditure on goods and services may be extremely complex and that there appears to be a strong case for 'disaggregating' expenditures in ways other than that produced by a simple division between expenditure

on goods and services, on one hand, and expenditure on transfers on the other."

Leontief and Hoffenberg³³ have used the Input-Output technique in their study of the economic effects of "Disarmament". They tried to forecast effect of the transfer of expenditure from military to non-military or civilian purposes. They made use of Input-Output table for American economy for 1958. They divided the total economy into 57 processing sectors and identified eight major military and non-military final demand vectors. The net change in output could be worked out for any shift in final demand from defence to non-defence use. They worked out the impact on employment of a 20 per cent cut in military budget assuming that (i) this was accompanied by a corresponding increase in non-military expenditures and (ii) the relative magnitudes of various categories of non-military demand remained unchanged. As these results were based on the basis of specific assumptions, they stated that "The tables provide the means, however, for trying out sets of assumptions different from the simple ones demonstrated here."³⁴ The limitation of this technique was the assumption of the unchanging internal composition of direct requirement of any

33 W. Leontief and Marvin Hoffenberg, "The Economic Effects of Disarmament," Scientific American, Vol. 204, No.4, April 1961, pp. 47-55. Also included in W. Leontief, Input-Output Economics, 1966, pp. 167-83.

34 W. Leontief, Input-Output Economics, 1966, p. 182.

category of demand. A significant shift from one type of demand to another type of demand may also be accompanied by a change in the internal structure of the demand.

Mathur³⁵ also has used Input-Output technique to study the impact of defence efforts on the Indian economy and emphasized the need for looking into physical balances, in addition to financial balances, if the development efforts are not to be jeopardized by generation of bottlenecks created by defence efforts, as has been discussed in Chapter I.

2.4 The Present Study

The present study is based on the approach adopted by Mathur. It makes an attempt to study the economic impact of Government expenditure by estimating direct and total (direct + indirect) commodity requirements of individual Ministries of the Central Government of India and of Government as a whole.

Government expenditure on commodities generates direct physical demand. In order to sustain this direct physical demand, it is necessary to have the required quantities of commodities that are used as inputs in the process of production of such commodities. Again production of these commodities requires additional production of those commodities which are used as inputs in their production and so on. These

³⁵ P. N. Mathur, "Defence Efforts and Physical Balances," The Indian Economic Journal, Vol. X, No. 4, April 1963.

requirements are known as 'indirect physical demand'. Generally the direct requirements are taken into account while their indirect requirements are likely to go unnoticed. The technique of Input-Output analysis through which we can reckon direct and indirect requirements.

Along with the indirect physical demand indirect consumption demand also arises by way of payment of wages and salaries. However for the purpose of present study only the physical requirements are taken into consideration.

Government demand plays crucial role in a developing economy like India. When such an economy has to go for mobilization for defence, additional stresses and strains are generated in the economy and the present study tries to find out, under such circumstances, whether the government demand works as a stabilizing or destabilizing agent. If it is destabilizing in nature, the developing economy cannot afford it. This calls for careful planning of Government demand. The importance of such a planning can be elucidated with a study like this.

As a side aspect of the study, the present work deals with regional impact of Government expenditure. In this case, it is observed that the Government demand accentuates the inequalities of the regions instead of removing them.

The present study pertains to the Third Five Year Plan when the Government had to mobilize for defence twice during

the period. It is observed that the Government demand, under such circumstances, works as a destabilizing agent instead of stabilizing the economy. This calls for careful planning of Government expenditure.

CHAPTER III

THE DATA AND DATA ADJUSTMENTS

3.1 Data Requirements and Sources

For the purpose of activitywise study of economic effects of the Central Government expenditure, with the help of the Input-Output technique, it is necessary to have commoditywise breakdown of the Government expenditure in sufficient details, according to various activities of the Government. However as activitywise data is rather difficult to collect at this stage, we have tried to do the breakdown at least according to various Ministries. For further analysis these commodities are grouped according to the sectors of the Input-Output Table that is to be used.

The Input-Output Table used for the present study pertains to the year 1963. It contains sixty-five sectors, fifty-nine of which belong to manufacturing and the other six to non-manufacturing sectors. A list of the sectors appears in Appendix III(a). The Input-Output Table was prepared at the Gokhale Institute of Politics and Economics, Poona, by Mathur and others. The Table is in terms of purchaser's prices for 1963.

Thus the commodity breakdown of Government purchases have to be classified according to the sectors of the Input-Output Table and the commodity requirements of the years other than 1963 are to be converted to 1963 prices with the help of suitable price indices.

In case of Government expenditure, however, a Ministry-wise or activitywise breakdown of expenditure on commodities is not available in sufficient details directly from any single source. Therefore a number of sources are required to be colated so as to fill in the data gaps in each other and arrive at the detailed breakdown of the commodity expenditure.

Itemwise details of Government expenditure can be obtained from the 'Demands for Grants' which are presented to the Parliament for voting purposes. The broad items of expenditure given in the 'Demands for Grants' are "Pay of Officers", "Allowances, Honoraria, etc.", "Other Charges", "Plant and Machinery", "Works" etc. It is apparent that from these items the commodities cannot be identified except in a very few cases where commodities like fertilizers, vehicles and electricity etc. are mentioned. However by grouping such items of expenditure under suitable heads it is possible to arrive at commodity and non-commodity, viz. factor payments and transfers,* breakdown of Government expenditure.

Another important source of data is the 'Directory of Government Purchases' published by Directorate General of Supplies & Disposals (D.G.S. & D.) which gives commoditywise purchases of Government separately for Central Government,

* The term non-commodity stands for factor payments and transfers wherever it is used, unless otherwise specified.

State Governments, Quasi-Public Bodies, Foreign Governments, etc. Ministrywise details of Government purchases were furnished by the D.G.S. & D.'s office.]

The breakdown of the total purchases is given in the form of indigenous and imported goods also. In case of ~~Ministrywise~~ Ministrywise breakdown of the D.G.S. & D.'s purchases, indigenous and imported components are not separately given. This breakdown is available at the four digit level of the Trade Group Classification and it can be obtained from the Office of the D.G.S. & D. It is at this level of Trade Group Classification that by regrouping and reclassifying these commodities in accordance with the Input-Output sector classification (see Appendix III(a) for correspondence), it is possible to arrive at the relatively sufficient details of the commodity composition of Ministrywise Government purchases. However this does not give a complete list of the purchases, as it omits similar purchases as well as other categories, as explained in the sequel.

Thus it is only after studying ^{and collating} these two independent sources (i.e., the Demands for Grants and the Directory of Government Purchases) that a requisite breakdown of the Government expenditure according to various activities can be obtained.

3.2 The 'Demands for Grants'

According to the provision made under Article 113(2) of the Constitution of India, the estimates of the expenditure

are presented to the Parliament for voting purposes in the form of Demands for Grants for various Ministries. However, under the provision made under Article 113(1) of the Constitution of India the expenditure "charged" upon the Consolidated Fund of India is not required to be presented to the Parliament, although it is shown in italics in the volumes of the Demands for Grants.

The details given in the Demands for Grants are for three consecutive years, i.e., the actuals for preceding year, Budget Estimates and Revised Estimates for the current year and Budget Estimates for the next year.

The Demands for Grants presented on behalf of each Ministry are also supplied with an 'introductory note' giving the nature of the Ministry, various Departments and Organizations covered by it and the total number of Demands presented on behalf of each Ministry.

Generally these Demands cover the requirements of each of the administrative services. Thus for a Ministry itself, there is shown a separate Demand for meeting its own expenditure and separate Demands are presented for meeting expenditure of each one of the various Departments under its administrative control. [The list of Demands under each Ministry is given in Appendix III(b).] Usually each Demand covers one Department or one head of account. However, in case of Union Territories without legislature, all expenditure is shown together in the form of Single Demand. Similarly, in case of

Miscellaneous Expenditure of each Ministry, a separate Demand is provided which may cover more than one head of account. Further all the loan requirements are presented in a single composite Demand. Similarly, all the Grants-in-Aid to States and Union Territories without legislature are shown in a single composite Demand under Ministry of Finance.

The details of the expenditure shown under each Demand are on the various items or sub-heads of expenditure. These details of expenditure under each Demand are grouped under various major and minor heads which reflect the nature of expenditure covered by the Demand.

The total expenditure given in the Demands for Grants under a particular major head of account may not be exactly the same as shown in the Financial Statement or the Budget. This is because the same major head of account may appear under more than one Demand and Secondly, in case of Budget, expenditure is shown after deducting the recoveries, i.e., the net expenditure. In the case of Demands for Grants, estimates of the expenditure are presented in order to provide for particular items and hence the recoveries are not taken into account. Thus the Demands for Grants deal with gross expenditure. The details of the recoveries are given at the end of respective Demands. These recoveries arise on account of inter-departmental adjustments, recoveries from other Governments, Departments, etc. and transfer from and to the various Funds occasionally created by the Government. Thus,

for example, if Union Excise Department performs some service for Customs, then the gross expenditure is shown under the Demand for Union Excise; while in case of accounts entered in the Budget, the expenditure will be shown net of recoveries from customs.

There is a distinction between the expenditure met from Revenue and that on Capital Outlay and hence separate Demands are presented. However, expenditure met from Revenue covers direct purchases of the goods and services and expenditures which are in the nature of transfers. The itemwise details of the expenditure given in the Demands met from Revenue include certain items of expenditures like Works, Plant Machinery and Equipment, which are in the nature of Capital expenditure e.g., under the Demand for Army (Ministry of Defence), expenditure on tools, plant, and works is shown under revenue expenditure. Similarly in case of the Ministry of Finance, Revenue Demand under 'Mints' covers expenditure on Works. These items of expenditure lead to an increase in the stock of existing physical assets of the Government and hence they might be regarded as Capital outlay.

The reported Capital outlays also include certain items of expenditure which are of a current nature, e.g., running expenses of the various schemes like Delhi Milk Scheme shown under the Schemes of Government Trading. In case of Ministry of Food and Agriculture, under the Demand 'Purchases of

Foodgrains', purchases of the various items of foodgrains have been shown under the capital outlay.

In case of Ministry of Finance, expenditure on Grants-in-Aid for development to States and Union Territories has been shown under a separate Demand under Capital Outlay. However, they may be regarded in the nature of transfers. The item of expenditure of 'Investment in Shares' is shown under the demand for capital outlay. As investment in shares results into increase of Government's claims against non-government sector, it needs to be grouped separately.

The itemwise details of expenditure in the Demands for Grants although scattered and based on the classification and grouping not always satisfactory for economic interpretation can serve as very useful data as they provide the basis for arriving at the total commodity expenditure and factor payments and transfers. Appropriate regrouping and reclassification into suitable economic categories is of course a necessary step in analysing these data.

The 'Economic' and 'Economic-cum-Functional' classification of the Central Government Budget¹ is an attempt to classify the expenditure of the Central Government into economically significant categories. In case of economic classification first account deals with current account of

¹ As compiled by the Ministry of Finance, Government of India.

Government administration and classifies all transactions into 'Consumption Expenditure' (further divided into goods and services and wages and salaries), transfers (interest charges and grants-in-aid) and saving on current account.

The second account of the Economic Classification deals with current account of Departmental commercial undertakings,² and gives, in addition to the details given under first account, additional information regarding Pension payments, Repairs and Maintenance, Provision for Depreciation, Profits transferred to current account of Government (Administration) and Retained Profits of departmental commercial undertakings.

The third account deals with Capital account of Government administration and Departmental commercial undertakings and gives the details of transactions in ^{goods} commodities and services, and transfers. This account is also divided into three heads and the first head gives Gross Capital Formation which is further divided into Buildings and other construction and Machinery and equipment. The details under this head are also given on New Outlay and Renewals and Replacements. The second head covers increase in Inventories while the third head includes Capital transfers. Although in all six accounts are presented, the first three mentioned above cover most of

² This includes Railways, Post and Telegraphs, Salt, Opium, Overseas Communication Service, Transport Schemes, Electricity Schemes, Irrigation Schemes, Forest, Kolar Gold Mines and Delhi Milk Scheme.

the total Revenue and Capital expenditure of the Central Government, while expenditures on Investment in Shares, Loans and Repayment of Debt are shown separately under different heads in fourth account. Fifth and sixth accounts are mainly for reconciliation of accounts.

The Economic-cum-Functional Classification gives all the details of Economic Classification for each of the broad group of services performed by the Government. First is the group of General services which is further divided into Defence and Non-defence services. The second type covers the social services which are further divided into Education, Medical and Public Health and other Social Services. Third type of services cover Economic Services which are further divided into Agriculture, Industry, Transport and Communications and other economic services. Also certain amount of expenditure is shown as unallocable as it cannot be classified under specific heads.

It may be mentioned that the 'Functional' classification deals with the expenditure of the Central Government, according to various functions like General Services, Social Services and Economic Services which are further classified, more or less on the lines of the classification adopted in the Budget or Financial Statement. However, the analysis of sectoral impact of government efforts according to various activities, necessitates detailed disaggregation of the relevant expenditure, which is not available. Therefore, for

the purpose of our study, each Ministry is regarded as an activity and various Demands presented on behalf of each Ministry together constitute the scope of each activity.

The various items of the expenditure for all the Ministries and the Departments, given in the respective volumes of the Demands for Grants may be for the purposes of our study grouped under two broad categories i.e., (a) Factor payments and transfers and (b) Commodity expenditure.

3.2.1 Factor Payments

Under this head the following sub-heads may be included.

Wages, Salaries and Allowances :- Under this head are included Pay of Officers, Pay of Establishments, Salaries, Pay of Ministers and Members of the Parliament, Administration of Acts and Laws etc.

The expenditure shown under 'Repairs and Maintenance' of Works and Other Construction, does not give its breakdown into wages and salaries and goods and services. For the purpose of present study, three-fourths of expenditure on 'Repairs and Maintenance' has been treated as Construction and the rest as wages and salaries in the nature of extra costs for maintaining permanent staff for repairs and maintenance. Similarly in case of Repairs and Maintenance of Plant Machinery and Equipment, breakdown into wages and salaries and goods and services is not available. However, it is assumed that 50 per cent of the expenditure, on the Repairs and Maintenance

of Plant Machinery and Equipment, is on wages and salaries and 50 per cent on goods and services.³

Transfer Payments :- These include the following sub-heads :

(a) Pensionary Charges :- This head includes items of expenditure like Pensionary Charges and Commuted Value of Pensions.

(b) Grants-in-Aid, Contributions etc. :- This head includes items like: (i) Grants-in-Aid, Contributions etc., (ii) Grants-in-Aid to others, (iii) Grants-in-Aid to Institutions, (iv) Grants-in-Aid to States and Union Territories, (v) Contributions, (vi) Subsidies, (vii) Allowances to Indian Rulers, (viii) Scholarships, stipends etc., (ix) Awards and Rewards, (x) Territorial and Political Pensions.

(c) Interest on Debt etc. :- Payments in connection with the interest charges on the debt and other obligations are included under this head.

(d) State's Share of Union Excise Duties.

(e) Other Transfers :- This head includes items like (i) Transfer to Funds, (ii) Payments of Cess to Boards, (iii) Payment to IBRD for Credit to Indus-Basin Development Fund, (iv) Payments to Marginal Producers, (v) Appropriations to Various Funds, (vi) Dividend to General Revenues, (viii) Payments

³ The Central Statistical Organisation follows this procedure in the estimation of National Income.

to Opium Cultivators, (viii) Transfer to Revenue/Capital Account, (ix) Annual Instalment of payment to displaced persons, (x) Service etc. charges on IMF regarding dollar purchase, and (xi) Payments under Indus Water Treaty.

(f) Lump Provision :- Various items of expenditure for which the detailed breakdown is not available and hence whose commodity and non-commodity component of the expenditure cannot be found out, have been treated as of the nature of Grants-in-Aid and classified under non-commodity expenditure. These items are: (i) Oil and Natural Gas Commission, (ii) Damodar Valley Corporation, (iii) Relief Measures, (iv) Refugees and State Prisoners, (v) Other Expenditure, (vi) Audit Charges, (vii) Production Charges, (viii) Other Schemes, (ix) Research Schemes, (x) Development Schemes.

(g) Profit and Loss Account :- Items like (i) Trading Losses on Foodgrains, (ii) Loss on Destruction of Coins, (iii) Losses on Fuel, (iv) Loss by Exchange, (v) Irrecoverable Loans written off, are included under this head.

Some would consider Pensionary Charges as a delayed form of factor payment, while others put it as transfer payment. There are arguments for both sides, following the practice of the Government Budget, we have treated them as Transfer payments. Similarly, interest, debt, etc. are also treated as transfer payments rather than as a factor payment, as is done in business accounts. For the simple reason that Government debts are not loans for production purposes, which

contribute to some production, but they are consumption loans which were already used up at the time when they were taken and now it is only a budgetary adjustment which allows the interest to be paid. Further, other transfers and lump provisions are taken as transfer provisions on the understanding that anybody who is doing an economy-wide analysis will treat these particular activities under some other heading than Government. Here, we were not able to take them as a part of government activity, mainly because no data about their expenditure pattern was available, but with the above understanding this does not present any analytical difficulty for analysing government expenditure. Similarly, profit and loss accounts are taken as transfer payments because they are mainly in the nature of subsidies to other activities.

3.2.2 Commodity Expenditure

In order to obtain total commodity expenditure of the Government for various Ministries, the following broad groups are formed by regrouping various items of expenditure.

(a) Commodities and Stores :- The items of expenditure included under this group are as follows: (i) Purchase of Fertilizers, (ii) Purchase of Paper, (iii) Purchase of materials, (iv) Provisions, (v) Purchase of Foodgrains, (vi) Purchase of Other Stores, (vii) Ordnance, clothing, Motor Transport Vehicles etc. Stores, (viii) Purchase of Metal, (ix) Purchase for Delhi Milk Schemes, and (x) Purchase of Food-stuffs etc.

(b) Purchase of Gold .

(c) Imports :- These mainly include (i) Purchase of Foodgrains abroad, (ii) Import of Iron and Steel, and (iii) Purchase of Sugar.

(d) Intangible Commodities :- These include items like: (i) Transportation Charges, (ii) Road Transport, (iii) Railway Transport, (iv) Amenities, (v) Payments to Mail carriers, and (vi) Expenditure on Education and Training.

(e) Services :- These mainly include items like: (i) Payments to Other Government Departments etc., (ii) Incidental Charges, (iii) Freight and Handling Charges, (iv) Indirect Charges on Stores.

(f) Other Charges :- Office contingencies have been included under this head.

(g) Cost of Materials Received Under Foreign Aid :- Costs of materials and equipments received under various programmes are included under this head.

(h) Tools, Plant, Machinery and Equipment :- Various items of expenditure of the nature of the equipments or machinery are included under this head, e.g., (i) Tools and Plant, (ii) Material and Equipment, (iii) Lines Wires and Cables, (iv) Meteorological Equipment, (v) Transport Equipment, (vi) Purchase of Vehicles, (vii) Light Ships, (viii) Rolling Stock, (ix) Purchase of Boats, and (x) Naval Vessels.

(i) Repairs and Maintenance of Plant and Equipment :- One-half of the expenditure shown under Repairs and Maintenance of Plant and Equipment is included under this head.

(j) Works and Other Construction:- Covers items like (i) Works, (ii) Buildings, (iii) Roads and Communications, (iv) Water and Sanitation Schemes, (v) Laboratories, (vi) Housing Schemes, (vii) Capital outlay on Defence Research and Development Organization, (viii) Capital Outlay on Nuclear Power Stations, (ix) Miscellaneous Capital Expenditure, (x) Capital Expenditure on Ore Mill.⁴

(k) Repairs and Maintenance of Works and Other Construction :- Three-fourths of the expenditure on this item is regarded in the name of commodity expenditure.

(l) Taxes, Insurance and Rent :- This item covers payments for taxes, rates and rent, extra premia on PLI policies, etc.

Thus after reclassifying and regrouping various items of expenditure given in the Demands for Grants, one can arrive at the breakdown of the expenditure into commodity and factor payments and transfer expenditure.]

3.2.3 Total and Commodity Expenditure (1961-62 to 1965-66)

Table 3.1 presents [total expenditure (commodity and factor payments and transfer expenditure)] of the Indian

4 In case of item Nos. (vii), (viii), (ix) and (x), it was evident from the notes given along with the respective Demands, that most of this expenditure is on construction. However, as sufficient details are not available, the part of expenditure on Plant and Equipment cannot be found out. Hence these items are included under "Works and Other Construction".

Government during the years 1961-62 to 1965-66. The total expenditure of the Government was of the order of Rs.2532.06 crores in 1961-62. It indicates a continuous increase over the following years so that in the year 1965-66 it valued Rs. 4531.95 crores indicating an increase of 78.98 per cent over the year 1961-62.

The commodity expenditure of the Government was at the level of Rs. 991.36 crores in 1961-62 and it continuously increased to Rs. 2037.54 crores in 1965-66 indicating increase of about 106 per cent as compared to the year 1961-62, although total (commodity and factor payments and transfer payments) expenditure increased by about 62 per cent over the period. (Table 3.1.a to 3.1.e.)

It is notable that the share of commodity expenditure in the total expenditure increased very rapidly during the first three years (1961-62 to 1963-64) of the Third Plan and remained more or less at the same level during the later years.

Thus we find that Peacock-Wiseman 'displacement effect' to be true even in case of commodity expenditure of the Government.

[The Table 3.1 gives Ministrywise total expenditure in lakhs of rupees for the years 1961-62 to 1965-66. It can be seen that the relative share of each Ministry has remained exactly the same for the first two years under study, while

3.1
Table 3.2 : Ministrywise Breakdown of Total Expenditure (Rs. Lakhs)

	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Ministry of Defence	32822	12.96	48849	15.54	83612	22.21	82336	19.38	90923	20.06
Ministry of Railways	78195	30.88	91442	29.10	102138	27.13	108579	25.55	115576	25.50
Ministry of Food and Agriculture	22852	9.03	27838	8.86	33946	9.02	47329	11.14	53294	11.76
Department of Post and Telegraphs	10837	4.28	12518	3.98	14582	3.87	16763	3.95	18539	4.09
Department of Other Communications	1037	0.41	1108	0.35	1154	0.31	1395	0.33	1634	0.36
Ministry of Transport	5255	2.08	6704	2.13	8978	2.38	8984	2.12	8543	1.89
Ministry of Works, Housing and Supply	3065	1.21	3612	1.15	3720	0.99	4187	0.99	3925	0.87
Ministry of Finance	66618	26.31	84076	26.75	91510	24.30	115245	27.13	116746	25.76
Ministry of Health	2130	0.84	2168	0.69	1880	0.50	2099	0.49	2431	0.54
Ministry of Irrigation and Power	1506	0.59	2067	0.66	2594	0.69	2932	0.69	3877	0.86
Union Territories	6212	2.45	8332	2.65	6885	1.83	5902	1.39	7139	1.58
Other Ministries	22677	8.96	25563	8.14	25509	6.77	29067	6.84	30568	6.73
Total	253206	100.00	314277	100.00	376508	100.00	424758	100.00	453195	100.00

Source : 'Demands for Grants'.

Table 3.1.a : Ministrywise Breakdown of Government Expenditure for 1961-62 (Details) (Rs. Lakhs)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
A. Factor Payments:													
Wages, Salaries and Allowances	14898	12374	670	4916	391	141	944	3195	233	113	1738	4188	43801
1/4 Repairs and Maintenance of Works & Other construction	104	1528	-	8	-	186	100	-	-	-	12	18	1956
1/2 Repair and maintenance of Plant and Equipment	10	2915	-	95	-	-	-	-	-	-	1	-	3021
Total A	15012	16817	670	5019	391	327	1044	3195	233	113	1751	4206	48778
B. Transfers :													
Pensionary charges	1885	274	-	277	-	1	-	549	-	-	20	14	3020
Grants-in-Aid, contributions etc.	149	1509	181	135	22	596	38	22487	506	5	1422	6173	33223
Interest on debt etc.	-	-	-	-	-	-	-	20944	-	-	-	-	20944
States' share of Union Excise Duties	-	-	-	-	-	-	-	8065	-	-	-	-	8065
Other Transfers	-	16475	782	1733	15	4	11	8269	6	774	37	5965	34071
Lump Provision	556	760	37	217	-	53	2	53	50	371	526	1768	4393
Profit & Loss account	1	62	1000	1	-	-	6	465	-	-	-	41	1576
Total B	2591	19080	2000	2363	37	654	57	60832	562	1150	2005	13961	105292
C. Commodity Expenditure:													
Commodities & Stores	9569	5851	16259	363	-	46	579	864	276	-	323	126	34256
Purchase of Gold	-	-	-	-	-	-	-	276	-	-	-	-	276
Imports	-	-	2839	-	-	-	-	-	-	-	-	11	2850
Other commodities	1821	100	1	610	31	-	-	-	8	-	-	90	2661
Services	169	4054	19	149	82	2	45	172	19	3	121	499	5334
Other charges	3	38	299	503	71	42	125	317	142	89	1395	1219	4243
Cost of materials received under Foreign Aid	-	-	134	-	2	85	-	870	685	38	20	1320	3154
Tools, Plant and Equipment	594	8560	27	1509	29	168	56	12	195	12	33	191	11386

(continued)

Table 3.1.a : (continued)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
Tools, Plant & Equipment Repairs and Maintenance	10	2916	-	95	-	-	-	-	-	-	1	1	3023
Works and Other Construction	2394	15818	602	201	394	3373	834	80	-	101	526	999	25322
3/4 Works and other Construction Repairs and Maintenance	315	4586	2	25	-	558	299	-	-	-	36	54	5875
Taxes, Insurance & Rent	344	375	-	-	-	-	26	-	10	-	1	-	756
Total C	15219	42298	20182	3455	609	4274	1964	2591	1335	243	2456	4510	99136
Total A + B + C	32822	78195	22852	10837	1037	5255	3065	66618	2130	1506	6212	22677	253206
Items Excluded :													
Repayment of Debt	-	2993	-	-	-	-	-	453842	-	-	-	-	456835
Loans and Advances	-	-	-	-	-	-	-	60226	-	-	-	-	60226
Investment in Shares	203	186	-	-	-	1405	31	115	-	-	-	7855	9795
Expenditure abroad	1389	-	16	-	4	15	78	386	43	-	-	745	2674
Suspense account	6	611	1091	532	170	87	2642	-	-	223	55	134	5551
Grand Total	34420	81985	23959	11369	1211	6762	5816	581187	2173	1729	6267	31409	788287

Source : 'Demands for Grants'.

Table 3.1.b : Ministrywise Breakdown of Government Expenditure for 1962-63 (Details) (Rs. Lakhs)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
A. Factor Payments:													
Wages, Salaries and Allowances	18615	13768	766	5574	427	164	1070	3597	254	150	2202	3779	50366
1/4 Repairs and Maintenance of Works & Other Construction	124	1735	-	9	-	191	105	-	-	-	13	12	2189
1/2 Repairs and Maintenance of Plant and Equipment	34	3175	-	106	-	-	-	-	-	-	1	1	3317
Total A	18773	18678	766	5689	427	355	1175	3597	254	150	2216	3792	55872
B. Transfers :													
Pensionary charges	1809	304	-	332	-	1	-	644	-	-	37	76	3203
Grants-in-Aid, Contributions etc.	180	1636	238	174	48	317	186	23501	531	9	1604	7355	35779
Interest on Debt etc.	-	-	-	-	-	-	-	24043	-	-	-	-	24043
States Share of Union Excise Duties	-	-	-	-	-	-	-	12491	-	-	-	-	12491
Other Transfers	-	19032	1543	1565	16	410	14	16354	144	1069	42	7794	47983
Lump Provision	685	814	102	244	-	124	1	484	45	452	565	2790	6306
Profit & Loss account	3	74	1328	-	-	-	14	366	-	-	18	10	1813
Total B	2677	21860	3211	2315	64	852	215	77883	720	1530	2266	18025	131618
C. Commodity Expenditure:													
Commodities & Stores	17624	6534	19992	475	-	82	707	922	5	-	350	144	46835
Purchase of Gold	-	-	-	-	-	-	-	595	-	-	-	-	595
Imports	-	-	3015	-	-	-	-	-	-	-	-	34	3049
Other Commodities	2834	59	3	707	43	-	-	47	14	7	3	72	3789
Services	364	4506	15	203	17	17	43	238	20	-	170	776	6369
Other Charges	5	41	356	605	74	49	119	356	171	69	1527	1403	4775
Cost of materials received under Foreign Aid	-	-	58	10	37	106	-	340	513	153	57	88	1362

(continued)

Table 3.1.b : (continued)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
Tools, Plant and Equipment	791	11092	9	2132	48	115	54	30	457	7	59	316	15110
Tools, Plant and Equipment Repairs and Maintenance	34	3176	-	106	-	-	-	-	-	-	1	1	3318
Works and Other Construction	5108	19863	411	247	398	4554	955	65	2	151	1642	876	34272
3/4 Works and Other Construction Repairs and Maintenance	373	5206	2	29	-	574	314	-	-	-	41	36	6575
Taxes, Insurance & Rent	266	427	-	-	-	-	30	3	12	-	-	-	738
Total C	27399	50904	23861	4514	617	5497	2222	2596	1194	387	3850	3746	126787
Total A + B + C	48849	91442	27838	12518	1108	6704	3612	84076	2168	2067	8332	25563	314277
Items Excluded :													
Repayment of Debt	-	-	-	-	-	-	-	506734	-	-	-	-	506734
Loans and Advances	-	-	-	-	-	-	-	66556	-	-	-	-	66556
Investment in Shares	-	99	-	25	-	422	38	39	-	-	-	13610	14233
Expenditure abroad	1609	-	22	7	4	7	66	10	43	-	-	776	2544
Suspense account	3	3190	1476	1126	111	76	2611	-	-	135	99	192	9019
Grand Total	50461	94731	29336	13676	1223	7209	6327	657415	2211	2202	8431	40141	913363

Source : 'Demands for Grants'.

Table 3.1.c : Ministrywise Breakdown of Government Expenditure for 1963-64 (Details) (Rs. Lakhs)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
A. Factor Payments:													
Wages, Salaries and Allowances	23814	14733	834	6180	435	182	1044	3950	289	175	1677	4102	57415
1/4 Repairs and Maintenance of Works and Other Construction	379	1294	-	8	31	187	102	-	-	-	3	11	2015
1/2 Repairs and Maintenance of Plant and Equipment	53	4558	-	145	-	3	1	9	-	-	5	-	4774
Total A	24246	20585	834	6333	466	372	1147	3959	289	175	1685	4113	64204
B. Transfers :													
Pensionary Charges	1812	223	1	324	-	2	-	684	-	-	27	17	3090
Grants-in-Aid, Contributions etc.	231	1439	618	187	36	93	183	26314	473	15	1063	7797	38449
Interest on Debt etc.	-	-	-	-	-	-	-	27335	-	-	-	-	27335
States Share of Union Excise Duties	-	-	-	-	-	-	-	13599	-	-	-	-	13599
Other Transfers	-	22519	112	1964	32	493	33	15607	-	995	44	5343	47142
Lump Provision	1032	994	10	158	-	94	3	167	30	813	367	3845	7513
Profit & Loss account	3	96	1314	3	-	-	-	388	-	-	2	2	1808
Total B	3078	25271	2055	2636	68	682	219	84094	503	1823	1503	17004	138936
C. Commodity Expenditure:													
Commodities & Stores	38316	7717	28032	492	-	76	900	1105	403	-	305	236	77582
Purchase of Gold	-	-	-	-	-	-	-	723	-	-	-	-	723
Imports	-	-	2196	-	-	-	-	-	-	-	-	2	2198
Other Commodities	3532	67	2	674	39	-	-	3	16	11	40	311	4695
Services	365	4562	28	255	52	24	60	509	12	5	154	980	7006
Other Charges	4	39	315	679	78	61	121	407	158	75	1287	1362	4586
Cost of material received under Foreign Aid	-	-	76	-	12	202	-	513	238	43	1	-	1085

(continued)

Table 3.1.c : (continued)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
Tools, Plant and Equipment	1400	10446	8	2576	54	111	88	11	243	20	39	325	15321
Tools, Plant and Equipment Repairs and Maintenance	54	4558	-	145	-	3	1	10	-	-	4	-	4775
Works and Other Construction	10881	24556	399	765	292	6885	851	169	9	442	1858	1140	48247
3/4 Works and Other Construction Repairs and Maintenance	1138	3884	1	27	93	562	304	-	-	-	9	36	6054
Taxes, Insurance & Rent	598	453	-	-	-	-	29	7	9	-	-	-	1096
Total C	56288	56282	31057	5613	620	7924	2354	3457	1088	596	3697	4392	173368
Total A + B + C	83612	102138	33946	14582	1154	8978	3720	91510	1880	2594	6885	25509	376508
Items Excluded :													
Repayment of Debt	-	-	-	-	-	-	-	562944	-	-	-	-	562944
Loans and Advances	-	-	-	-	-	-	-	80712	-	-	-	-	80712
Investment in Shares	246	64	60	20	46	40	36	22	-	-	-	12549	13083
Expenditure abroad	2027	-	14	-	19	4	67	18	30	-	-	782	2961
Suspense account	3	4482	3005	1623	85	164	2694	-	-	247	64	213	12580
Grand Total	85888	106684	37025	16225	1304	9186	6517	735206	1910	2841	6949	39053	1048788

Source : 'Demands for Grants'.

Table 3.1.d : Ministrywise Breakdown of Government Expenditure for 1964-65 (Details) (Rs. Lakhs)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
A. Factor Payments:													
Wages, Salaries and Allowances	28186	16811	957	7340	510	201	1198	4403	327	211	1495	4756	66395
1/4 Repairs and Maintenance of Works & Other Construction	273	2142	1	12	37	241	110	-	-	-	1	12	2829
1/2 Repairs and Maintenance of Plant and Equipment	52	3701	-	165	-	4	1	-	-	-	2	1	3926
Total A	28511	22654	958	7517	547	446	1309	4403	327	211	1498	4769	73150
B. Transfers :													
Pensionary Charges	2036	228	-	343	-	2	-	578	-	-	1	-	3188
Grants-in-Aid, Contributions etc.	220	1298	499	1263	46	283	71	32310	564	19	1018	9551	47142
Interest on Debt etc.	-	-	-	-	-	-	-	31150	-	-	-	-	31150
States Share of Union Excise Duties	-	-	-	-	-	-	-	12734	-	-	-	-	12734
Other Transfers	-	21271	116	871	120	412	43	30699	-	1050	25	4282	58889
Lump Provision	1166	1002	13	206	-	369	15	33	53	549	102	4705	8213
Profit & Loss account	4	90	1566	2	-	-	-	232	-	-	-	6	1900
Total B	3426	23889	2194	2685	166	1066	129	107736	617	1618	1146	18544	163216
C. Commodity Expenditure:													
Commodities & Stores	32903	8540	39156	490	-	-	923	1155	5	-	559	239	83970
Purchase of Gold	-	-	-	-	-	-	-	243	-	-	-	-	243
Imports	-	-	4017	-	-	-	-	-	-	-	-	-	4017
Other Commodities	3394	85	-	759	38	-	1	1	19	24	1	362	4684
Services	517	4591	10	238	62	2	101	309	19	1	157	944	6951
Other Charges	5	38	493	737	99	72	135	395	137	101	717	1601	4530
Cost of materials received under Foreign Aid	-	-	68	-	-	55	-	443	156	2	7	173	904

(continued)

Table 3.1.d : (continued)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
Tools, Plant and Equipment	1876	12157	35	3743	67	241	77	83	795	6	218	337	19635
1/2 Tools, Plant and Equipment Repairs and Maintenance	52	3701	-	165	-	4	1	-	-	-	2	1	3926
Works and Other Construction	10414	26002	395	393	303	6373	1143	229	10	969	1592	2059	49882
3/4 Works and Other Construction Repairs and Maintenance	821	6426	3	36	113	725	332	-	-	-	5	38	8499
Taxes, Insurance & Rent	417	436	-	-	-	-	36	248	14	-	-	-	1151
Total C	50399	61976	44177	6561	682	7472	2749	3106	1155	1103	3258	5754	188392
Total A + B + C	82336	108519	47329	16763	1395	8984	4187	115245	2099	2932	5902	29067	424758
Items Excluded :													
Repayment of Debt	-	-	-	-	-	-	-	635968	-	-	-	-	635968
Loans and Advances	-	-	-	-	-	-	-	96142	-	-	-	-	96142
Investment in Shares	761	183	580	-	7	25	29	-	-	-	-	13955	15540
Expenditure abroad	2074	-	23	3	4	12	66	399	27	-	-	757	3365
Suspense account	11	2666	4168	1559	172	67	2976	-	-	646	69	187	12521
Grand Total	85182	111368	52100	18325	1578	9088	7257	847754	2126	3578	5971	43966	1188294

Source : 'Demands for Grants'.

Table 3.1.e : Ministrywise Breakdown of Government Expenditure for 1965-66 (Details) (Rs. Lakhs)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
A. Factor Payments :													
Wages, Salaries and Allowances	31984	19123	882	8775	607	234	1297	4860	381	278	1643	4967	75031
1/4 Repairs and Maintenance of Works & Other Construction	174	2358	-	12	-	257	101	-	-	-	39	11	2952
1/2 Repairs and Maintenance of Plant and Equipment	76	4257	-	171	-	7	1	2	-	-	2	1	4517
Total A	32234	25738	882	8958	607	498	1399	4862	381	278	1684	4979	82500
B. Transfers :													
Pensionary Charges	2256	255	-	355	-	-	-	797	-	-	1	35	3699
Grants-in-Aid, Contributions etc.	247	1359	2729	1300	61	285	6	38908	673	11	655	10207	56441
Interest on Debt etc.	-	-	-	-	-	-	-	36571	-	-	-	-	36571
States Share of Union Excise Duties	-	-	-	-	-	-	-	14592	-	-	-	-	14592
Other Transfers	-	23194	92	657	35	423	46	16878	-	1103	499	3499	46426
Lump Provision	1254	945	37	229	96	52	3	31	61	943	363	2965	6979
Profit & Loss account	2	108	1890	1	-	-	-	211	-	-	-	21	2233
Total B	3759	25861	4748	2542	192	760	55	107988	734	2057	1518	16727	166941
C. Commodity Expenditure:													
Commodities & Stores	35767	9730	41361	571	-	-	895	1539	539	-	644	417	91463
Purchase of Gold	-	-	-	-	-	-	-	766	-	-	-	-	766
Imports	-	-	5599	-	-	-	3	-	-	-	-	1	5603
Other Commodities	4249	90	-	736	40	-	3	3	25	1	2	559	5708
Services	690	4688	41	210	69	1	97	283	9	-	222	1202	7512
Other Charges	6	41	251	961	135	52	129	448	162	29	727	1574	4515
Cost of Materials received under Foreign Aid	-	-	62	-	-	79	-	396	206	-	1	939	1683

(continued)

Table 3.1.e : (continued)

	Ministry of Defence	Ministry of Railways	Ministry of Food and Agriculture	Deptt. of Post and Telegraphs	Deptt. of Other Communications	Ministry of Transport	Ministry of Works, Housing & Supply	Ministry of Finance	Ministry of Health	Ministry of Irrigation & Power	Union Territories	Other Ministries	Total
Tools, Plant and Equipment	2286	13082	34	3894	62	323	24	90	341	40	232	438	20846
1/2 Tools, Plant and Equipment Repairs and Maintenance	76	4258	-	170	-	8	1	2	-	-	2	1	4518
Works and Other Construction	10775	24570	316	461	529	6048	970	141	6	1470	1990	3699	50975
3/4 Works and Other Construction Repairs and Maintenance	522	7074	-	36	-	774	303	-	-	2	117	32	8860
Taxes, Insurance & Rent	559	444	-	-	-	-	46	228	28	-	-	-	1305
Total C	54930	63977	47664	7039	835	7285	2471	3896	1316	1542	3937	8862	203754
Total A + B + C	90923	115576	53294	18539	1634	8543	3925	116746	2431	3877	7139	30568	453195
Items Excluded :													
Repayment of Debt	-	-	-	-	-	-	-	644848	-	-	-	-	644848
Loans and Advances	-	-	-	-	-	-	-	125942	-	-	-	-	125942
Investment in Shares	2318	233	659	-	15	35	21	8	-	50	5	11357	14701
Expenditure abroad	1692	-	25	1	15	3	65	7160	32	-	-	885	9878
Suspense account	-	638	3905	1644	158	299	2265	-	-	1811	422	232	11374
Grand Total	94933	116447	57883	20184	1822	8880	6276	894704	2463	5738	7566	43042	1259938

Source : 'Demands for Grants'.

during the later three years, the distribution in ranks is changing with respect to Union Territories, Ministry of Transport, Health, Irrigation and Power. However, they form a very minor share of the total Government expenditure in all these years as shown by their percentage shares in different years.] The Ministries with large shares like Ministry of Railways, Finance, Defence, Food and Agriculture, Post and Telegraphs, Works, Housing and Supply, and Other Communications retain their respective ranks throughout the whole period contributing more than 90 per cent of the total Government expenditure during all these years.

[The position is not so simple with respect to commodity expenditure (Table 3.2).] First place goes to Railways in all the years except for 1963-64 when Defence takes first rank. Defence and Food and Agriculture take second and third rank in all these years. However, the fourth, fifth and the sixth ranks are taken by Other Ministries and Transport, Post and Telegraphs and Transport, and Post and Telegraphs, Union Territories and others over the period. The seventh and eighth ranks go to the Ministry of Finance, others and Union Territories respectively. [The ninth and tenth positions are uniformly held by the Ministry of Works, Housing and Supply and by the Ministry of Health.] In case of the Ministry of Finance, it may be noted that although

Table 3.2 : Ministrywise Breakdown of Commodity Expenditure (Rs. Lakhs)

	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Ministry of Defence	15219	15.35	27399	21.61	56288	32.47	50399	26.74	54930	26.96
Ministry of Railways	42298	42.67	50904	40.15	56282	32.46	61976	32.90	63977	31.40
Ministry of Food and Agriculture	20182	20.36	23861	18.82	31057	17.91	44177	23.45	47664	23.39
Department of Post and Telegraphs	3455	3.49	4514	3.56	5613	3.24	6561	3.48	7039	3.45
Department of Other Communications	609	0.61	617	0.49	620	0.36	682	0.36	835	0.41
Ministry of Transport	4274	4.31	5497	4.34	7924	4.57	7472	3.97	7285	3.58
Ministry of Works, Housing and Supply	1964	1.98	2222	1.75	2354	1.36	2749	1.46	2471	1.21
Ministry of Finance	2591	2.61	2596	2.05	3457	1.99	3106	1.65	3896	1.91
Ministry of Health	1335	1.35	1194	0.94	1088	0.63	1155	0.61	1316	0.65
Ministry of Irrigation and Power	243	0.25	387	0.31	596	0.34	1103	0.59	1542	0.76
Union Territories	2456	2.48	3850	3.04	3697	2.13	3258	1.73	3937	1.93
Other Ministries	4510	4.54	3746	2.94	4392	2.54	5754	3.05	8862	4.35
Total	99136	100.00	126787	100.00	173368	100.00	188392	100.00	203754	100.00

Source : 'Demands for Grants'.

it covers about 25 per cent of the total expenditure over the period, its commodity expenditure covers only upto 2 per cent of the total commodity expenditure. Its highest share in commodity expenditure is 2.61 per cent in 1961-62. The share of Ministry of Food and Agriculture has increased from 20.36 per cent in 1961-62 to 23.45 per cent in 1964-65 and has declined in 1965-66 to 23.39 per cent of the total commodity expenditure. Its lowest share was 17.91 per cent in 1963-64. In case of the Ministry of Defence, its share was 15.35 per cent in 1961-62 and was continuously rising till it reached 32.47 per cent in 1963-64 and declined to 27 per cent in the following years.

3.3 The 'Directory of Government Purchases'

[A basic limitation of the Demands for Grants data] is that these deal with various items of expenditure in case of which commodity and factor payments and transfers components are not clear. Although certain items of expenditure like fertilizers, electricity, purchases of coal, construction, stationery and printing are useful their percentage shares of total expenditure are negligible. A large number of commodities come to be grouped under Stores. Hence [For a detailed commoditywise breakdown of ministry-wise expenditure, this source is not sufficient. It is necessary to turn to other sources for obtaining such a breakdown.

The 'Directory of the Government Purchases', published annually by the Director General of Supplies and Disposals, gives the detailed commoditywise breakdown of the total Government purchases. However, the Ministrywise or Indentorwise breakdown of the total Government purchases is not published but can be obtained from the Office of the Director General of Supplies and Disposals.]

The total of the Government purchases, as shown in the Directory of the Government Purchases is obtained from the following sources: (i) The net value of Orders placed through D.G.S. & D., (ii) Indian Supply Mission (London and Washington), (iii) Purchases reported in Indian Trade Journal, (iv) Purchases made directly by the Central Government Departments, State Governments etc. and reported to D.G.S. & D.

The total purchases have also been classified into indigenous and imported components of the commodities.

The Director General of Supplies and Disposals works as a Central purchase organization which purchases on behalf of the various Departments and the Ministries of the Central Government, Quasi-Government Bodies, State Companies and Statutory Corporations and all the State Governments. The D.G.S. & D. has also two Supply Missions i.e., the India Supply Mission at London and the other in Washington. Thus the D.G.S. & D. and its two Supply Missions abroad, are

purchasing most of the requirements of the stores of the Central Government. Central Government Departments are required to place their orders through D.G.S. & D., although there is a prescribed monetary limit for the purpose. In case of the State Governments and public sector undertakings the services of the D.G.S. & D. are rather optional. However, the particulars of the orders placed directly by the Central Government Departments, State Governments, Public Sector Undertakings over and above their prescribed monetary limits, have to be reported to the D.G.S. & D. or be published in the Indian Trade Journal.

Thus the data on total Government purchases above the prescribed monetary limit, are available in the annual publication of the D.G.S. & D. i.e. The Directory of the Government Purchases. The Ministrywise breakdown of the Government purchases of various commodities is not available in the publication, though the D.G.S. & D. Office keeps these records, and is ^{available} at four-digit level of the Trade Group Classification, for the years 1962-63 to 1965-66, according to following indentors: (1) Ministry of Defence, (2) Ministry of Railways, (3) Ministry of Food and Agriculture, (4) Department of Post and Telegraphs, (5) Department of Other Communications except P & T., (6) Ministry of Transport, (7) Ministry of Works, Housing and Supply, (8) Ministry of Finance, (9) Ministry of Health, (10) Ministry of Irrigation and Power, (11) Union Territories, (12) Central Government Undertakings

(owned and controlled), (13) Other Ministries of the Central Government, (14) State Governments, (15) Quasi-Public Bodies, (16) Foreign Governments, (17) Others, (18) Not known, (19) Total.

However, the data regarding the Government purchases for the year 1961-62 were incomplete in two respects. First, the commodity breakdown of the Government purchases, covered by "Running Contracts"⁵ only was available for (i) Ministry of Defence, (ii) Ministry of Railways, (iii) Ministry of Food and Agriculture, (iv) Department of Post and Telegraphs, (v) Department of Communications, (vi) Union Territories, (vii) Central Government Undertakings, (viii) Others, (ix) State Governments, (x) Quasi-Public Bodies. And the indentorwise breakdown of "Rate Contracts" was not available with D.G.S. & D. However, the totals of Rate Contracts ^{Were} ~~was~~ added commodity-wise in order to obtain total Government purchases for the year 1961-62.

Secondly, the details of the commodity purchases under "Running Contract" on behalf of (i) Ministry of Transport, (ii) Ministry of Works, Housing and Supply, (iii) Ministry of Finance, (iv) Ministry of Health, (v) Ministry of Irrigation and Power, have been grouped along with other Ministries. Thus the Ministrywise details of the commodity purchases of

⁵ All Government purchases through D.G.S. & D. are made under two types of contracts, i.e. "Rate Contracts" and "Running Contracts".

the Government are not available in sufficient details for the year 1961-62.⁶

3.3.1 Salient Features of the Government Purchases (as Reported in the Directory of Government Purchases⁶)

The Government purchases (indigenous + imported) of various stores, grouped into seventeen sectors, is given in Table 3.3, for the years 1961-62 to 1965-66. From the Table it is observed that the percentage share of the stores of Food, Textiles, Non-Metallic Minerals, Basic Metals, Machinery and Transport Equipment is higher than 5 per cent each of the total. The sectors of Food and Machinery except Electrical indicate mostly increasing trend in their percentage share over all these years. The percentage share of Electrical Machinery and Basic Metals, Non-Metallic Minerals show increasing trend after 1963-64.

Table 3.4 deals with indigenous purchases by the Government during the Third Plan period. In this case the sectors of Textiles, Non-Metallic Minerals, Basic Metals, Electrical Machinery and Transport Equipment cover more than 5 per cent in all these years. The sectors of Food, Machinery except Electrical, Electrical Machinery indicate more or less increasing trend in their percentage share during the period covered

⁶ Ministrywise details of commodity purchases were obtained from the Office of the D.G.S. & D. as these are not published.

Table 3.4 : Government Purchases (Indigenous + Imports) (Rs. Lakhs)

	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1. Food	7259	16.67	12753	16.90	17220	18.79	26934	29.70	28150	27.56
2. Tobacco	28	0.06	64	0.08	248	0.27	21	0.02	12	0.01
3. Textiles	3340	7.67	9925	13.15	9767	10.66	5519	6.09	6080	5.92
4. Footwear	210	0.48	828	1.10	655	0.71	335	0.37	296	0.29
5. Wood Products	582	1.34	1255	1.66	1376	1.50	500	0.55	847	0.83
6. Paper Products	1236	2.84	1470	1.95	1980	2.16	1637	1.81	1675	1.64
7. Leather Products	69	0.16	124	0.16	268	0.29	30	0.03	75	0.07
8. Rubber Products	485	1.11	760	1.01	2077	2.27	636	0.70	1102	1.08
9. Chemical Products	1595	3.66	4398	5.83	3597	3.92	4807	5.30	6829	6.69
10. Non-Metallic Mineral Products	9121	20.95	11395	15.10	15027	16.40	15819	17.44	18006	17.63
11. Basic Metals	3342	7.67	4330	5.74	4237	4.62	5037	5.55	6911	6.77
12. Metal Products	522	1.20	1213	1.61	1683	1.84	1235	1.36	2111	2.07
13. Machinery except Electrical	3052	7.01	5509	7.30	6960	7.59	7641	8.43	9289	9.09
14. Electrical Machinery	4792	11.00	6514	8.63	6764	7.38	7734	8.53	9245	9.05
15. Transport Equipment	6395	14.69	13099	17.37	17527	19.12	10490	11.57	8855	8.67
16. Live Animals	-	-	3	-	-	-	-	-	-	-
17. Miscellaneous Products	1518	3.49	1809	2.41	2266	2.48	2305	2.55	2690	2.63
Total	43546	100.00	75449	100.00	91652	100.00	90680	100.00	102143	100.00

Source : 'Directory of Government Purchases'.

3-4
Table 3.5 : Government Purchases (Indigenous) (Rs. Lakhs)

Stores	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1. Food	402	1.62	840	1.77	794	1.44	1102	2.45	1256	2.32
2. Tobacco	28	0.11	63	0.13	248	0.45	21	0.05	12	0.02
3. Textiles	3337	13.41	9813	20.64	9653	17.54	5503	12.21	6045	11.16
4. Footwear	210	0.84	828	1.74	655	1.19	335	0.74	296	0.55
5. Wood Products	423	1.70	1248	2.62	1369	2.49	499	1.11	846	1.56
6. Paper Products	1028	4.13	1313	2.76	1769	3.21	1518	3.37	1351	2.49
7. Leather Products	69	0.28	124	0.26	267	0.49	30	0.07	74	0.14
8. Rubber Products	454	1.83	705	1.48	1982	3.60	576	1.28	1083	2.00
9. Chemical Products	770	3.10	2910	6.12	1758	3.19	1959	4.35	2255	4.16
10. Non-Metallic Mineral Products	7872	31.64	9935	20.90	11236	20.41	13162	29.22	14016	25.88
11. Basic Metals	2057	8.27	3534	7.43	3003	5.46	3179	7.06	5156	9.52
12. Metal Products	472	1.90	1125	2.37	1571	2.85	1157	2.57	1880	3.47
13. Machinery except Electrical	980	3.94	2367	4.98	3325	6.05	3200	7.11	4614	8.52
14. Electrical Machinery	2290	9.21	3410	7.17	4193	7.62	4776	10.61	6831	12.61
15. Transport Equipment	3230	12.98	8211	17.27	11567	21.02	6205	13.78	6146	11.36
16. Animals	-	-	3	-	-	-	-	-	-	-
17. Misc. Products	1254	5.04	1118	2.36	1645	2.99	1813	4.02	2289	4.24
Total	24876	100.00	47547	100.00	55038	100.00	45035	100.00	54150	100.00

Source : 'Directory of Government Purchases',

by this study. The prominent position is taken by Non-Metallic Mineral products in all these years. The share of Transport Equipment has been continuously rising upto 1963-64 and its share is highest (21.02 per cent) in the year 1963-64.

The purchases of the imported commodities by the Government are shown in Table 3.5. In this Table the percentage shares of the sectors of Food, Chemical Products, Non-Metallic Mineral Products, Machinery except Electrical and Electrical Machinery, and Transport Equipment indicate coverage more than about 5 per cent over the period. The percentage share of Food and Chemical Products, indicate continuously increasing trend over all these years. The columnwise study of imports reveals that Food is the largest sector throughout the period. Next stands Transport Equipment upto 1963-64 and Machinery in the rest of the period. The share of Basic Metals is the largest in ¹⁹⁶¹⁻⁶² ~~1963-64~~ as compared to the other years. The share of Non-Metallic Minerals is highest in 1963-64 while the share of Chemicals is highest in 1965-66 over the period.

From these Tables it is observed that, in case of Food sector, the share of imports as compared to indigenous purchases has been around 90 per cent while the share of imported machinery has always been more than 50 per cent. The share of imported Electrical Machinery is more than 50 per cent in 1961-62 only and has been falling in successive years. In case of Transport Equipment it may be noted that, the

Table 3.6 : Government Purchases (Imports) (Rs. Lakhs)

Stores	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1. Food	6857	36.73	11913	42.70	16426	44.86	25832	56.59	26894	56.04
2. Tobacco	-	-	1	-	-	-	-	-	-	-
3. Textiles	3	0.02	112	0.40	114	0.31	16	0.04	5	0.01
4. Footwear	-	-	-	-	-	-	-	-	-	-
5. Wood Products	159	0.85	7	0.03	7	0.02	1	-	1	-
6. Paper Products	208	1.11	157	0.56	211	0.58	119	0.26	324	0.68
7. Leather Products	-	-	-	-	1	-	-	-	1	-
8. Rubber Products	31	0.17	55	0.20	95	0.26	60	0.13	19	0.04
9. Chemical Products	825	4.42	1488	5.33	1839	5.02	2848	6.24	4574	9.53
10. Non-Metallic Mineral Products	1249	6.69	1460	5.23	3791	10.35	2657	5.82	3990	8.31
11. Basic Metals	1285	6.88	796	2.85	1234	3.37	1858	4.07	1755	3.66
12. Metal Products	50	0.27	88	0.32	112	0.31	78	0.17	231	0.48
13. Machinery except Electrical	2072	11.10	3142	11.26	3632	9.92	4441	9.73	4675	9.74
14. Electrical Machinery	2502	13.40	3104	11.12	2571	7.02	2958	6.48	2414	5.03
15. Transport Equipment	3165	16.95	4888	17.52	5960	16.28	4285	9.39	2709	5.64
16. Animals	-	-	-	-	-	-	-	-	-	-
17. Misc. Products	264	1.41	691	2.48	621	1.70	492	1.08	401	0.84
Total	18670	100.00	27902	100.00	36614	100.00	45645	100.00	47993	100.00

Source : 'Directory of Government Purchases'.

share of indigenous purchases has always been higher during all these years. There are no imports of Tobacco, Footwear, Leather Products excluding marginal imports of tobacco in 1962-63 and of leather products in 1963-64 and 1965-66. The share of imports in case of Miscellaneous Products has always been much less than indigenous purchases.

[Looking at the Ministrywise breakup of Government expenditure of indigenous and imported commodities, it is evident from Table 3.6] that the purchases were of the order of Rs. 655.12 crores and rose by about 20 per cent (Rs. 786.00 crores) and by about 17 per cent (Rs. 766.33 crores) in the years 1963-64 and 1964-65 respectively. In the year 1965-66, these valued Rs. 859.80 crores indicating rise of 31 per cent as compared to the year 1962-63.

The largest share of the purchases goes to the Ministry of Defence which amounts to 37.89 per cent in ¹⁹⁶³⁻⁶⁴ 1962-63 to 21.85 per cent in 1965-66. Next stands the Ministry of Food and Agriculture, the share of which varies from 22.94 per cent in 1962-63 to 41.92 per cent in 1964-65; the year characterized by ^{good} ~~the~~ harvests. Then follows the Ministry of Railways the percentage share of which is continuously declining from the year 1962-63 (21.15 per cent) to 1965-66 (10.97 per cent). The respective share of Other Ministries ranges between 20.98 per cent (in 1965-66) to 12.30 per cent (in 1964-65). [The percentage share of the Department of Other Communications, Ministry of Works, Housing and Supply, Ministry of Finance,

Table ~~3.7~~^{3.6} : Ministrywise Purchases of the Government (Rs. Lakhs)

	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1. Ministry of Defence	20494	31.28	29782	37.89	16877	22.02	18785	21.85
2. Ministry of Railways	13857	21.15	14185	18.05	13317	17.38	9428	10.97
3. Ministry of Food and Agriculture	15028	22.94	18050	22.96	32122	41.92	34441	40.06
4. Department of Post and Telegraphs	2195	3.35	2189	2.78	2026	2.64	1949	2.26
5. Department of Other Communications	130	0.20	117	0.15	165	0.22	175	0.20
6. Ministry of Transport	1265	1.93	1321	1.68	745	0.97	1118	1.30
7. Ministry of Works, Housing and Supply	229	0.35	304	0.39	386	0.50	462	0.54
8. Ministry of Finance	216	0.33	395	0.50	480	0.63	614	0.71
9. Ministry of Health	332	0.51	482	0.61	235	0.31	311	0.36
10. Ministry of Irrigation and Power	827	1.26	42	0.05	643	0.84	269	0.31
11. Union Territories	210	0.32	238	0.30	207	0.27	393	0.46
12. Other Ministries	10729	16.38	11495	14.62	9430	12.30	18035	20.98
Total	65512	100.00	78600	100.00	76633	100.00	85980	100.00
	(100.00)		(119.98)		(116.98)		(131.24)	

Source : D. G. S. & D.'s data.

Ministry of Health, and Union Territories is always less than 1 per cent of the total purchases of the Government during all these years.]

In case of the purchases on behalf of the Ministry of Defence, it may be observed that the highest share in 1962-63 goes to the Textiles (Table 3.7) which ranges between 39.24 per cent of total purchases in 1962-63 to 12.10 per cent in 1965-66. In the following two years, the highest share of the total goes to the sector of Non-Metallic Mineral Products (especially fuel, oil and lubricants). The next important purchase for the Ministry of Defence is that of Transport Equipment, and its share varies from 30.97 per cent of the total in 1963-64 to 16.89 per cent in 1962-63. The share of Transport Equipment is highest in 1963-64 when the expenditure on Textiles is of the second order.

In case of the purchases of the Ministry of Railways, it may be noted that the share of the Transport Equipment is highest for 1962-63, 1963-64 and 1964-65 amounting to 57.78 per cent, 40.28 per cent and 35.32 per cent respectively. In the year 1965-66 highest share goes to Non-Metallic Mineral Products, which consists of Fuel, Oil and Lubricants and Cement. In the years prior to 1965-66, Non-Metallic Mineral Products stand second covering 13.47 per cent, 25.41 per cent and 21.79 per cent in the years 1962-63, 1963-64 and 1964-65 respectively. Transport Equipment attain second position (19.11 per cent) in the year 1965-66. Other important purchases

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Table 3.8 : Purchases of the Ministry of Defence (Rs. Lakhs)

Stores	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Food	-	-	1	-	18	0.11	1	-
Tobacco	1	-	-	-	-	-	11	0.06
Textiles	8042	39.24	7280	24.44	2382	14.11	2273	12.10
Footwear	752	3.67	537	1.80	257	1.52	213	1.13
Wood Products	726	3.54	627	2.11	158	0.94	379	2.02
Paper Products	147	0.72	358	1.20	102	0.60	141	0.75
Leather Products	96	0.47	240	0.81	-	-	59	0.31
Rubber Products	219	1.07	1103	3.70	119	0.71	283	1.51
Chemical Products	1155	5.64	1018	3.42	511	3.03	855	4.55
Non-Metallic Mineral Products	2839	13.85	3866	12.98	4351	25.78	4380	23.32
Basic Metals	512	2.50	822	2.76	971	5.75	1148	6.11
Metal Products	351	1.71	888	2.98	436	2.58	453	2.41
Machinery except Electrical	1092	5.33	2007	6.74	2513	14.89	1831	9.75
Electrical Machinery	497	2.43	811	2.72	899	5.33	1477	7.86
Transport Equipment	3461	16.89	9223	30.97	3581	21.22	4174	22.22
Animals	-	-	-	-	-	-	-	-
Miscellaneous Products	604	2.94	1001	3.37	579	3.43	1107	5.90
Total	20494	100.00	29782	100.00	16877	100.00	18785	100.00
	(100.00)		(145.32)		(82.35)		(91.66)	

Source : D. G. S. & D.'s data.

on behalf of Railways are from sectors of Electrical Machinery, Basic Metals, Non-electrical Machinery, Textiles, Wood Products and Chemical Products (Table 3.8).

The purchases on behalf of the Ministry of Food and Agriculture are shown in Table 3.9 for the years 1962-63 to 1965-66. The purchases from Food sector are observed to be more than 80 per cent of the total for any of these years. Its highest share is observed in the year 1963-64 (85.07 per cent). The Ministry serves as a chief agency of purchasing foodgrains, the percentage share of Food sector is of a very high order in all these years. The second position always goes for the sector of Chemicals which includes purchases of Fertilizers. The Ministry also serves as an agency for procurement and supply of the fertilizers required by the nation.

3.3.2 Limitations of the Data from the 'Directory of Government Purchases'

On account of data limitations as mentioned above, ^{p. 81} the detailed study of economic impact of Ministrywise Government expenditure could not be undertaken for the year 1961-62.

Another important limitation for all the years is that of coverage. The monetary limit for all Central Government Departments until 1963-64 was Rs. 2,000 each and in case of the Central Government Undertakings and State Governments this limit was at Rs. 10,000 each, and from 1963-64 onwards the limit was raised to Rs. 5,000 in case of Central Government

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Table 3.9 : Purchases of Ministry of Railways (Rs. Lakhs)

Stores	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Food	-	-	1	-	-	-	-	-
Tobacco	1	-	7	0.05	18	0.14	-	-
Textiles	458	3.31	535	3.77	637	4.78	387	4.10
Footwear	10	0.07	15	0.11	5	0.04	8	0.08
Wood Products	328	2.37	604	4.26	200	1.50	265	2.81
Paper Products	69	0.50	96	0.68	146	1.10	121	1.28
Leather Products	14	0.10	12	0.08	24	0.18	8	0.08
Rubber Products	116	0.84	50	0.35	83	0.62	56	0.59
Chemical Products	307	2.22	252	1.78	452	3.39	335	3.55
Non-Metallic Mineral Products	1866	13.47	3604	25.41	2902	21.79	3361	35.64
Basic Metals	765	5.52	695	4.90	1345	10.10	860	9.12
Metal Products	456	3.29	415	2.93	403	3.03	357	3.79
Machinery except Electrical	520	3.75	752	5.30	1012	7.60	593	6.29
Electrical Machinery	859	6.20	1289	9.09	1076	8.08	1100	11.68
Transport Equipment	8007	57.78	5714	40.28	4704	35.32	1801	19.11
Animals	-	-	-	-	-	-	-	-
Miscellaneous Products	81	0.58	144	1.01	310	2.33	176	1.88
Total	13857	100.00	14185	100.00	13317	100.00	9428	100.00
	(100.00)		(102.37)		(96.10)		(68.04)	

Source : D. G. S. & D.'s data.

3.9

Table 3.10 : Purchases of Ministry of Food and Agriculture (Rs. Lakhs)

Stores	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Food	12717	84.63	15354	85.07	26871	83.65	28091	81.56
Tobacco	60	0.40	237	1.31	-	-	-	-
Textiles	444	2.95	701	3.88	1736	5.40	1882	5.46
Footwear	-	-	-	-	-	-	-	-
Wood Products	-	-	-	-	9	0.03	-	-
Paper Products	-	-	-	-	-	-	-	-
Leather Products	-	-	-	-	-	-	-	-
Hubber Products	14	0.09	8	0.04	1	-	4	0.01
Chemical Products	1109	7.38	1164	6.45	2615	8.14	4031	11.70
Non-Metallic Mineral Products	4	0.02	5	0.03	9	0.03	3	0.01
Basic Metals	42	0.28	2	0.01	18	0.06	10	0.03
Metal Products	2	0.01	9	0.05	11	0.03	5	0.01
Machinery except Electrical	29	0.19	42	0.23	65	0.20	59	0.17
Electrical Machinery	10	0.07	7	0.04	3	0.01	3	0.01
Transport Equipment	9	0.06	4	0.02	9	0.03	3	0.01
Animals	-	-	-	-	-	-	-	-
Miscellaneous Products	588	3.92	517	2.87	775	2.42	350	1.03
Total	15028	100.00	18050	100.00	32122	100.00	34441	100.00
	(100.00)		(120.11)		(213.75)		(229.18)	

Source : D. G. S. & D.'s data.

Departments. And it was obligatory for all the Central Government Departments to report their purchases above these monetary limits. It is observed that, "It does not, however, appear that all concerned are uniformly conscientious in reporting their purchases with the effect that, while the contracts routed through D.G.S. & D. and I.S.M. London and Washington get more or less faithfully reported, orders placed through purchase units localised in certain important departments like Post and Telegraphs, Railways and Defence are reported only partly, whereas those undertaken by some of the important Public Sector Undertakings and State Governments escape notice altogether."⁷ Although there has been a provision in the rules and in the office instructions that the orders above the prescribed limits should either be published in Indian Trade Journal or reported to D.G.S. & D. periodically, in practice this procedure is ^{not} strictly followed.

It will also be evident from the study of the Annual Reports of the Railway Board that during the period 1962-63 to 1965-66 on an average about 42.20 per cent of the purchases made on behalf of Indian Railways have been reported in the Directory of Government Purchases. This difference is likely to arise on account of the non-reporting of direct purchases below the prescribed monetary limit, and it is also possible that various items bought from the units e.g., Chittaranjan

⁷ "Economic Implications of Purchase Statistics," D.G.S. & D., Unpublished Paper, 1967, p. 50.

Locomotives, Integral Coach-Factory, Diesel Locomotive Works, etc. are treated as merely internal transfers with the department of Railways and hence are not reported to Indian Trade Journal.

It is important to note that the purchases in terms of quantities are not published by the D.G.S. & D. This type of information would have been more helpful than having the value of the stores purchased.

Another limitation arises out of the practice that "the contractual obligation for effecting supplies is reckoned as indicative of the value of goods actually supplied". The orders may not be uniformly fulfilled for various stores and there may be a delay in supplying some of the items which is not adjusted for.⁸

It is interesting to note that various items going as inputs in construction sector like sand, bricks, tiles, rubble and metal, are not covered by the scope of the Directory. This may be due to the fact that most of the construction is carried out by contracts and hence commodity purchases required for Construction are not reported at all, while expenditure on Construction is included in the Demands for Grants. It may also be noted that purchases of intangible commodities like

⁸ M. R. Saluja, "Structure of Indian Economy : Inter-Industry Flows and Pattern of Final Demands 1964-65," Sankhya, Series B, Vol. 30, 1968.

road transport, railway transport, are not covered by the Directory. The Directory also does not report purchases of electricity, stationery and printing and coal.

As far as indigenous and imported commodity purchases are concerned, such a break-up is available only for the total purchases for the D.G.S. & D. as a whole. In case of Ministry-wise purchases such a breakdown is not available with D.G.S. & D.

The limitations like time-lag, valuation and coverage distort the real picture to some extent. Keeping these limitations in mind an attempt is made to make use of these data on Government purchases for the study of the economic impact of the Government expenditure.

In the earlier pages we have tried to estimate total commodities and factor payment and transfer expenditure according to various Ministries and Union Territories of the Government from the Demands for Grants. As the commoditywise purchases were not available in the Demands for Grants (except in case of a few items like coal, electricity, vehicles, etc.) we used the other source i.e., 'Directory of Government Purchases'. Again we observed that the Directory does not cover certain important items of expenditure like construction and intangible commodities like Railway Transport, Road Transport and Electricity. There are a few other publications at Ministry level which give data on purchases by the Ministries concerned. For example, Railway Board Report gives

details of value of stores purchased on behalf of Indian Railways. However, in case of a few items of purchases reported in Railway Board Report, classification of items according to the sectors of Input-Output Table is not possible. Another example is that of the Annual Reports of the Department of Post and Telegraphs. But these annual reports give only total value of the purchases made by the Department, and their commodity composition is not given. On account of these limitations the data available at Ministry level does not serve our purpose, and hence we have to rely upon the two sources of data i.e., 'Demands for Grants' and 'The Directory of Government Purchases'. These two taken together as complementary to each other can serve our purpose reasonably well. However, the Directory of Government Purchases reports the purchases of all the Ministries combined together under the head 'Central Government'. But the Office of the D.G.S. & D. maintains Ministrywise record of purchases. These records were obtained from the D.G.S. & D.'s office and used for obtaining commodity-wise breakdown of expenditure of the Ministries separately.

3.4 Adjustment for Prices

As the Input-Output Table is available for the year 1963⁹ (in purchase prices), it is necessary that the Government

9 Constructed at the Gokhale Institute of Politics and Economics, Poona. The published 84 x 84 Table has been suitably aggregated for our purpose into 65 x 65 Table. For the 84 x 84 Table see Artha Vijnana, Vol. XIV, March 1972.

demand vectors for all the years are in 1963 prices. For this we need commoditywise indices. The 'Index Number of Purchase Prices' are published by the D.G.S. & D. for the years 1961-62 to 1963-64. The required data are available with the D.G.S. & D.'s office for the years 1964-65 and 1965-66. The indices are separately given for indigenous and imported ^{and total} purchases.

The Index Numbers of Purchase Prices do not cover certain commodities i.e., agricultural commodities. In such cases 'The Index Numbers of Wholesale Prices' published by the economic adviser are used. The details about the adoption of suitable indices for different sectors are given in Appendix III(c).

APPENDIX III(a)LIST OF SECTORS IN INPUT-OUTPUT TABLE FOR INDIA, 1963

1 Fertilizers	23 Footwear
2 Basic Iron and Steel	24 Wearing Apparel
3 Internal Combustion Engines	25 Saw Mill Products
4 Machine Tools	26 Wood and Caneware
5 Preserved Food Products	27 Cork and Wood Products
6 Malted Food and Milk Products	28 Furniture
7 Preserved Fruits and Vegetables	29 Paper & Paper Products
8 Preserved Fish etc.	30 Printing and Stationery
9 Grain Mill Products	31 Tanneries
10 Bakery Products	32 Leather Products
11 Sugar	33 Rubber & Rubber Products
12 Cocoa, Chocolate etc.	34 Basic Industrial Chemicals
13 Miscellaneous Food Products	35 Vegetable Oils
14 Distilling Spirits	36 Paints and Varnishes
15 Wine Inds.	37 Other Chemical Products
16 Breweries and Malt	38 Petroleum Refinery Products
17 Soft Drinks	39 Miscellaneous Products of Petroleum and Coal
18 Tobacco Manufactures	40 Fire Bricks
19 Cotton Textiles	41 Glass and Glassware
20 Knitting Mills	42 Pottery and Earthenware
21 Cordage Rope etc.	43 Cement
22 Other Textiles	44 Non-Metallic Mineral Products
	45 Iron and Steel Products

46	Non-Ferrous Basic Metals	56	Watches and Clocks
47	Metal Products	57	Jewellery
48	Machinery except Electrical	58	Musical Instruments
49	Electrical Machinery	59	Miscellaneous Industrial Products
50	Shipbuilding & Repairs	60	Electricity
51	Road & Rail Equipment	61	Coal
52	Motor Vehicles	62	Agriculture
53	Other Transport Equipment	63	Rail Transport
54	Scientific Instruments	64	Road Transport
55	Photographic Stores	65	Construction

APPENDIX III(b)THE SCHEME OF GROUPING OF THE DEMANDS FOR GRANTS FOR
VARIOUS MINISTRIES1) Ministry of Defence

- i) Ministry of Defence
- ii) Army
- iii) Navy
- iv) Air Force
- v) Non-effective Services
- vi) Defence Capital Outlay

2) Ministry of Railways

- i) Railway Board
- ii) Miscellaneous Expenditure
- iii) Payments to Worked Lines and Others
- iv) Working Expenses - Administration
- v) " - Repairs and Maintenance
- vi) " - Operating Staff
- vii) " - Fuel
- viii) " - Other than Staff and Fuel
- ix) " - Miscellaneous Expenses
- x) " - Labour Welfare
- xi) " - Appropriation to Depreciation Reserve Fund
- xii) " - Appropriation to Pension Fund
- xiii) Payments to General Revenues
- xiv) Repayments of Loans to General Revenue
- xv) Appropriation to Development Fund
- xvi) Withdrawal from Reserve Fund
- xvii) Withdrawal from Pension Fund
- xviii) Capital Outlay 1/

3) Ministry of Food and Agriculture

- i) Ministry of Food and Agriculture
- ii) Forest
- iii) Agriculture

1/ The details of Railway Capital Outlay are also given in details in "The Works Machinery and Rolling Stock Programmes" Part 1, published along with the Railway Budget.

- iv) Agricultural Research
- v) Animal Husbandry
- vi) Other Revenue Expenditure of the Ministry
- vii) Capital Outlay on Forests
- viii) Purchase of Foodgrains
- ix) Other Capital Outlay
- x) Payments to Indian Council of Agricultural Research

4) Department of Post and Telegraphs

- i) The Department of Post and Telegraphs
- ii) Working Expenses of the Department of Post and Telegraphs
- iii) Dividend to General Revenue
- iv) Other Revenue Expenditure of the Department of Post and Telegraphs
- v) Capital Outlay of the Department of Post and Telegraphs
- vi) Other Capital Outlay of the Department of Post and Telegraphs

5) The Department of Other Communications

- i) The Department of Other Communications
- ii) Meteorology
- iii) Overseas Communication Service
- iv) Aviation
- v) Capital Outlay on Civil Aviation
- vi) Other Revenue Expenditure of the Department
- vii) Other Capital Outlay

6) Ministry of Transport

- i) Ministry of Transport
- ii) Mercantile Marine
- iii) Light Houses and Light Ships
- iv) Central Road Fund
- v) Communications including National Highways
- vi) Other Revenue Expenditure of the Ministry
- vii) Capital Outlay on Ports
- viii) Capital Outlay on Roads
- ix) Other Capital Outlay of the Ministry

7) Ministry of Works, Housing and Supply

- i) Ministry of Works and Housing (1965-66)
- ii) Ministry of Works, Housing and Urban Development (1966-67)
- iii) Ministry of Economic and Defence Co-ordination (1963-64)

- iv) Department of Supply
- v) Department of Technical Development (1964-65)
- vi) Ministry of Supply and Technical Development (1966-67)

8) Ministry of Health

- i) Ministry of Health
- ii) Medical and Public Health
- iii) Other Revenue Expenditure of the Ministry of Health
- iv) Capital Outlay of the Ministry of Health

9) Ministry of Irrigation and Power

- i) Ministry of Irrigation and Power
- ii) Multipurpose River Schemes
- iii) Other Revenue Expenditure of the Ministry
- iv) Capital Outlay on Multipurpose River Schemes
- v) Other Capital Outlay of the Ministry

10) Ministry of Finance

- i) Ministry of Finance
- ii) Customs
- iii) Union Excise Duties
- iv) Taxes on Income etc.
- v) Opium
- vi) Stamps
- vii) Audit
- viii) Currency and Coinage
- ix) Mint
- x) Territorial and Political Pensions
- xi) Pensions and Other Benefits
- xii) Other Revenue Expenditure of the Ministry
- xiii) Planning Commission
- xiv) Grant-in-Aid to States and Union Territories
- xv) Miscellaneous Adjustments etc.
- xvi) Preparation Payments
- xvii) Kolar Gold Mines
- xviii) Capital Outlay on India Security Press
- xix) Capital Outlay on Currency and Coinage
- xx) Capital Outlay on Mints
- xxi) Capital Outlay on Kolar Gold Mines
- xxii) Commuted Value of Pensions
- xxiii) Capital Outlay on Grants-in-Aid to States for Development
- xxiv) Other Capital Outlay of the Ministry of Finance
- xxv) Payment of Interest on Debt
- xxvi) Payment of States Share of Union Excise Duties

11) Union Territories

- 1) Delhi
- ii) Himachal Pradesh
- iii) Andaman and Nicobar Islands
- iv) Manipur
- v) Tripura
- vi) Laccadiv, Minicoy and Amindivi Islands
- vii) Tribal Areas
- viii) Naga Hills
- ix) Pondicherry
- x) Dadra and Nagar Haveli
- xi) Goa, Daman and Diu
- xii) Capital Outlay of Ministry of External Affairs
- xiii) Delhi Capital Outlay
- xiv) Capital Outlay of Home Affairs

12) Other Ministries

Rest of the Demands are included under 'Other Ministries'.

APPENDIX III(c)A NOTE ON INDEX NUMBER OF PRICES USED

The index numbers constructed by D.G.S. & D. as "Index Numbers of Purchase Prices" are available in published form for 1961-62 to 1963-64 years only and those for the rest of the years were obtained from the office of the D.G.S. & D.

These D.G.S. & D.'s Index Numbers do not cover ten groups of commodities under Food Products and one group under Tobacco, i.e., Cigarettes. Hence in these cases Index Numbers of Wholesale Prices constructed and published by the Economic Adviser of the Government of India were used after finding average Index Numbers for the respective financial years.

Under the third group of Trade Classification of Textiles, seven groups of the commodities are given and the D.G.S. & D.'s Index Numbers are available only for (i) Cotton Textiles, (ii) Jute, (iii) Woollen Manufactures. For other commodities like Solk and Silk Products and Cotton and Hair Belting, Index Numbers of Wholesale Prices are used. In case of Canvas and Canvas Products, Index Number for Jute has been used and for Miscellaneous Textiles, that of Cotton Textiles has been used.

In case of Footwear, Wood and Wood Products, Paper and Paper Products, Leather and Leather Products, Rubber Products,

Chemicals and Chemical Products, Index Numbers obtained from D.G.S. & D. have been used.

The Non-Metallic Minerals cover eight groups of commodities according to the Trade Classification. Of these eight groups Index Numbers for Abrasives and Graphite are not given by D.G.S. & D. These were obtained from the financial year average of the wholesale price index for "Lime" and "Lead" and were used for the purpose.

Under the group Basic Metals, four groups of commodities are included and D.G.S. & D. gives Index Numbers for Iron and Steel and Non-Ferrous Metals only. For Non-Ferrous Alloy and Non-Ferrous Semi-Manufactured items, financial year average wholesale price index number for Brass has been used.

In case of Metal Products, twenty-one groups of commodities are included, and D.G.S. & D. gives index numbers for Screws, Bolts and Nuts, Wire Ropes, Padlocks and Other Products. Financial year average of wholesale price indices for Aluminium Utensils and Aluminium were used for Wares and Containers and Expanded Metals respectively. For the purpose of small tools and Steel Furniture, index numbers of D.G.S. & D. for Files and Steel Cupboards respectively are used. Index number for Screws is also used for Wire Gauge and Chains. For the purpose of M.S. Doors and Fittings, index number for Bolts and Nuts is used. In case of Duplicators and Pins and Cutters, Index Number for small tools has been used and Index

Number for Other Products has been used for Blades, Oil Lamps, Oil Pressure Lamps, Crown Cork also.

Under the group for Non-Electrical Machinery, thirty-nine groups of commodities are used and index numbers of D.G.S. & D. are available for Engines, Pumps, Machine Tools, Cranes, Hoists etc., Ball-bearing Road Dressing Machinery, Concrete Mixture, Road Rollers, Weigh Bridges, Rock Drilling, Agricultural Machinery, Fire Fighting Equipment, Water Fittings, Gas Producing Plant, Industrial Boilers and Other Machinery. In case of Sewing Machines, financial year average of wholesale price index is used for the respective years. The index number of Machine Tools has been used for H.S. Tools and Reamers, Welding Electrodes and Grinding Wheels also. Index number for Road Dressing Machinery has also been used for Earth Moving Machinery and that of Weigh Bridges for Weighing Machines. For the purpose of Clocks and Watches index number of House Meters has been used and index number for Agricultural Machinery was also used for Dairy Machinery and Dairy Requisite. Index number of Other Machinery has also been used for Ammonia Plant, Agitator, Acid Plant, Boring Machinery, Printing Machinery, Pile Driving Plant, Water Softening Plant, Well Boring Plant, Distilling Plant, Air Compressor, Carding Engines, Spinning Frames Calico Looms also.

In case of Electric Machinery eighteen groups of commodities have been included and the D.G.S. & D.'s Index Numbers

are available for Transformers, Electric Lamps, Electric Fans, Cables and Wires, House Service Meters, Air Conditioning Equipment, Switch Gears, Storage Batteries, Dry Cells, Electric Lifts, and Miscellaneous Electrical Fittings. The index number for Electric Motors was obtained from the wholesale price index and the index number of Radio and Sound Equipment has also been used for Electronic Equipment. Index number of House Service Meters has been used for Testing Instruments and that of the Air Conditioning Equipment for Refrigeration Equipment. Index number for Distribution Board and Switch Board has been used for Insulating Materials and the index number used for Electric Motors has also been used for Electric Furnaces, Electroplating Plant.

Under the group of Transport Equipment six groups of commodities are included and the D.G.S. & D.'s index numbers are available for Automobiles (Jeeps) and for various sorts of Railway Materials; however, for the purpose of our study simple average of all these commodities forming parts of Railway Materials has been used for Railway Materials. For the purpose of Bicycles, Index Number of Motor Cycles has been used. And for the rest of the groups of commodities e.g., Aerodrome Lights etc., Shipbuilding and Repairs, and Other Transport Equipment, index number used for Railway Materials has been used.

The last group contains Miscellaneous Industrial Products given under fourteen heads. D.G.S. & D.'s Index

Numbers are available for Brushes and Brushware, Photographic Stores, Insecticides and Other Miscellaneous Stores only. In case of Alcohol Products Index Number of wholesale prices of Beverages has been used. Similarly for Tanning Materials wholesale price index has been used. The index number of Miscellaneous Stores has also been used for Jointing Materials, Postal Stores, Scientific Stores, Hospital Equipment and Plastics. Index number for Fats and Vegetable Oils was obtained from wholesale price index. In case of P.V.C. Sheetings and Asbestos, index number for Cement Products has been used.

APPENDIX III(c)

INDEX NUMBERS USED FOR THE PRESENT STUDY

Sector No.	Commodity	Indigenous Purchases					Total (Indigenous + Imported) Purchases				
		1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66
1	Fertilizers	103.6	106.7	112.4	114.7	115.9	103.6	106.7	112.4	114.7	115.9
2	Iron and Steel	104.7	109.3	110.9	114.3	131.3	104.7	109.3	110.9	114.3	131.3
3	Internal Combustion Engines	119.9	95.6	97.0	97.0	132.2	111.9	127.3	129.5	129.5	132.2
4	Machine Tools	102.9	102.4	105.1	106.7	120.0	103.4	106.3	109.8	112.4	120.0
* 5	Meat	144.0	145.7	147.4	174.1	190.0	144.0	145.7	147.4	174.1	190.0
* 6	Milk	116.6	123.3	131.9	150.7	166.9	116.6	123.3	131.9	150.7	166.9
* 7	Fruits	118.5	130.0	132.2	161.6	165.0	118.5	130.0	132.2	161.6	165.0
* 8	Fish	118.8	136.5	151.1	170.2	222.5	118.8	136.5	151.1	170.2	222.5
* 9	Rice	105.0	111.0	124.5	134.4	141.0	105.0	111.0	124.5	134.4	141.0
*10	Bakery Products	171.6	171.8	179.2	179.0	188.5	171.6	171.8	179.2	179.0	188.5
*11	Sugar	127.8	130.9	139.4	152.3	153.3	127.8	130.9	139.4	152.3	153.3
*12	Cocoa, Chocolate etc.	171.6	171.8	179.2	179.0	188.5	171.6	171.8	179.2	179.0	188.5
*13	Food Products	171.6	171.8	179.2	179.0	188.5	171.6	171.8	179.2	179.0	188.5
*	Tea	193.1	174.9	195.7	189.3	194.1	193.1	174.9	195.7	189.3	194.1
*	Coffee	88.1	92.4	99.1	110.1	115.9	88.1	92.4	99.1	110.1	115.9
*	Salt	134.2	150.9	140.8	135.0	135.7	134.2	150.9	140.8	135.0	135.7
*14	Distilling Spirits)										
*15	Wine Industries)	156.1	156.1	165.7	167.9	171.6	156.1	156.1	165.7	167.9	171.6
*16	Breweries and Malt)										
*17	Soft Drinks)										
*18	Tobacco Manufactures	102.3	113.4	135.4	135.3	135.4	102.3	113.4	135.4	135.3	135.4
19	Cotton Textiles	104.8	106.8	109.1	108.1	109.9	104.8	106.8	109.1	108.1	109.9
	Jute Manufactures	84.5	74.2	70.2	82.8	106.1	84.5	74.2	70.2	82.8	106.1
	Woollen Manufactures	111.4	122.1	126.2	111.2	126.7	111.4	122.1	126.2	111.2	126.7
	Silk & Silk Products	119.9	131.7	139.0	138.7	144.7	119.9	131.7	139.0	138.7	144.7
20	Knitting Mills	104.8	106.8	109.1	108.1	109.9	104.8	106.8	109.1	108.1	109.9
21	Cordage Rope etc.	84.5	74.2	70.2	82.8	106.1	84.5	74.2	70.2	82.8	106.1
22	Other Textiles	104.8	106.8	109.1	108.1	109.9	104.8	106.8	109.1	108.1	109.9
*	Cotton & Hair Belting	93.5	93.7	95.6	103.0	107.8	93.5	93.7	95.6	103.0	107.8
23	Footwear	103.3	106.7	109.2	103.4	106.3	103.3	106.7	109.2	103.4	106.3
24	Wearing Apparel	104.8	106.8	109.1	108.1	109.9	104.8	106.8	109.1	108.1	109.9
25	Saw Mill Products	109.1	109.2	115.7	117.1	116.6	109.1	109.2	115.7	117.1	116.6
	Plywood	98.32	83.0	84.8	83.4	83.4	98.32	83.0	84.8	83.4	83.4
26	Wood and Cane-ware)										
27	Cork & Wood Products)	109.1	109.2	115.7	117.1	116.6	109.1	109.2	115.7	117.1	116.6
28	Furniture	107.9	107.9	108.2	104.9	100.5	107.9	107.9	108.2	104.9	100.5
29	Paper & Paper Products	103.7	103.5	102.3	101.6	107.5	105.8	105.6	104.5	103.8	107.5
30	Printing & Stationery	108.1	110.6	112.6	110.8	106.8	108.1	110.6	112.6	110.8	106.8

(continued)

Appendix III(c) : (continued)

Sector No.	Commodity	Indigenous Purchases					Total (Indigenous + Imported) Purchases				
		1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66
31	Tanneries	107.2	114.2	114.8	126.4	136.4	107.2	114.2	114.8	126.4	136.4
32	Leather Products	109.4	117.9	119.5	129.7	136.4	109.4	117.9	119.5	129.7	136.4
33	Rubber Products	101.3	103.8	103.1	119.0	112.6	101.3	103.8	103.1	119.0	112.6
	Footwear	105.1	125.8	82.0	82.0	100.6	105.1	125.8	82.0	82.0	100.6
	Tyres	100.6	100.6	100.6	124.2	110.9	100.6	100.6	100.6	124.2	110.9
	Tubes	100.5	100.5	100.5	124.5	115.5	100.5	100.5	100.5	124.5	115.5
	Hoses	100.0	111.1	111.1	101.0	105.4	100.0	111.1	111.1	101.0	105.4
	Rubber Belting	99.8	115.7	122.0	122.0	131.7	99.8	115.7	122.0	122.0	131.7
	Water Proof Fabrics	100.2	106.2	123.5	122.2	156.1	100.2	106.2	123.5	122.2	156.1
	Sheetings	105.5	103.5	106.2	104.4	104.4	105.5	103.5	106.2	104.4	104.4
34	Basic Chemicals	100.4	106.7	106.1	104.4	115.9	99.7	101.2	105.6	103.6	115.9
*35	Vegetable Oils	148.4	145.4	145.6	165.8	185.0	148.4	145.4	145.6	165.8	185.0
36	Paints and Varnishes	98.4	108.0	114.1	112.5	115.9	98.4	108.0	114.1	112.5	115.9
37	Other Chemical Products	103.6	106.7	112.4	114.7	115.9	103.6	101.9	112.2	114.6	115.9
38	Petroleum Products	99.3	97.7	107.1	108.6	110.7	98.6	99.3	107.5	109.4	110.7
39	Misc. Products of Petroleum and Coal										
40	Fire Bricks	106.4	123.8	130.9	128.9	128.9	106.4	123.8	130.9	128.9	128.9
41	Glass & Glass Products	108.6	108.1	90.3	89.6	92.4	108.6	108.1	90.3	89.6	92.4
42	Pottery & Earthenware	102.4	115.7	121.8	124.1	124.4	102.4	115.7	121.8	124.1	124.4
43	Cement	101.4	102.8	118.6	120.1	128.4	101.4	102.8	118.6	120.1	128.4
44	Non-Metallic Mineral Products - Cement Products	101.4	106.8	108.6	117.8	121.3	101.4	106.8	117.8	121.3	101.4
*	Abrasives	148.2	152.8	150.1	132.3	130.7	148.2	152.8	150.1	132.3	130.7
	Road Dressing Materials	100.4	120.8	120.8	120.9	121.0	100.4	120.8	120.8	120.9	121.0
*	Graphite	90.6	103.1	143.4	232.8	357.2	90.6	103.1	143.4	232.8	357.2
	Grinding Wheels	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Asbestos	101.4	106.8	108.6	117.8	121.3	101.4	106.8	108.6	117.8	121.3
45	Iron & Steel Products	100.1	108.9	110.0	110.9	94.7	100.6	104.2	104.4	105.3	94.7
46	Non-Ferrous Basic Metals	103.9	111.1	111.4	145.9	204.6	99.6	100.7	108.0	157.1	204.6
	Non-Ferrous Alloy	121.5	125.6	135.9	181.7	253.0	121.5	125.6	135.9	181.7	253.0
47	Metal Products										
	Screws	105.4	105.0	103.0	105.6	106.0	105.4	105.0	103.0	105.6	106.0
*	Blades	63.8	63.8	64.9	68.6	67.6	63.8	63.8	64.9	68.6	67.6
	Oil Lamps	63.8	63.8	64.9	68.6	67.6	63.8	63.8	64.9	68.6	67.6
*	Wares	153.4	163.2	166.0	159.4	184.8	153.4	163.2	166.0	159.4	184.8
*	Expanded Metals	137.9	148.4	138.6	151.0	185.0	137.9	148.4	138.6	151.0	185.0
	Wire Gauge	105.4	105.0	103.0	105.6	106.0	105.4	105.0	103.0	105.6	106.0
	Pins, Tapers, Cutters, etc.	63.8	63.8	64.9	68.6	67.6	63.8	63.8	64.9	68.6	67.6
	Small Tools	63.8	63.8	64.9	68.6	67.6	63.8	63.8	64.9	68.6	67.6

(continued)

Appendix III(c) : (continued)

Sector No.	Commodity	Indigenous Purchases					Total (Indigenous + Imported) Purchases				
		1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66
	H.S. Tools, Reamers, Welding Electrodes	102.9	102.4	105.1	106.7	120.0	102.9	102.4	105.1	106.7	120.1
	Water Fittings	105.5	105.5	104.9	103.5	130.5	105.5	105.5	116.0	114.7	130.5
48	Machinery except Electrical										
*	Sewing Machines	112.3	112.3	112.3	113.9	119.1	112.3	112.3	112.3	113.9	119.1
	Pumps	113.5	119.9	121.3	113.9	151.9	113.5	119.9	121.3	113.9	151.9
	Cranes, Hoists	106.5	108.8	113.7	114.5	114.5	106.5	113.5	118.6	119.4	114.5
	Ballbearing	100.0	100.7	100.7	100.7	106.4	103.0	102.3	101.9	101.9	106.4
	Concrete Mixer	101.2	99.7	102.7	93.5	93.5	101.2	99.7	102.7	93.5	93.5
	Road Rollers	100.0	110.2	101.2	101.4	108.2	101.1	101.3	102.4	102.5	108.2
	Weigh Bridges	100.0	91.6	91.8	92.8	89.7	100.0	91.6	91.8	92.8	89.7
	Well Boaring Plant)	98.6	100.6	98.7	97.0	98.2	99.7	101.7	99.8	98.6	98.2
	Boaring Machine)										
	Rock Drilling Machinery	102.8	89.3	98.1	96.8	100.9	102.8	89.3	98.1	96.8	100.9
	Agricultural Machinery)	97.5	98.3	99.1	98.8	111.9	97.5	98.3	99.1	98.8	111.9
	Dairy Machinery)										
	Firefighting Equipment	101.8	111.0	113.9	112.7	115.9	101.8	111.0	113.9	112.7	115.9
	Distilling Plant)										
	Water Softening and Purification Plant)	98.6	100.6	98.7	97.0	98.2	99.7	101.7	99.8	98.6	98.2
	Gas Producing Plant	106.9	113.8	105.1	105.1	105.1	106.9	113.8	105.1	105.1	105.1
	Printing Machinery)										
	Acid Plant)										
	Agitators)										
	Ammonia Plant)	98.6	100.6	98.7	97.0	98.2	99.7	101.7	99.8	98.6	98.2
	Other Machinery)										
	Boilers	90.2	88.1	86.4	82.5	72.6	90.2	88.1	86.4	82.5	72.6
	Air Conditioners)										
	Refrigeration Equipment)	107.4	107.2	118.3	130.7	132.1	107.4	107.2	118.3	130.7	132.1
49	Electrical Machinery										
*	Electric Motors	214.5	237.6	261.2	274.0	310.7	214.5	237.6	261.2	274.0	310.7
	Transformers	102.9	114.2	117.7	121.2	132.5	102.9	114.2	117.7	121.2	132.5
	Electric Lamps	100.0	99.8	99.8	100.1	115.6	102.5	108.4	114.8	115.1	115.6
	Fans	99.2	100.1	100.4	104.3	106.2	99.2	100.1	100.4	104.3	106.2
	Electronic Equipment	100.1	103.9	109.7	116.2	123.1	100.8	103.3	106.6	112.3	123.1
	Cables and Wires	98.4	99.0	100.4	100.9	103.1	100.6	101.2	97.3	97.1	103.1
	Switchgears	96.7	97.9	97.9	97.6	97.6	96.7	97.9	97.9	97.6	96.7
	Storage Batteries	88.6	88.8	87.5	87.7	109.6	88.6	88.8	87.5	87.7	109.6
	Dry Cells	103.5	103.5	104.7	105.2	105.9	103.5	103.5	104.7	105.2	105.9
	Insulating Materials	104.5	123.6	137.8	146.5	146.5	106.8	126.4	139.9	148.7	148.7
	Misc. Electrical Fittings	99.3	100.9	100.0	100.3	102.3	99.3	100.9	100.0	100.3	102.3

(continued)

Appendix III(c) : (continued)

Sector No.	Commodity	Indigenous Purchases					Total (Indigenous + Imported) Purchases				
		1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66
50	Shipbuilding & Repairs	102.5	103.3	104.6	106.6	108.5	102.5	103.3	104.6	106.6	108.5
51	Rail Road Equipment	102.5	103.3	104.6	106.6	108.5	102.5	103.3	104.6	106.6	108.5
52	Motor Vehicles	101.2	102.8	101.2	110.6	115.6	101.2	101.4	101.2	111.0	115.6
53	Transport Equipment	102.5	103.3	104.6	106.6	108.5	102.5	103.3	104.6	106.6	108.5
	Cycles	103.9	103.9	105.8	110.5	115.3	103.9	103.9	105.8	110.5	115.3
54	Scientific Instruments										
	House Service Meters)	106.1	104.4	102.8	91.0	59.4	103.7	104.4	102.8	90.5	59.4
	Electrical Instruments)										
	Hospital Equipment)	106.9	98.4	94.2	96.5	94.4	106.6	97.4	93.2	95.4	94.4
	Scientific Stores)										
55	Photographic Stores	100.0	101.2	106.1	106.0	111.6	100.0	101.2	106.1	106.0	111.6
56	Watches and Clocks	106.1	104.4	102.8	91.0	59.4	103.7	104.4	102.8	90.5	59.4
59	Misc.Industrial Products										
	Plastics)	101.4	106.8	108.6	117.8	121.3	101.4	106.8	108.6	117.8	121.3
	P.V.C. Sheetings)										
	Brushes	99.1	75.7	76.1	70.3	70.3	99.1	75.7	76.1	70.3	70.3
	Postal Stores)	106.9	98.4	94.2	96.5	94.4	106.6	97.4	93.2	95.4	94.4
	Jointing Materials)										
	Others)										
*60	Electricity	123.2	117.9	128.9	140.4	137.9	123.2	117.9	128.9	140.4	137.9
*61	Coal	141.5	151.9	161.7	168.6	175.7	141.5	151.9	161.7	168.6	175.7
62	Agriculture										
*	Wheat	90.9	89.8	98.7	129.8	138.1	90.9	89.8	98.7	129.8	138.1
*	Grain	122.4	127.8	123.8	181.6	194.2	122.4	127.8	123.8	181.6	194.2
*	Corn	110.2	101.1	109.1	166.7	189.2	110.2	101.1	109.1	166.7	189.2
*63	Rail Transport	125.1	127.9	135.3	151.9	163.2	125.1	127.9	135.3	151.9	163.2
*64	Road Transport	125.1	127.9	135.3	151.9	163.2	125.1	127.9	135.3	151.9	163.2
*65	Construction	125.1	127.9	135.3	151.9	163.2	125.1	127.9	135.3	151.9	163.2

* The Index Nos. marked with asterisk are obtained from the 'Index Numbers of Wholesale Prices' published by the Economic Adviser, Government of India, for the years 1961-62 to 1965-66. (1952-53 = 100)

Source : 1) 'Index Numbers of Purchase Prices for 1961-62, 1962-63 and 1963-64' (1960-61 = 100) published by the D.G.S. & D.

ii) 'Index Numbers of Purchase Prices for 1964-65 and 1965-66' (1960-61 = 100) supplied by the Office of the D.G.S. & D.

CHAPTER IVMINISTRYWISE COMMODITY REQUIREMENTS

In this chapter we study the commodity requirements of various Ministries of the Central Government. Our main focus will be on the direct requirements which include indigenous as well as foreign purchases. Since indigenous purchases could not be separated from total purchases in the case of Ministries, the computation of total of direct and indirect requirements would not give real economic impact of Government purchases on the productive activities of the economy. However total of direct and indirect requirements has been calculated and presented in the Appendix to this chapter. This calculation merely shows what would have been the total (direct + indirect) impact of commodity requirements of various Ministries if all of their purchases were met from indigenous sources.

For a detailed study at a Ministry level only few Ministries have been selected. These Ministries are important from the point of view of the commodity requirements. The D.G.S. & D. data also was available for these Ministries^{only}. The selected Ministries are as follows:

- i) Ministry of Defence
- ii) Ministry of Railways
- iii) Ministry of Food and Agriculture
- iv) Department of Post and Telegraphs
- v) Department of Other Communications

- vi) Ministry of Transport
- vii) Ministry of Works, Housing and Supply
- viii) Ministry of Finance
- ix) Ministry of Health
- x) Ministry of Irrigation and Power
- xi) Union Territories
- xii) Other Ministries

The rest of the Ministries are grouped together under the head 'Other Ministries' and their requirements are studied as such.

As discussed above a total Government expenditure as reported in the Demands for Grants could be classified into commodity and factor payments and transfers expenditures. We take the total of commodity expenditure, thus obtained, as the basis and proceed to disaggregate it into further commoditywise details so as to match the sectors of the Input-Output Table. For the purposes of this disaggregation we use the commoditywise pattern of Government purchases as obtained from the D.G.S. & D. so that Ministrywise Government demand vectors for four years could be obtained. The procedure of adjustments is detailed below.

(A) Some items of expenditure in the Demands for Grants are directly identifiable with the sectors of the Input-Output Table, like coal, electricity, construction, printing and stationery, vehicles, etc. These are so classified.

(B) Most of the items in the Demands for Grants are not directly identifiable with the sectors of Input-Output

Table, i.e. they include commodities which fall in more than one sector of Input-Output Table. In case of these items for example :

- (a) The expenditure on the item 'Plant, Machinery and Equipment' has been distributed between the machinery goods sectors (sector Nos. ^{3 and 4 and} 48 to 54 in Appendix III(a)) of the Input-Output Table according to the proportion of these sectors in the total expenditure on plant, machinery and equipment group for the same Ministry as obtained from D.G.S. & D.'s Office.
- (b) Rest of the commodity expenditure has been distributed between the non-machinery goods sectors (i.e., sectors of Input-Output Table other than Nos. ^{3, 4 and} 48 to 54) similarly on the basis of proportions obtained from the records of D.G.S. & D.

If any of the commodities falling in the group of Machinery Goods sectors or non-machinery goods sectors, was separately reported in Demands for Grants for any Ministry then for the purposes of obtaining the proportions from the D.G.S. & D. records that commodity was excluded from its respective group.

(C) In case of Ministry of Defence, the Demands for Grants report an item, under the head 'Provisions' which cannot be apportioned to various sectors of Input-Output

Table even on the basis of D.G.S. & D.'s data. Hence the details under this item i.e., 'Provisions' were obtained from the office of the Ministry of Defence for the year 1963-64, and this commodity composition of the provisions was assumed to be the same for other years also.

(D) The item 'Other Charges' appears in Demands for Grants of all the Ministries. This item includes usually expenses on office contingencies. Only the Department of Post and Telegraphs publishes the details of other charges in its Demands for Grants. The same commodity composition was assumed for this item in other Ministries. It may be mentioned that this item however forms a small proportion of total commodity purchases.

As pointed out in the previous chapter the Ministry-wise data were available only for four years (1962-63 to 1965-66) and hence this study does not cover all the years of the Third Five Year Plan. However the four years to which this study pertains happen to include two war events, once in 1962-63 and the other in 1965-66. And hence this study is likely to point out special features of commodity expenditure (its level as well as its composition) of different Ministries during a period when a developing economy is passing through pressures of special stresses and strains.

4.1 Ministry of Defence

The Ministry is responsible for all the matters relating to the defence of India. The Ministry consists of the

Ministry proper, the Army, the Navy and the Air Force. It covers the Department of Defence Production and the Department of Research and Development. It also administers organizations like National Cadet Corps, the Armed Force Information Office, the Military Lands and Cantonments Directorate, etc.¹

During the period of First Plan (1951-52 to 1955-56) and the Second Plan (1956-57 to 1960-61), emphasis was on the economic development of the nation. However, "The massive and unprovoked attack launched by China in October 1962 brought into focus the grave threat to the security of this country along a border major portion of which were traditionally considered most unsuited for military campaigns."² Hence it was realized that, "The manner in which tension has been built-up all along our frontier clearly indicates that we have to think of defence planning of our entire frontier as a long term problem."³ While planning for defence, it was "to be done with due regard to the limitations of finance particularly foreign exchange, overall economic situation and availability of technical know-how."⁴

The necessary consequence was an increase in the

1 Government of India, Ministry of Defence, Annual Report 1963-64, p. 1.

2 Ibid., p. 2.

3 Ibid.

4 Ibid.

strength of the Army and other Forces, modernization of the equipment and working out of a rational provisioning policy. All these things get reflected in the expenditure pattern of the Defence Ministry for the year 1963-64.

During the year 1964-65, it was observed that "There has been no material change in the threat to our security,"⁵ and hence it was necessary to keep the "defence forces in a state of readiness". A Defence Plan,⁶ which was to be implemented over a period of five years, i.e., 1964 to 1969, was prepared during the year. The total Plan expenditure amounted to Rs. 5,000 crores, i.e., Rs. 1,000 crores for each year which covers the expenditure on expansion and modernization and maintenance of the Forces.

In the year 1965-66, during the months of April-September Pakistani armed forces attacked across the International Border and the Cease-fire Line in Jammu. This led to the harnessing of "all resources of the country to the country's defence and for the defence effort to derive full sustenance from the country's economic development plans."⁷

5 Ibid.

6 The Defence planning aimed at (i) Expansion and modernization of the Army, (ii) Modernization of the Air Force, (iii) Creation of an adequate production base, (iv) Improvement and expansion in the means of communications and transport, (v) Replacement of average ships of the Navy and making it a balanced force.

7 Government of India, Ministry of Defence, Annual Report 1965-66, p. 3.

But it can be seen from the Table 3.1.e that even in that year the total expenditure was less than Rs.1000 crores.

Thus the period covered by our study from 1962-63 to 1965-66 was dominated by the emergency and is characterized by the mobilization of the resources either for war or for the preparedness for war. This is reflected in the vectors of the direct commodity requirements for various years which are given in Table 4.1. The entries in the Table consist of the purchases in lakhs of rupees in 1963-64 prices, from various sectors along with their percentage shares of the total for the respective years.⁸

From Table 4.1 it is evident that the total direct commodity requirements were lowest in 1962-63 amounting to Rs. 272.59 crores and highest in the following year i.e. 1963-64 amounting to Rs. 551.82 crores. In the last two years the commodity requirements were worth Rs. 447.35 crores and Rs. 455.66 crores respectively having a level of demand substantially higher than that in the year 1962-63.

Looking at the sectorwise demand we find that there are about 15 sectors each of which covers more than 1 per cent of the total commodity demand of the Ministry. And these together cover between 88 per cent to 91 per cent of the aggregate demand for commodities. We may focus our attention on the trends in the demand for the goods of these sectors over the years.

⁸ The data regarding the production and consumption of the final goods produced in the Departmental undertakings run by the Ministry of Defence like Ordnance Factories etc. are not available in details; although the total expenditure on them is included in the budget of the Ministry of Defence.

Table 4.1 : Direct Requirements of Ministry of Defence in 1963-64 Prices (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
2	-	-	1	-	-	-	18	0.04
3	11	0.04	19	0.03	43	0.10	57	0.13
4	770	2.82	2542	4.61	3225	7.21	1380	3.03
5	125	0.46	183	0.33	184	0.41	251	0.55
6	73	0.27	104	0.19	93	0.21	120	0.26
7	71	0.26	104	0.19	82	0.18	118	0.26
8	3	0.01	5	0.01	4	0.01	5	0.01
9	793	2.91	1071	1.94	1002	2.24	1357	2.98
10	6	0.02	9	0.02	9	0.02	11	0.02
11	360	1.32	528	0.96	489	1.09	692	1.52
12	10	0.04	16	0.03	16	0.04	21	0.05
13	252	0.92	371	0.67	373	0.83	507	1.11
15	22	0.08	32	0.06	32	0.07	44	0.10
18	88	0.32	113	0.20	113	0.25	162	0.36
19	513	1.88	1703	3.09	999	2.23	178	0.39
22	55	0.20	377	0.68	135	0.30	37	0.08
23	53	0.19	153	0.28	132	0.30	24	0.05
25	345	1.27	375	0.68	189	0.42	394	0.86
28	86	0.32	78	0.14	95	0.21	116	0.25
29	52	0.19	163	0.30	57	0.13	105	0.23
30	227	0.83	331	0.60	310	0.69	333	0.73
31	32	0.12	96	0.17	-	-	34	0.07
32	3	0.01	13	0.02	-	-	5	0.01
33	78	0.29	502	0.91	57	0.13	201	0.44
34	71	0.26	82	0.15	53	0.12	122	0.27
35	593	2.18	983	1.78	941	2.10	1374	3.02
37	131	0.48	231	0.42	255	0.57	267	0.59
38	2050	7.52	3014	5.46	2940	6.57	3934	8.63
41	4	0.01	5	0.01	2	-	3	0.01
42	4	0.01	7	0.01	13	0.03	7	0.02
43	366	1.34	411	0.74	549	1.23	591	1.30
44	43	0.16	206	0.37	181	0.40	147	0.32
45	72	0.26	180	0.33	173	0.39	197	0.43
46	121	0.44	194	0.35	251	0.56	343	0.75
47	134	0.49	401	0.73	236	0.53	324	0.71
48	759	2.78	1733	3.14	1454	3.25	1531	3.36
49	643	2.36	1668	3.02	1708	3.82	2283	5.01
50	326	1.20	314	0.57	351	0.78	375	0.82
51	25	0.09	24	0.04	153	0.34	13	0.03
52	2222	8.15	4252	7.71	4623	10.33	3893	8.54
53	3762	13.80	8799	15.95	6569	14.69	7192	15.78
54	138	0.51	305	0.55	374	0.84	418	0.92
55	42	0.15	71	0.13	62	0.14	45	0.10
56	1	-	58	0.11	20	0.04	-	-
59	2199	8.07	6314	11.44	3653	8.17	4587	10.08
60	186	0.68	202	0.37	212	0.47	250	0.55
61	70	0.27	91	0.16	99	0.22	98	0.22
62	980	3.60	1336	2.42	1059	2.37	1328	2.91
63	2278	8.36	2889	5.24	2115	4.73	2216	4.86
64	202	0.74	504	0.91	191	0.43	262	0.57
65	5809	21.32	12019	21.78	8859	19.81	7596	16.67
Total	27259	100.00	55182	100.00	44735	100.00	45566	100.00
Index	100.00		202.43		164.11		167.16	

Source : Demands for Grants and D. G. S. D.'s data.

The following are the sectors indicating decrease in percentage share in total purchases in the year 1963-64 but showing increasing trend in shares for the years 1964-65 and 1965-66.

Sr. No.	Name of the sector	Sector No.	Direct Requirements	
			Maximum	Minimum
1.	Grain Mill Products	9	2.98	1.94
2.	Sugar	11	1.52	0.96
3.	Miscellaneous Food Products	13	1.11	0.67
4.	Vegetable Oils	35	3.02	1.78
5.	Petroleum Refinery Products	38	8.63	5.46
6.	Cement	43	1.34	0.74
7.	Shipbuilding and Repairs	50	1.20	0.57
8.	Electricity	60	0.68	0.37

Looking at the nature of these sectors, we observe that the sectors for Grain Mill Products (9), Sugar (11), Miscellaneous Food Products (13), Vegetable Oils (35), Petroleum Refinery Products (38) and Electricity (60) are in the nature of consumption goods sectors.⁹ Although their

⁹ Broadly speaking we may classify the sectors into two categories i.e. (a) consumption or non-capital goods sectors and (b) capital or durable goods sectors. We call those sectors as capital or durable goods sectors whose products are of durable nature and/or whose products are known to be mainly used in constructing capital assets (investment). The rest of the sectors, we may term as consumer goods sectors. The capital or durable goods sectors are: Nos. 2, 3, 4, 25, 26, 27, 28, 40, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56 and 65.

requirements in terms of absolute values are observed to be higher in the year 1963-64 over the year 1962-63, their respective shares in the total are lower in the year 1963-64. This is a natural consequence of a sudden increase in the level of military preparedness in the year 1963-64, requiring higher immediate accumulation of durable goods, but more regular increase in the goods required for regular consumption.

The sector for Shipbuilding and Repairs (50) reflects decrease of Rs. 12 lakhs in 1963-64 over the year 1962-63 and amounts to Rs. 3.14 crores because "on account of the Emergency, priority had necessarily to be given to the expansion and modernisation of the Army and the Air Force".¹⁰ The direct requirements are stepped up in the years 1964-65 and 1965-66 because "The Defence Plan 1964-69 envisages the maintenance of the Navy at its present strength and replacement of older ships by modern vessels. During the year, action was taken for the acquisition of a modern submarine and certain other vessels as a part of this programme."¹¹ In the year 1965-66 also "Efforts to procure new ships for the Indian Navy have been initiated with a view to modernising and strengthening the Navy"¹² and construction of ships and Naval craft was undertaken.

¹⁰ Government of India, Ministry of Defence, Annual Report 1963-64, p. 45.

¹¹ Government of India, Ministry of Defence, Annual Report 1964-65, p. 35.

¹² Government of India, Ministry of Defence, Annual Report 1965-66, p. 22.

The second group of commodities may be conceived as consisting of primary durable commodities. As soon as the military preparedness was decided to be put up on a higher level in 1963-64 their demand went up sharply, not only in absolute terms, but also as percentage to the total demand of the Ministry. The commodity groups in this category are Electrical Machinery (49), Other Machinery (48), Machine Tools (4), Construction (65) and Cotton Textiles (19). Even in terms of percentage share, the first two show a continuous increase over our period, while the rest reach their maximum percentage share in some year within the period.

Sr. No.	Name of the sector	Sector No.	Direct requirements	
			Maximum	Minimum
1.	Electrical Machinery	49	5.31	2.54
2.	Machinery except Electrical	48	3.56	3.00
3.	Machine Tools	4	7.72	3.04
4.	Construction	65	15.66	11.77
5.	Cotton Textiles	19	3.33	0.41

On account of considerable expansion of the Armed Forces, "The Defence production organisation intensified its efforts towards achievement of its objective of self-sufficiency as far as possible in meeting the requirements of the Armed Forces. The recent Emergency however has necessitated re-appraisal of the activities of this organisation due to the increased requirements of the Services for stores and

equipment." The steps necessary in this direction were taken up. The activities of the Ordnance Factories were increased considerably which is reflected into continuously increasing demand for the capital good sectors.¹³

Similarly the sector for Construction ~~which is in~~^{106.88} ~~the nature of capital good~~ shows 106.87 per cent rise in the year 1963-64 as compared to the year 1962-63. This was the case because "The expansion of the Army involved urgent construction of accommodation for various units like field workshops, Ordnance depots and training establishments and also the provision of married accommodation for a much larger number of officers, JCOs and Other Ranks. In order to cope with the expanded works programme an emergency works procedure was adopted to cut down delays both in technical and administrative scrutiny of projects and in their execution."¹⁴ Similarly in case of the Navy, the expansion of the Naval Dockyard at Bombay was undertaken and "the extension of the Ballard Pier on the Inner Face to a length of 750 feet has been taken in hand departmentally."¹⁵ Various other construction schemes were also undertaken so as to develop a

13 "While plans to set up new Ordnance Factories are proceeding, action has been taken simultaneously to provide new plant and equipment to existing factories." Government of India, Ministry of Defence, Annual Report 1963-64, p. 60.

14 Ibid., p. 39.

15 Ibid., pp. 47-48.

Naval Base and Dockyard. Also the provision of rail-road access to Naval Armament Depot, "construction of additional accommodation for Naval personnel" and construction of workshop buildings were undertaken. In case of Air Force, it is observed that, "After the declaration of the Emergency, works projects have been taken up either for fresh construction or for extension and improvement of the existing facilities,"¹⁶ in a number of air fields. Extensive construction and extension of the runway and taxi tracks etc. was also undertaken. A separate air field, exclusively for the use of the Indian Air Forces at Hindan (near Ghaziabad) was also undertaken. In the rest of the years the demand for construction shows decreasing trend.

The sector of Cotton Textiles (19) which is in the nature of ^{semi-durable} ~~consumer~~ good reflects 232 per cent rise in the year 1963-64 valuing Rs. 17.03 crores as compared to that in the year 1962-63 when it valued Rs. 5.13 crores. This was the result of the declaration of Emergency by which a considerable expansion in the Army, the Navy and the Air Force took place, in the year 1963-64 by a "quick adjustment in the policy of recruitment as well as the modes and methods of selection."¹⁷ However at the same time the departmental production (i.e. production in the units within the Defence

16 Ibid., pp. 54-55.

17 Ibid., p. 21.

Ministry) of snow, winter and cotton garments of all types was considerably speeded up. "There was, for instance, an increase of 300 per cent in the capacity of the Clothing Factory at Avadi."¹⁸ In the year 1965-66 in addition, "Improved version of some of the uniforms were developed at the Clothing Factory, Shahjahanpur and approved for bulk manufacture."¹⁹ All these steps taken by the Ministry of Defence resulted into decreasing purchases from the private sector of cotton textiles after 1963-64.²⁰

Then there is a group of commodities whose purchases were directly affected by the immediate needs of the emergencies created in 1963-64 and 1965-66. They are Other Transport Equipment (53), Miscellaneous Industrial Products (59), Agriculture (62) and Railway Transport (63). Out of these the first two show this disturbance clearly even in percentage terms.

The sector of Other Transport Equipment (53) reflects increase in the year 1963-64 because "During the year 1963-64, the IAF fleet of transport aircraft has been substantially increased. A number of heavy transport AN-12 planes have been purchased from the U.S.S.R."²¹ Also a number of

¹⁸ Government of India, Ministry of Defence, Annual Report 1964-65, p. 53.

¹⁹ Government of India, Ministry of Defence, Annual Report 1965-66, p. 36.

²⁰ "Efforts were made to harness civil industry for the manufacture of armament components, fabrication of clothing and manufacture of general engineering stores wherever possible." Government of India, Ministry of Defence, Annual Report 1963-64, p. 60.

²¹ Ibid., p. 54.

Sr. No.	Name of the sector	Sector No.	Direct Requirements	
			Maximum	Minimum
1.	Other Transport Equipment	53	15.95	13.80
2.	Miscellaneous Industrial Products	59	11.44	8.07
3.	Agriculture	62	3.60	2.37
4.	Railway Transport	63	8.36	4.73

helicopters were purchased from U.S.S.R. and France. In the year 1965-66 the importance of an operational role of Indian Air Force in the defence of the country was recognized. In this year a 'Re-equipment Programme' was worked out in order to replace the aircrafts lost in the hostilities and "implementation of the plans to phase out the older obsolescent types of aircraft" was undertaken. Substantial improvement in Air Defence system took place in this year.

The next important sector is Miscellaneous Industrial Products (59) which mainly covers Arms and Ammunition. The share of this sector was higher in 1963-64 as compared to that in the year 1962-63. Purchases in 1963-64 increased in spite the fact that departmental production was stepped up during this year. This seems to have been the result of the realizations that 'In order to ensure an uninterrupted and adequate flow of materials, a stock piling of end-products policy should be adopted'.

The demand on the sector of Miscellaneous Industrial Products further increased in 1965-66 over the year 1964-65. The year 1965-66 is characterized by 'active hostilities during which the requirements of stores and equipment for Defence Forces were much higher than during peace time'.

The sectors of Agriculture and Railway Transport indicate higher share in 1965-66 as compared to that in the year 1964-65. Thus the percentage share of the expenditure on these sectors is higher in 1962-63 and 1965-66. Both these years are characterized by increase in activity and expansion of the Defence Forces, and as a necessary consequence the demand on these sectors is observed to be relatively higher as compared to that in other years.

The sector of Motor Vehicles (52) accounts for 10.33 to 7.71 per cent of the total, and shows a higher share in 1964-65 but decreasing share in rest of the years. This was the result of a programme of modernization and replacement of vehicles. "With declaration of the Emergency, additional forces were sanctioned and demand for vehicles in all the categories went up considerably. The increased demand could not be met by the production in the Ordnance Factories of Shaktiman and Nissan Vehicles. Large orders had, therefore, to be placed on the automobile manufactures in the country."²²

22 Government of India, Ministry of Defence, Annual Report 1963-64, p. 38.

It was also recognized that, "While these purchases at the present moment are on account of the special demands arising from expansion, this demand will drop when the deficiencies have been made up." Hence it was also decided to undertake the modernization of the vehicle fleet for provisioning of new vehicles and discarding of old vehicles based generally on a certain amount of total mileage or number of years, for which alone the vehicle should be held in stock."²³ This programme "ensures that, within a reasonable period, the Defence Services would have a transport fleet with vehicles which are reliable and operationally dependable at any point of time."²⁴ Thus the direct requirements along with the Defence Plan 1964-69 and the programme of modernization led to a higher share for this sector in the year 1964-65 than that in all other years.

Thus we see that the total direct requirements for Defence were only Rs. 273 crores for the year 1962-63, in constant 1963-64 prices. These have increased by 102 per cent in 1963-64 which are also highest (Rs.552 crores) over the years. For the next two years the requirements are 64 and 67 per cent higher than the requirements in 1962-63. Thus even after the war and mobilization period of 1962-63 and 1963-64 respectively, in the next two years the require-

23 Ibid.

24 Ibid.

to the same level as before. ment level has not come down substantially. Thus we find that the Peacock-Wiseman 'displacement effect' is observed even in case of the commodity expenditure of the Government. However it may be recalled that there was a plan to keep the military expenditure at a high level for the next five years, starting from 1963-64. Even then it seems to have declined in real terms in the next two years. Thus the five year plan of military mobilization does not seem to have been very closely followed.

4.2 Ministry of Railways

Indian Railways are the biggest nationalized undertaking and the largest commercial enterprise in India. The Railways have played an important role in economic development of India.

The industrial and economic development during the Plan periods made heavy demand on Railways and the Railways had to face the challenge of the time and make constant efforts to meet the ever-growing demand on them and, therefore, "the initial phase of rehabilitation was followed by a substantial increase in capacities to meet the growing pressure of traffic through addition of rolling stock, introduction of heavier wagons and longer trains and improvement of signalling and control system and phased change-over from steam to diesel and electric tractions."²⁵

²⁵ Government of India, Planning Commission. Fourth Five Year Plan: A Draft Outline, 1966, pp. 294-95.

During the period of national Emergency, the Railways had to carry out additional movements of men and materials in coaching specials, for defence requirements which the Railways have been called upon to undertake at very short notice. However, as we see from the Table below, in real terms the commodity expenditure of the Railway Ministry only increased by about 7 per cent between 1962-63 and 1965-66.

Table 4.2 gives sectorwise breakdown of the direct commodity requirements of Ministry of Railways in 1963-64 prices. In the same Table respective share of each sector as a percentage of the total has also been given for the years 1962-63 to 1965-66. The following salient features brought out by the Table 4.2 may be noted.

From Table it is observed that the total direct requirements in 1963-64 prices were lowest (Rs.479.54 crores) during the period in 1962-63 and in the following period they show a slow and steady rise to Rs. 514.95 crores in 1965-66 (at constant prices) reflecting 7.39 per cent rise for the last year over the year 1962-63.

The Rail Road Equipment (51) shows a decrease in share in 1963-64 but increasing trend in the rest of the period. It may be noted that, production of locomotives in Chittaranjan Locomotive Works, a departmental undertaking, was stepped up in 1963-64 resulting in decrease in purchases of locomotives from private sector. The Tata Engineering and Locomotive Company

Table 4.2 : Direct Requirements of Ministry of Railways (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
2	2	-	3	-	4	0.01	6	0.01
3	15	0.03	34	0.07	21	0.04	42	0.08
4	351	0.73	293	0.57	539	1.04	502	0.97
15	-	-	-	-	-	-	1	-
18	-	-	2	-	3	-	-	-
19	82	0.17	104	0.20	97	0.19	76	0.15
22	22	0.05	28	0.05	22	0.04	28	0.05
23	2	-	4	0.01	1	-	2	-
25	76	0.16	147	0.29	38	0.07	80	0.16
28	8	0.02	7	0.01	9	0.02	14	0.03
29	15	0.03	23	0.04	28	0.05	35	0.07
30	190	0.40	204	0.40	250	0.48	286	0.56
31	2	-	1	-	1	-	1	-
32	2	-	2	-	3	-	2	-
33	25	0.05	12	0.02	14	0.03	16	0.03
34	9	0.02	8	0.02	8	0.02	8	0.02
35	-	-	5	0.01	24	0.05	14	0.03
37	89	0.19	55	0.11	78	0.15	92	0.18
38	519	1.08	1131	2.21	1525	2.94	2021	3.92
41	5	0.01	9	0.02	4	0.01	8	0.02
42	8	0.02	10	0.02	6	0.01	7	0.01
43	250	0.52	176	0.34	207	0.40	237	0.46
44	22	0.05	42	0.08	42	0.08	24	0.05
45	84	0.18	88	0.17	142	0.27	75	0.15
46	91	0.19	81	0.16	78	0.15	91	0.18
47	115	0.24	112	0.22	89	0.17	113	0.22
48	685	1.43	1182	2.31	1095	2.11	903	1.75
49	2002	4.17	2851	5.58	2001	3.85	2563	4.98
50	2	-	-	-	4	0.01	-	-
51	11012	22.97	10246	20.03	11687	22.50	12228	23.75
52	170	0.35	259	0.51	141	0.27	186	0.36
53	2	-	4	0.01	4	0.01	8	0.02
54	105	0.22	119	0.23	115	0.22	106	0.21
55	5	0.01	9	0.02	4	0.01	8	0.02
56	10	0.02	7	0.01	8	0.02	2	-
59	10	0.02	17	0.03	23	0.04	27	0.05
60	1161	2.42	1195	2.34	1343	2.59	1585	3.07
61	3993	8.34	4021	7.87	3852	7.41	3916	7.60
62	241	0.50	243	0.47	228	0.44	234	0.45
65	26572	55.41	28440	55.57	28213	54.31	25948	50.39
Total	47954	100.00	51174	100.00	51951	100.00	51495	100.00
Index	100.00		106.71		108.34		107.39	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

Ltd. turned out only 56 steam locomotives during 1963-64 against 63 during 1962-63.²⁶

Working of the Integral Coach Factory was intensified. "This together with the increased production resulting from the incentive of payment by results,"²⁷ stepped up the outturn of coaches and wagons from the departmental undertakings. Hence the purchases from the private sector were again lower in the year 1963-64.

It may be noted that Construction alone accounts for a very large part (50 to 56 per cent) of the total commodity requirements of the railways. The share of the Construction sector was highest in 1963-64 because of various reasons. During 1963-64, additional expenditure on construction of new lines and other works, track renewals and staff welfare schemes, construction of staff quarters, etc., had to be incurred on account of increase in demand for railway transport.

Increased rail transport facilities had to be provided in border areas especially in Assam where construction in more difficult terrain was more costly. Construction of three rail lines was also undertaken for export of iron ore to Japan from Vishakhapatnam port. These lines "traversed

²⁶ Ministry of Railways, Railway Board Report 1963-64, p. 39.

²⁷ Ministry of Railways, Railway Budget 1963-64, Railway Minister's Speech, p. 27.

a more difficult terrain in remote, difficult and inaccessible area,"²⁸ and hence were very costly. "Increased tempo of electrification work to facilitate increased movement of commodities" like coal and industrial raw materials also resulted into increase in expenditure on construction 1963-64.

New rail lines for development of coal industry was also undertaken in 1963-64.

Thus on account of these reasons the share of the Construction sector (65) increased to the highest point in 1963-64.

In case of Machinery except Electrical (48) sector it is observed that its share is largest in the year 1963-64. This may be partly due to the fact that intensive programmes of modernization and expansion of railway facilities were undertaken during 1963-64, and partly because a programme of achieving self-sufficiency in most of the railway equipments like mechanical signalling equipment etc. compelled the railways to expand the capacity of the departmental undertakings, thus resulting in higher demand for machinery.

The programme of progressive modernization of railway equipment,²⁹ expansion of electrification and electric

28 Ibid., p. 25.

29 Ministry of Railways, Report by the Railway Board on Indian Railways 1963-64, p. 46.

signalling facilities, led to decreasing share of Machinery except Electrical sector in the following period.

This tendency can well be seen in the sector of Electrical Machinery (49) which increased both absolutely as well as proportionately in 1963-64 with Other Machinery sector (48), and also in 1965-66 independently.

The sector of Petroleum Refinery Products (38) showed continuously increasing trend over the period, in absolute as well as relative terms. Its share in total requirements in 1962-63 was at 1.08 per cent and in 1965-66 it reached 3.92 per cent of the total. The continuous increase in demand on the sector of Petroleum Products may be attributed to increasing dieselization of Indian Railways. Electricity (60) consumption also shows a continuous increase, however the spurts in its consumption is seen only by 1965-66, signifying the completion of a phase of electrification programme of the railways.

The consumption of Coal (61) varies between 8.34 per cent in 1962-63 to 7.41 per cent in 1964-65. Coal is still the most important fuel used by Indian Railways, however due to the implementation of the programme of electrification and increasing use of diesel engines the share of coal in the total commodity requirements has been slightly declining. In the year 1965-66 the share of coal shows slight rise instead of a fall because of extra pressure of defence

mobilization and use of lower grade coal which stands out to be costly in total.³⁰

4.3 Ministry of Food and Agriculture

The Ministry looks after all the matters related to food and agriculture including agricultural research and development. The Ministry lays down broad policy principles for States. It is also responsible for the purchase, storage and distribution of foodgrains and other essential commodities and purchase and distribution of fertilizers. The Ministry has to import large quantities of foodgrains during the years of bad harvests.

The weather conditions during 1962-63 and 1963-64 were bad resulting in deficit production. However the year 1964-65 witnessed a new record level of production. The foodgrains production in that year reached the peak of 88.4 million tonnes, marking an increase of over 10 per cent compared to 1963-64. Amongst commercial crops also, new records were established in the production of sugarcane, groundnut and oilseeds.³¹ During the year 1965-66 weather was again unfavourable.³² Besides bad weather, there were

³⁰ Government of India, Ministry of Railways, Railway Board Report for 1965-66, p. 23.

³¹ Ministry of Food and Agriculture (Department of Agriculture), Annual Report 1965-66, p. 2.

³² Ibid.

certain other deficiencies and failures which had contributed to the difficult situation in 1965-66. The consumption of nitrogenous fertilizers did not go up to the contemplated levels largely due to shortfalls in supplies caused partly by slow progress in indigenous production and partly due to severe shortage of foreign exchange for importing the balance between the demand and domestic supply. Also there was considerable shortfall in the additional area to be benefited by major and medium irrigation projects. A number of deficiencies were noted in the distribution arrangements for improved seeds, fertilizers, improved implements, pesticides and other agricultural production requisites, particularly at the village level. Scarcity of cement, certain type of iron and steel and galvanized sheets were reported to have hampered the progress of minor irrigation, storage and other agricultural construction programmes. Lift irrigation programmes were hampered by shortage of power supply, mainly due to lack of power transmission lines. Scarcity was also experienced in the supply of heavy tractors, spare parts, bulldozers, power sprayers, drilling rigs, dairy and poultry equipment, cold storages and refrigeration equipment etc. To a large extent this situation persisted due to shortage of foreign exchange. There were also inadequacies in administrative co-ordination, price and marketing policies, implementation of land reforms and technical knowledge relevant to securing quick increase in agricultural production, which

contributed to static level of production in the earlier years of the Third Plan.³³ This explains the agricultural situation in India during the period of Third Five Year Plan. Several measures were taken to accelerate the pace of developmental efforts. Special attention was focussed on measures where intensification could yield quicker results. The programmes relating to minor irrigation and soil conservation were given due consideration. In addition to the high yielding varieties programmes for foodgrains similar concentrated efforts for increasing the yield of cash crops were made. Also a new orientation was given to programmes of agricultural research, education, training and extension.

In general the conditions over the period under reference were quite unsatisfactory which necessitated large imports of foodgrains to meet the national requirements.

Table 4.3 gives sectorwise breakdown of the direct commodity requirements of Ministry of Food and Agriculture in 1963-64 prices. The share of each sector as a percentage of the total has also been given in the Table for the years 1962-63 to 1965-66. However it may be noted at the outset that most of the purchases of this Ministry like those of the sectors of Agriculture (62), Grain Mill Products (9) and Fertilizers (1) are in the nature of business stocks to be

33 Ibid., pp. 2-3.

Table 4.3 : Direct Requirements of Ministry of Food and Agriculture (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	5282	20.33	5679	18.48	6179	17.04	8455	22.99
3	-	-	-	-	6	0.02	4	0.01
4	1	-	1	-	3	0.01	1	-
9	2892	11.13	3346	10.88	7797	21.51	3623	9.85
11	21	0.08	9	0.03	-	-	-	-
13	56	0.22	48	0.16	36	0.10	47	0.13
15	5	0.02	6	0.02	5	0.01	4	0.01
18	6	0.02	22	0.07	-	-	-	-
19	64	0.25	83	0.27	130	0.36	120	0.33
25	-	-	-	-	1	-	-	-
28	36	0.14	32	0.10	51	0.14	27	0.07
30	19	0.07	18	0.06	20	0.06	16	0.04
32	-	-	1	-	-	-	-	-
33	1	-	-	-	-	-	-	-
34	97	0.37	106	0.34	154	0.42	243	0.66
35	42	0.16	41	0.13	39	0.11	19	0.05
37	1	-	1	-	2	-	1	-
38	12	0.05	10	0.03	17	0.05	8	0.02
45	101	0.39	-	-	1	-	-	-
46	1	-	-	-	1	-	-	-
47	-	-	1	-	1	-	-	-
48	5	0.02	5	0.02	17	0.05	25	0.07
49	1	-	1	-	1	-	1	-
50	1	-	-	-	3	0.01	1	-
52	-	-	-	-	1	-	1	-
53	-	-	-	-	1	-	-	-
54	1	-	1	-	3	0.01	1	-
55	-	-	-	-	4	0.01	1	-
59	18	0.07	17	0.06	26	0.07	13	0.04
60	31	0.12	25	0.08	36	0.10	19	0.05
62	16873	64.92	20895	67.96	21374	58.96	23884	64.95
64	3	0.01	3	0.01	3	0.01	2	0.01
65	424	1.63	400	1.30	346	0.95	259	0.70
Total	25994	100.00	30751	100.00	36258	100.00	36775	100.00
Index	100.00		118.30		139.49		141.47	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

sold to public when necessary. Here however they have been included in purchases in the same way as others.

The Table shows that the total requirements for the year 1962-63 were Rs. 259.94 crores in 1963-64 prices. They rose by 18 per cent (Rs. 307.51 crores) in 1963-64 and show sudden rise of about 40 per cent in the year 1964-65 and 1965-66 as compared to the year 1962-63.

Of the purchases, the sector of Agriculture (o2) covers between 67.96 per cent (in 1963-64) to 58.96 per cent (in 1964-65). The percentage share of the sector is observed to be higher in 1963-64 because of expansion of the Defence Forces, when "about 3.48 lakh tonnes of foodgrains and other foodstuffs" were supplied to Defence Forces by the Ministry of Food and Agriculture. For the year 1964-65 the Defence supplies were at the level of 3.29 lakh tonnes and these were expected to be higher for the year 1965-66, on account of higher requirements for Defence.³⁴ In the year 1964-65 "the total production of foodgrains reached a new peak of 88.4 million tonnes", even then the demand on this sector by the Ministry of Food and Agriculture was not lower in absolute term as compared to other years however it was slightly lower proportionately.

The sector of Grain Mill Products (9) shows an increase

³⁴ Ministry of Food and Agriculture (Department of Food), Annual Report 1963-64, p. 19 and Annual Report 1964-65, p. 23.

in its share in 1964-65 but decreasing share in rest of the years. Its share varies between 21.51 per cent (in 1964-65) to 9.85 per cent (in 1965-66). The year 1964-65 recorded the highest yield of rice on account of favourable season over most parts of the country. The policy of the Central Government, in 1964-65, was "to procure the maximum possible quantity of rice from surplus States by condoning off each State into a separate zone."³⁵ Also voluntary offers from millers and traders were accepted. This resulted into highest percentage share of the sector in 1964-65.

The sector of Fertilizers (1) shows a decrease in its share in 1963-64 and 1964-65 but an increase in 1965-66. Its highest share is observed in 1965-66 (22.99 per cent) and the lowest one in the year 1964-65 (17.04 per cent) over the period under reference. Although it was recognized that "Production of organic manures both in urban and rural areas constitutes an important activity under the agricultural production programmes" the use of the nitrogenous fertilizers was unavoidable especially for cash crops. The consumption of nitrogenous fertilizers was of the order of 5.43 lakh tonnes in 1964-65 and was expected to be 6.00 lakh tonnes in 1965-66. As a result of New Agricultural Production Policy demand of fertilizers reached highest percentage share (22.99 per cent) in 1965-66.

³⁵ Ministry of Food and Agriculture (Department of Food), Annual Report 1964-65, p. 7.

Expenditure on Construction (65) indicates continuously decreasing trend over the period not only in proportionate terms but even in absolute terms. This is also by and large true of all other commodity expenditures in the aggregate. Normally we expect a steady growth in activities of a Ministry duly reflected in its purchases. This revealed lack of growth during the Third Five Year Plan period comes as a surprise.

4.4 The Department of Post and Telegraphs

The Department of Post and Telegraphs administers four different types of services. They are :

- i) Postal
- ii) Telegraphs
- iii) Telephones
- iv) Wireless

The industrial and commercial activity of the Indian economy increased tremendously during Plan periods which called for increased demand on communication facilities. The declaration of the Emergency stimulated this demand further which led to the general expansion of the facilities supplied by the Post and Telegraphs Department. The period covered by the study has experienced considerable increase in the volumes of various classes of traffic. For example, between the years 1962-63 to 1965-66 postal articles increased from 4819 million to 6555 million. Number of telephones increased from 581 thousands to 858 thousands and number of post offices

from 87.5 thousands to 96.9 thousands and the total revenue of the Department increased from Rs. 97.9 crores in 1962-63 to Rs. 137.8 crores in 1965-66.

The data pertaining to the sectorwise details of the direct commodity requirements of the Department for four years are given in the Table 4.4 along with the respective share of each sector in the total for the year.

The total commodity purchases of the Department was of the order of Rs. 31.49 crores in 1962-63 in 1963-64 prices and it showed continuous increase during the period so that in the year 1965-66 they valued Rs. 56.61 crores, showing an increase of about 80 per cent over the year 1962-63.

The most important commodity purchases for this Department are of the sector of Electric Machinery (49) which shows increase in its percentage share in the year 1964-65 over that in 1963-64 but decrease in its share as compared to that in immediate preceding year. Its highest share in 1964-65 amounted to 76.15 per cent and the lowest of the order of 62.89 per cent was observed in the year 1963-64. In the year 1964-65, on account of higher level of development and expansion of tele-communication services and higher purchases of Automatic Exchange Equipments which valued Rs. 4.25 crores in 1964-65 as compared to Rs. 3.38 crores in 1963-64, the share of Electrical Machinery sector reached highest level during the year 1964-65. Increase in Telex Services also took

Table 4.4 : Direct Requirements of the Department of Post and Telegraphs (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
4	7	0.22	2	0.05	18	0.35	13	0.23
19	38	1.21	42	0.99	43	0.85	50	0.88
28	61	1.94	69	1.62	76	1.49	105	1.85
29	7	0.22	4	0.09	-	-	-	-
30	494	15.69	506	11.89	515	10.13	1152	20.35
37	2	0.06	2	0.05	2	0.04	3	0.05
38	21	0.67	21	0.49	23	0.45	29	0.51
39	1	0.03	1	0.02	1	0.02	1	0.02
48	9	0.29	21	0.49	35	0.69	43	0.76
49	2112	67.07	2675	62.89	3872	76.15	3683	65.07
51	1	0.03	1	0.02	-	-	-	-
52	7	0.22	15	0.35	1	0.02	-	-
53	-	-	-	-	3	0.06	9	0.16
54	9	0.29	7	0.16	17	0.33	14	0.25
56	-	-	-	-	-	-	26	0.46
59	31	0.98	36	0.85	39	0.77	50	0.88
60	52	1.65	54	1.27	53	1.04	71	1.25
64	5	0.16	6	0.14	5	0.10	6	0.11
65	292	9.27	792	18.63	382	7.51	406	7.17
Total	3149	100.00	4254	100.00	5085	100.00	5661	100.00
Index	100.00		133.82		161.48		179.77	

Source : 'Demands for Grants' and D.C.S. & D.'s data.

place in 1964-65. Most of the machines required by the Post and Railway Mail Service offices were imported and on account of restricted supply of foreign exchange, in earlier years, the share of Electrical Machinery sector was observed to be lower. During the year 1965-66, it was observed that, "The tempo of development in various fields of tele-communications and Postal Services was kept up although it was inhibited to some extent by the Pakistani aggression on India."³⁶ The next in importance is the expenditure on Printing and Stationery (30). Its requirements were fairly constant throughout the period, but in the last year it showed a phenomenal increase but just doubling. Part of this may be due to the increased strain of hostilities, while the other expansion of departmental facilities.

The demand on the Construction (65) sector indicates a phenomenal increase both in absolute as well as in its percentage share in 1963-64 but shows decrease in the rest of the years. Its coverage ranges between 18.63 per cent in 1963-64 to 7.17 per cent in 1965-66. In the year 1963-64, apart from usual expansion, the national Emergency placed high demand on the services of the Post and Telegraphs Department and hence extension in the facilities of the Post and Telegraphs took place. This resulted into increase in demand for

³⁶ Indian Post and Telegraphs Department, Annual Report 1965-66, p. 2.

construction. Secondly a new civil engineering wing in the Department was formed with which construction of buildings was also increased. In order to meet the demand for staff quarters on account of expansion of the Post and Telegraphs activities acquisition of land and construction of staff quarters were given priority. In view of the increased demand of the services like International Telex Services, Telephone facilities, Telegraphs and Telephone Communications etc. were to be provided which resulted into higher demand on the Construction sector.

4.5 The Department of Other Communications

The Department is responsible for the administration of the following subjects.³⁷ (1) Civil Aviation, (2) Overseas Communication Service, (3) Meteorology Department, (4) Air Corporations, (5) Wireless Planning and Co-ordination.

The Department of Civil Aviation made a rapid progress during the period under reference. The programmes for extension and strengthening of the existing runways were given top priority. Also construction of taxi tracks and various technical buildings was carried out under the Third Plan.

The activities of the Overseas Communication Service showed all-round increase. This Service is responsible for

³⁷ This is the most unstable department on account of the constant reorganization of the Ministry of Transport and Communications. However, for the purpose of this study these demands are included under this Department.

handling of overseas telegraph, telephone and radio-photo and telex services between India and foreign countries. The service was kept abreast with other advanced countries in adopting modern techniques in the field of telecommunications. The latest electronic system of automatic error correction have been introduced on several major wireless telegraph circuits. Various other programmes relating to O.C.S. have a priority in view of the growing needs for international communications and the considerable saving in foreign exchange expenditure.

The Meteorological Department supplies the necessary information regarding weather to a large number of establishments including "Civil and Military Aviation, mercantile and naval shipping, communication services, agriculture, public health services etc." During the period of the Third Plan emphasis was placed on extension of the facilities and modernization of equipment at various observatories.

The Air Corporations have also shown rapid expansion of the activities.

The Wireless Planning and Co-ordination is responsible for "Frequency Management" which includes, "conserving the frequencies already available for the wireless services of the country and finding out fresh and vacant position in the wireless spectrum which could be made available to India's rapidly developing activities". The second important function

of the Department is regarding "Administration and enforcement of the Indian Wireless Telegraphy Act, and of the International Convention and Regulations of Telecommunications". Provision was also made under the Third Plan for extension and opening of new monitoring stations.

The sectorwise breakdown of the direct commodity requirements of the Department and their percentage shares in respective totals are given in the Table 4.5 for the years 1962-63 to 1965-66.

The direct requirements of the Department valued Rs. 5.01 crores in 1962-63 in 1963-64 prices. These declined to Rs. 4.67 crores in 1963-64 indicating fall of about 7 per cent. These started increasing in the following years and were Rs. 4.73 crores and Rs. 5.41 crores in the years 1964-65 and 1965-66 respectively, showing a rise of 8 per cent in 1965-66 over the year 1962-63. The sectors accounting for more than 1 per cent of the total demand together cover between 98.60 per cent in 1962-63 and 98.34 per cent in 1965-66 of the total.

The sector of Construction stands out as dominant in case of this Department as its share is observed to be always higher than 78 per cent in any of these years. Expenditure on it is higher in 1962-63 and 1965-66 on account of extension of various establishments under the control of this department in order to meet heavy demand of increased traffic

Table 4.5 : Direct Requirements of the Department of Other Communications (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
3	-	-	1	0.21	-	-	-	-
4	1	0.20	1	0.21	-	-	-	-
19	5	1.00	5	1.08	6	1.27	8	1.48
28	8	1.60	8	1.72	10	2.11	15	2.77
30	2	0.40	2	0.43	3	0.63	4	0.74
38	2	0.40	2	0.43	3	0.63	4	0.74
48	8	1.60	1	0.21	1	0.21	10	1.85
49	32	6.38	42	8.99	53	11.21	33	6.10
53	1	0.20	3	0.64	7	1.48	8	1.48
54	6	1.20	6	1.28	7	1.48	8	1.48
59	7	1.40	4	0.86	5	1.06	7	1.29
60	7	1.40	6	1.28	7	1.48	10	1.85
64	1	0.20	1	0.21	1	0.21	1	0.18
65	421	84.02	385	82.45	370	78.23	433	80.04
Total	501	100.00	467	100.00	473	100.00	541	100.00
Index	100.00		93.21		94.41		107.98	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

consequent upon defence mobilization and the development activities of the Department. The same trend is followed by the Machinery sector (48).

However, next important sector indicates increasing trend in 1963-64 and 1964-65 but decrease in its percentage share in 1965-66 is that of Electrical Machinery (49). The coverage of the sector ranges between 11.21 per cent (in 1964-65) to 6.10 per cent (in 1965-66).

4.6 Ministry of Transport

The Ministry looks after the matters related to the following subjects: (i) Co-ordination of the different means of transport, (ii) Major and Minor Ports, (iii) Shipping and Shipyards, (iv) Light Houses and Light Ships, (v) Inland Water Transport, (vi) Road Development, (vii) Central Road Fund, (viii) Compulsory Insurance of Vehicles.

The rapid development of the Indian economy under the three Five Year Plan periods has placed very high demand on the transportation system. The capacity of the road transport industry and that of the major ports has been substantially increased. During the period 1961-62 to 1965-66, attention was paid to complete a number of important roads and bridges started during the Second Plan, and improving new national highways and missing links. A priority had to be given to the development of the border roads which were strategically important. It was also recognized that, "the expansion of

shipping has a high priority because it will enable savings to be effected in the foreign exchange expenditure which is at present being incurred on the carriage of the country's overseas trade".³⁸ All these aspects get reflected in the pattern of direct commodity requirements of the Ministry of Transport. These are presented with respect to individual sectors along with percentage share of each of the sector in total demand for the years 1962-63 to 1965-66 in constant prices in Table 4.6.

The total direct requirements of the Ministry valued Rs. ~~55.53~~^{56.96} crores in 1962-63 and in the following year these attained highest level amounting to Rs. ~~74.47~~^{75.90} crores indicating rise of about 33 per cent over the year 1962-63. In the years 1964-65 and 1965-66 these valued Rs. 64.43 crores and Rs. 59.31 crores reflecting rise of 13.11 per cent and 4.13 per cent respectively over the year 1962-63.

The sectors which cover more than 1 per cent of the total in two or more years together cover about 99 to 98 per cent of the direct requirements. As the Ministry is responsible for the construction and maintenance of the roads including national highways and other means of transport, the share of the Construction sector is more than 94 per cent in any of these years. The share of the Construction sector was

³⁸ Government of India, Planning Commission. Third Five Year Plan, 1961, p. 635.

Table 4.6 : Direct Requirements of the Ministry of Transport (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
3	1	0.02	-	-	2	0.03	6	0.10
4	-	-	-	-	1	0.02	3	0.05
19	3	0.05	4	0.05	4	0.06	3	0.05
28	5	0.09	6	0.08	7	0.11	5	0.08
30	1	0.02	2	0.03	2	0.03	1	0.02
38	2	0.04	2	0.03	2	0.03	2	0.03
48	14	0.25	21	0.28	188	2.92	234	3.95
49	1	0.02	-	-	6	0.09	69	1.16
50	96	1.68	80	1.05	4	0.06	3	0.05
51	-	-	-	-	15	0.23	-	-
52	3	0.05	10	0.13	24	0.37	5	0.08
54	1	0.02	-	-	3	0.05	-	-
59	3	0.05	3	0.04	4	0.06	3	0.05
60	4	0.07	4	0.05	6	0.09	4	0.07
62	9	0.16	10	0.13	-	-	-	-
64	-	-	1	0.01	1	0.02	-	-
65	5553	97.48	7447	98.12	6174	95.83	5593	94.31
Total	5696	100.00	7590	100.00	6443	100.00	5931	100.00
Index	100.00		133.23		113.11		104.13	

Source : 'Demands for Grants' and D.C.S. & D.'s data.

97.48 per cent in 1962-63 and it rose to 98.12 per cent of the total in the year 1963-64. In the following period the share is observed to be declining to 95.83 per cent and 94.31 per cent respectively. Almost whole of the extra expenditure in the Ministry over the years is on this sector only. And movements of expenditure on this give the changes in the total. The reasons for this peculiar behaviour of the Construction sector are that additional expenditure was incurred on new aerodromes in 1962-63 and besides the carry-over works from 1962-63, the programme for the year 1963-64 envisaged the construction of 19 light-houses, improvement of three existing light-houses, provision of buoys at three places, completion of the works of 4 Decca Chain Stations.³⁹ Further in case of the Roads Wing Department additional road development programmes were undertaken to cater to the various needs of the country, especially with regard to the improvement of roads to meet the requirements of heavy traffic in the north-eastern ports of the country. Provision was also made for the construction of several additional bridges on the arterial routes.⁴⁰ The projects undertaken by the Border Road Development Board had to face the problems of adverse conditions like severe climatic conditions and more difficult terrain. The construction activity under such conditions

39 Ministry of Transport, Annual Report 1963-64, p. 29.

40 Ibid., p. 111.

became a costly affair. Thus the expenditure in case of the National Highways nearly doubled in 1963-64 as compared to that in 1962-63.

"Development Credit of \$ 60 million (about Rs. 29 crores) extended by the International Development Association was intended for the financing of certain specified National Highway Works." However, "owing to the late arrival of a number of items of imported machinery particularly the earth-moving and earth-compaction equipment and stabilizers" the progress of the Construction activity in the later years was relatively slow. Also other financial limitations led to reduce the share of this sector in later years.

The demand placed on the sector of Shipbuilding and Repairs (50) was higher in the earlier years of the Third Five Year Plan and declined in the latter period because of an economy drive and emphasis on the intensive use of available equipments.

The sector of Non-electrical Machinery (48) shows continuously increasing trend. It covered only 0.25 per cent of the total in the year 1962-63 and rose to 0.28 per cent in 1963-64. It has reflected sudden rise in 1964-65 covering 2.92 per cent and in 1965-66 it covered 3.95 per cent of the total of the direct requirements of the years

4.7 Ministry of Works, Housing and Supply

The Department of Works and Housing is responsible for the matters relating to the property of the Union, all

Government Civil Works and buildings excluding roads, administration of Government estates, formulating of housing policy and programmes, stationery and printing, etc. It also gives technical advice and promotes research and development on various topics under its control. Standardization of building materials etc. are also carried out by the Department.

The Department of Supply is mainly responsible for procurement, disposal and allotment of the various types of stores required by various Government Departments, State Governments, Quasi-Public Bodies, Central Government Undertakings, etc.

The Central Public Works Department is the construction agency of the Central Government, operating throughout the country, for all works and buildings financed from the Civil Works budget. Works of the Defence Services, Ministry of Railways, and of the Department of Atomic Energy are specifically excluded, even though they are civil in character.

The Department of Printing and Stationery is responsible for all the printing work of the various Ministries and Departments of Government of India and also for pricing, stocking, distribution and sale of official publications and procuring and supplying stationery stores to the Ministries and Departments of the Government of India.

As a consequence of the economic developmental planning and the National Emergency, the activities of the various

Ministries and the Departments of the Government of India were increased over the period under study. Increased activities placed a high demand on construction. Various housing schemes were also undertaken by the Ministry, realising that the provision of housing "is an integral part of physical development". Several measures were also undertaken by the Ministry in order to promote urban development and housing on scientific lines, because economic development accelerates urbanization and gives rise to a large number of problems connected with cities, like slums. Attention also was paid to rural housing programmes and several programmes were worked out. The various activities of the Ministry get reflected into the direct commodity requirement patterns given in Table 4.7. The sectorwise breakdown along with the respective share in total demand for various years is given in the Table.

The total direct requirements of the Ministry were of the order of Rs. 21.47 crores in 1962-63 in 1963-64 prices. These rose by 1.86 per cent in 1963-64 (Rs. 21.87 crores) and by 10.11 per cent (Rs. 23.64 crores) in 1964-65. In the year 1965-66 these declined by about 8 per cent amounting to Rs. 19.75 crores. Thus the total direct requirements were at the lower level in 1962-63 and 1965-66 (the actual war years) as compared those in the other years i.e., 1963-64 and 1964-65.

The sectors which cover more than one per cent of the

Table 4.7 : Direct Requirements of Ministry of Works, Housing and Supply (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
3	-	-	1	0.04	1	0.04	-	-
4	-	-	1	0.04	-	-	-	-
19	33	1.54	40	1.83	33	1.40	24	1.22
22	3	0.14	1	0.04	1	0.04	1	0.05
25	1	0.04	1	0.04	2	0.08	1	0.05
28	27	1.26	19	0.87	22	0.93	22	1.11
29	576	26.83	756	34.57	767	32.45	707	35.80
30	37	1.72	47	2.15	34	1.44	24	1.21
33	1	0.04	1	0.04	1	0.04	3	0.15
34	-	-	1	0.04	-	-	-	-
37	3	0.14	2	0.09	-	-	9	0.46
38	4	0.19	6	0.27	6	0.25	5	0.25
41	-	-	1	0.04	-	-	-	-
42	4	0.19	1	0.04	-	-	-	-
43	-	-	-	-	1	0.04	-	-
44	-	-	-	-	53	2.24	-	-
45	30	1.40	36	1.65	24	1.02	57	2.88
46	-	-	7	0.32	3	0.13	3	0.15
47	10	0.47	6	0.27	6	0.25	14	0.71
48	23	1.07	36	1.65	33	1.40	14	0.71
49	28	1.30	44	2.01	42	1.78	11	0.56
52	3	0.14	4	0.18	1	0.04	-	-
54	-	-	1	0.04	1	0.04	-	-
55	-	-	2	0.09	-	-	-	-
59	6	0.28	7	0.32	10	0.42	26	1.32
60	10	0.47	10	0.46	10	0.42	9	0.46
64	1	0.04	1	0.04	1	0.04	1	0.05
65	1347	62.74	1155	52.81	1312	55.50	1044	52.86
Total	2147	100.00	2187	100.00	2364	100.00	1975	100.00
Index	100.00		101.86		110.11		91.99	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

total in two or more years covered about 96 to 98 per cent of the direct requirements.

Construction (65) accounts for the highest proportion of total demand of the Ministry. It shows decrease in its percentage share in 1963-64 and 1965-66 but increase in 1964-65. Its coverage varies between 62.74 per cent (in 1962-63) to 52.81 per cent (in 1963-64). In the year 1963-64 the shortage of both office and residential accommodation was felt and the Ministry worked out a Seven Year Construction Programme in order to remove such shortages. The programme aimed at "providing sufficient space to cover the existing shortage, to allow for demolition of temporary hutments and to enable release of leased and requisitioned accommodation".⁴¹ On account of Emergency as a measure of economy, annual maintenance of Government offices and residential buildings by way of white-washing, colour washing, repainting etc. was suspended. During the period of Emergency, "The National Development Council decided that essential building materials, such as Cement and Steel, would in all probability be required almost wholly for Defence purposes and as a result, housing projects would have to be slowed down."⁴² And only projects in hand were completed and new ones were not undertaken.

⁴¹ Government of India, Ministry of Works, Housing and Rehabilitation, Annual Report 1963-64, p. 10.

⁴² Ibid., p. 28.

In the year 1964-65 the share of the sector of Construction claims relatively higher share because the Ministry of Works and Housing initiated a number of social housing schemes mostly to meet the requirements of persons belonging to low income groups. In case of other projects several bottlenecks were observed on account of delay in supply of building materials especially cement and steel. "Production of cement in the country being less than the demand, the allocation to the C.P.W.D. is not adequate. It has, therefore, been emphasized that ways and means should be found for making larger allocations of cement to the Department on a higher priority basis."⁴³ Similar attempts were made for securing sufficient supplies of steel and stores required by the C.P.W.D. Various administrative measures were taken in 1965-66 to complete the works without delays. Still it was observed that the share of this sector was lower in 1965-66 as compared to that for the year 1964-65. Similarly, Defence priorities resulted into decreasing share of this sector in 1965-66.

Next in importance is the sector of Paper and Paper Products (29) accounting for 27 per cent to 36 per cent of the Ministry's purchases. Purchases under this head show a sharp increase in 1963-64. On account of increase in

⁴³ Ministry of Irrigation and Power, Annual Report 1965-66, p. 10.

activities of the various Ministries and the Departments due to Emergency along with normal increase by way of economic development, the requirements of Paper and Paper Products (29) are observed to be higher in 1963-64 and 1965-66 as compared to the other years. Due to the scarcity of Iron and Steel on account of lower production indigenously and shortage of foreign exchange and rational allocation policy of allotment of steel adopted by the Government the percentage share of the sector of Iron and Steel (45) is observed to be lowest in 1964-65.

It may be noted that the sectors of Printing and Stationery (30) and Machinery (48 and 49) also show a sudden rise in absolute as well as relative purchases from them in 1963-64, but a declining trend in the rest of the years.

The Printing and Stationery (30) sector shows a high share in 1963-64 and decreasing share thereafter. It may be noted that the Printing and Stationery Department has its own printing presses, and resorts to outside printing only under heavy pressure. The demand here pertains only to outside (private sector) printing. During the years 1962-63 and 1963-64 when there was a sudden rise of official work mainly due to Emergency, the Department had to get the printing work done from outside. At the same time attention was paid to expand the printing press capacity in the Department. This enabled the Department to handle increasingly greater part of the work (which itself was increasing) by itself, and

hence a declining demand on printing and stationery in later years.

In case of the sectors of Machinery (Electrical and Non-Electrical) it may be observed that the percentage share in total expenditure as well as the absolute level of expenditure on this sector were high during 1963-64 and 1964-65 and declined to a low value in 1965-66. As already pointed out above, there was an effort to expand the printing capacity after the National Emergency in 1962-63. Once this capacity was sufficiently expanded by 1964-65 the expenditure on Machinery itself dropped.

Also the earth-moving and Construction machinery and power plants which were imported mainly from the U.S.A. were in heavy demand for execution of the projects in earlier years and shortages of foreign exchange in later years gave rise to decreasing trend in percentage share afterwards specially in the year 1965-66.

4.8 Ministry of Finance

The Ministry of Finance is responsible for the administration of the finances of the Central Government and for dealing with financial matters affecting the country as a whole. It arranges for raising the resources for carrying on the administration and regulates the taxation and borrowing policies of the Government. It deals with all problems connected with banking and currency and in consultation with

the Ministers concerned arranges for the proper utilization of the country's foreign exchange resources. In co-operation with the administrative Ministries it controls the entire expenditure of the Government of India.⁴⁴

The four Departments working under the Ministry are: (i) Department of Revenue, (ii) Department of Expenditure, (iii) Department of Economic Affairs, and (iv) Department of Co-ordination. And each of the Departments has a number of organizations under its control.

The sectorwise breakdown of the direct commodity requirements and their respective shares in total for various years under study, for the Ministry of Finance are given in Table 4.8.

The direct requirements of the Ministry valued Rs.18.62 crores in the year 1962-63 in terms of 1963-64 prices. These indicated rise of about 16 per cent in the following year (1963-64) amounting to Rs. 21.66 crores. In the year 1964-65 these declined by about 11 per cent as compared the year 1962-63 and valued Rs. 16.59 crores. In the year 1965-66 they indicated rise of about 12 per cent as compared to the year 1962-63 and valued Rs. 20.77 crores in 1963-64 prices. Taking into consideration the period as a whole these are observed to be highest in 1963-64 (Rs. 21.66 crores) and the lowest in the year 1964-65 (Rs. 16.59 crores).

⁴⁴ Ministry of Finance, Annual Report 1963-64, p. 1.

Table 4.8 : Direct Requirements of Ministry of Finance (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
2	-	-	-	-	29	1.75	-	-
3	-	-	-	-	1	0.06	-	-
4	3	0.16	10	0.46	14	0.84	9	0.43
19	167	8.97	265	12.23	96	5.79	166	7.99
22	-	-	22	1.02	10	0.60	-	-
23	24	1.29	22	1.02	11	0.66	35	1.69
25	-	-	-	-	56	3.37	-	-
28	36	1.93	41	1.88	41	2.47	49	2.36
29	138	7.41	164	7.56	142	8.56	236	11.36
30	67	3.60	79	3.65	60	3.62	83	4.00
32	-	-	22	1.02	9	0.54	33	1.59
34	24	1.29	22	1.02	141	8.50	150	7.22
37	53	2.85	23	1.06	29	1.75	34	1.64
38	38	2.04	57	2.63	96	5.79	14	0.67
42	49	2.63	-	-	10	0.60	33	1.59
44	47	2.52	-	-	36	2.17	61	2.94
45	24	1.29	22	1.02	92	5.55	143	6.88
46	785	42.16	938	43.31	358	21.58	559	26.91
47	169	9.08	22	1.02	28	1.69	131	6.31
48	25	1.34	11	0.51	50	3.01	60	2.89
49	-	-	-	-	15	0.90	20	0.96
52	-	-	-	-	2	0.12	-	-
54	-	-	-	-	1	0.06	-	-
55	-	-	-	-	-	-	32	1.54
59	41	2.20	152	7.02	21	1.27	57	2.74
60	51	2.74	122	5.63	104	6.27	54	2.61
63	49	2.63	-	-	-	-	-	-
64	3	0.16	3	0.14	3	0.18	3	0.14
65	69	3.71	169	7.80	204	12.30	115	5.54
Total	1862	100.00	2166	100.00	1659	100.00	2077	100.00
Index	100.00		116.33		89.10		111.55	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

The sectors which cover more than 1 per cent of the total in two or more years together cover about 95 per cent (in 1964-65) to 98.89 per cent of the total requirements (in 1963-64).

The most important item of expenditure of this Ministry is Non-Ferrous Basic Metals (46), used for minting purposes. Most of the fluctuations observed in expenditure may be explained by changes in its purchase pattern. The Non-Ferrous Basic Metals (46) sector shows sharp decrease in its percentage share in 1964-65 as compared to the year 1963-64 because of short supplies of Zinc, Copper, Lead and Tin from indigenous sources and shortages of foreign exchange resources resulting into limited imports of these commodities during 1964-65. Supply and utilization of these commodities were controlled by Scarce Industrial Materials (Control) Order. To face the situation a new coinage of three paise medium with aluminium and 3.5 to 4 per cent of magnesium was introduced in the country for the first time in the year 1964-65.

In the year 1963-64 higher demand was placed on this sector because mints had to be worked hard "to meet the increasing demand for decimal coins",⁴⁵ manufacture of metric weights and measures, and manufacture of metals, badges, tokens etc.

45 Ibid., p. 53.

The direct demand placed on the sector of Paper and Paper Products (29) is observed to be continuously increasing throughout the period. Higher and higher demand for Paper and Paper Products was generated because of ever-growing demand for printing and stationery where paper goes as a major input. The demand for printing and stationery is observed to be continuously increasing because of increase in the activities of the Ministry on account of economic development. The higher demands generated on account of the expansion of the security paper mill in the year 1964-65 is clearly brought out by the huge jump in the demands of Basic Industrial Chemicals (34) and Other Machinery (48) from 1.29 per cent to 8.50 per cent and from 0.51 per cent to 3.01 per cent of the total expenditure. The Ministry also undertook the work of printing stamps for the Government of Burma and Nepal.

4.9 Ministry of Health

The Ministry of Health is responsible for all the matters relating to health including drugs control and prevention of food adulteration and family planning. It also deals with the matters "relating to local self government and Town and Country Planning at the national level. It also deals with national water supply and sanitation schemes."⁴⁶ The Central Ministry mainly deals with control and eradication

46 Ministry of Health, Annual Report 1964-65, p. 1.

of major diseases, post-graduate medical education, promotion of special studies in medicine and nutrition and Institutes of Medical Research. Some other aspects like International Sanitary Regulations and Relationship of India with World Health Organization are also handled by the Ministry. The Central Government deals in broad policies for State Governments and collects and exchanges the necessary information and also gives expert technical assistance and advice whenever required.

"The broad objectives laid for the Third Five Year Plan in respect of Health and Family Planning programmes were to expand health services, to bring about progressive improvement in health of the people and thus to create conditions favourable to greater efficiency and production. An increased emphasis was to be laid on preventive public health services. While the control of communicable diseases and improvement of environmental sanitation especially water supply would continue to receive due attention the Plan accorded very high priority to Family Planning."⁴⁷

The Table 4.9 gives sectorwise breakdown of the direct and commodity requirements for four years under study along with percentage share of each of the sectors of the totals for the respective years.

⁴⁷ Government of India, Planning Commission. The Third Plan Progress Report 1963-65, p. 155.

Table 4.9 : Direct Requirements of Ministry of Health

(Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
15	-	-	1	0.14	1	0.12	-	-
19	10	1.90	88	12.12	52	6.03	83	8.89
22	-	-	4	0.55	5	0.58	2	0.21
23	-	-	1	0.14	-	-	-	-
25	-	-	11	1.52	7	0.81	23	2.46
28	17	3.24	17	2.34	14	1.62	19	2.03
29	-	-	1	0.14	1	0.12	4	0.43
30	5	0.95	4	0.55	4	0.46	4	0.43
33	-	-	4	0.55	3	0.35	2	0.21
34	-	-	58	7.99	31	3.60	17	1.82
37	6	1.14	307	42.28	9	1.04	375	40.15
38	5	0.95	5	0.69	5	0.58	5	0.54
41	-	-	8	1.10	3	0.35	10	1.07
45	-	-	-	-	1	0.12	-	-
46	-	-	1	0.14	-	-	-	-
47	-	-	6	0.83	3	0.35	-	-
48	19	3.62	11	1.52	37	4.29	28	3.00
49	29	5.53	3	0.41	-	-	18	1.93
52	7	1.33	3	0.41	-	-	-	-
54	386	73.53	147	20.24	619	71.81	296	31.69
55	-	-	-	-	24	2.78	-	-
59	9	1.71	9	1.24	8	0.93	11	1.18
60	15	2.86	12	1.65	10	1.16	12	1.28
63	15	2.86	15	2.07	15	1.74	20	2.14
64	1	0.19	1	0.14	1	0.12	1	0.11
65	1	0.19	9	1.24	9	1.04	4	0.43
Total	525	100.00	726	100.00	862	100.00	934	100.00
Index	100.00		138.29		164.19		177.90	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

The total direct requirements of the Ministry valued Rs. 5.25 crores in 1962-63 in 1963-64 prices. These rose by about 38 per cent and 64 per cent in the years 1963-64 and 1964-65 amounting to Rs. 7.26 crores and Rs. 8.62 crores respectively. In the final year they rose by about 78 per cent valuing Rs. 9.34 crores. Thus the direct requirements indicated continuous rise throughout the period.

There are broadly two types of requirements of this Ministry - one is the requirements for clinical equipment and medicines, which covers a major part of the total demand, and the other is miscellaneous requirements of recurring nature for maintenance etc. Under the first type of requirements, demand is placed mainly on the sectors of Cotton Textiles (19), Other Chemical Products (i.e. drugs and pharmaceuticals)(37), Glass and Glassware (41), Non-Electrical Machinery (48), Electrical Machinery (49) and Scientific Instruments (54), of which again sectors 37 and 54 are the most important. The demand for all these sectors taken together has expanded fast over the years in absolute (real) terms, rising from Rs. 450 lakhs in 1962-63 to Rs. 810 lakhs in 1965-66. This shows the real expansion of health and family planning facilities, in accordance with the objectives of the Third Five Year Plan. However the demand for individual sectors in this group varies widely from year to year. This is so because of the commodities in this group being of a durable nature, the stock of one commodity could be built

up in one year and the other in the next. This is borne out clearly if we compare the year to year demand for two major sectors in this group, i.e. sectors 37 and 54; fall in purchase of one is accompanied by increase in the purchase of the other.

Sector No.	Rs. Lakhs			
	1962-63	1963-64	1964-65	1965-66
19	10	88	52	83
37	6	307	9	375
41	-	8	3	10
48	19	11	37	28
49	29	3	-	18
54	586	147	619	296
Total	450	564	720	810
Rest of the sectors	75	162	142	124
Grand Total	525	726	862	934

The demand of the miscellaneous type (rest of the sectors) taken together shows a continuous declining tendency in absolute (real) terms declining from Rs. 75 lakhs in 1962-63 to Rs. 124 lakhs in 1965-66. More important among the rest of the sectors are Furniture (28), Miscellaneous Industrial Products (59), Electricity (60), Railway Transport (63). The demand on these sectors in absolute terms is more or less constant. However their share in total demand obviously declines over the years.

4.10 Ministry of Irrigation and Power

The Ministry of Irrigation and Power "is responsible for laying down the national policy for the conservation, development and regulation of the country's water and power resources and for formulation and promotion of the national programme in the field of irrigation, power and flood control."⁴⁸

Several projects were undertaken during the period so that considerable increase in agricultural production and rapid development of power can be achieved. The State Governments are mainly responsible for planning and execution of irrigation and power projects, although most of the major multi-purpose projects are financed by the Central Government. Since the adoption of economic planning in the country, proper attention was paid to the field of irrigation and power in order to diversify agriculture and increase crop yields. Similarly in order to carry out a large scale industrial development programmes, the development of power is an essential pre-requisite. It was also realised that, "Extension of electric power in the rural areas can create social revolution by bringing about far-reaching changes in the methods of irrigation and farming, and by affording opportunities for the growth of small scale industries and

⁴⁸ Government of India, Ministry of Irrigation and Power, Annual Report 1965-66, p. 1.

commerce and provision of amenities generally associated with urban areas. The extension of rural electrification has, therefore, been taken up as a socio-economic necessity."⁴⁹ Similarly it was observed that "Flood control, drainage, anti-water-logging and anti-sea-erosion are closely related to irrigation and have to be viewed together in drawing up comprehensive development plans."

Throughout the period under study the Ministry of Irrigation and Power and its attached office, Central Water and Power Commission has undergone appreciable expansion on account of "generating momentum in the field of resource development and partly because of the demands of the national Emergency which called upon for greater and speedier effort to provide the means of raising output from agriculture and industry through augmented irrigation and power supply."

The yearwise and sectorwise breakdown of the direct commodity requirements is presented in the Table 4.10 along with the respective share of the sector in the totals.

The total direct requirements of the Ministry indicate continuous increase throughout the period. These valued Rs. 1.92 crores in 1962-63 in 1963-64 prices. These indicated rise of about one-and-a-half times (Rs. 4.90 crores) and increased to Rs. 9.03 crores in 1964-65 (~~Rs. 9.03 crores~~). In

49 Ibid., p. 21.

Table 4.10 : Direct Requirements of Ministry of Irrigation and Power (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
3	-	-	-	-	-	-	1	0.08
4	-	-	2	0.41	-	-	1	0.08
19	4	2.08	5	1.02	6	0.66	2	0.16
28	7	3.65	8	1.63	10	1.11	3	0.24
30	2	1.04	2	0.41	3	0.33	1	0.08
38	2	1.04	2	0.41	3	0.33	1	0.08
48	-	-	6	1.22	6	0.66	12	0.95
49	7	3.65	6	1.22	-	-	6	0.48
50	-	-	4	0.82	-	-	18	1.43
52	-	-	1	0.20	-	-	1	0.08
54	-	-	1	0.20	-	-	-	-
59	4	2.08	4	0.82	5	0.55	2	0.16
60	5	2.60	6	1.22	7	0.78	2	0.16
63	-	-	-	-	-	-	1	0.08
64	1	0.52	1	0.20	1	0.11	-	-
65	160	83.34	44.2	90.22	862	95.47	1206	95.94
Total	192	100.00	490	100.00	903	100.00	1257	100.00
Index	100.00		255.21		448.96		654.69	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

the year 1965-66 these valued Rs. 12.57 crores indicating rise of about 555 per cent over the year 1962-63.

In order to study the change with respect to individual sectors consequent upon the change in the total and the pattern of the direct requirements, change in the respective share of the sector in terms of the percentage of the total is taken into account. The sectors are grouped according to changes indicated by their percentage shares in the totals.

The largest proportion of expenditure is done on the Construction (65) sector (above 83 per cent). It shows a continuously increasing trend over the period. Most of the total increase of the Ministry's expenditure can be attributed to it. This is on account of government's attempt of "rapid expansion of irrigation facilities and efforts ... concentrated on speedily completing a number of major and medium projects".⁵⁰ Secondly, additional Central assistance for various projects was given to accelerate Construction "with a view to realising irrigation benefits earlier". Also "Flood protection measures such as provision of new embankments, raising and strengthening of existing embankments, river training works and raising of villages were continued" resulting into increasing demand on Construction sector, during the period under study. Various programmes of soil conservation works were undertaken on an increasing scale

50 Ibid., p. 17.

during the period of Third Plan. A number of power projects were completed 'with utmost expedition' so that benefits might be derived early. Emphasis was also placed "on the early completion of inter-State transmission lines". Programme of rural electrification was intensified. Although there were some instances of delays like procedural delays in getting the projects accepted by foreign aid giving agencies, shortages of foreign exchange required for importing plant and equipments, and "delays in supplies of steel and cement from indigenous sources, the share of the Construction sector shows continuously increasing trend throughout the period.

4.11 Union Territories

Union Territories are the areas of the country which are directly under the control of the Central Government. These covered (for the period under study) the following regions: (i) Andaman and Nicobar Islands, (ii) Nagaland, (iii) Delhi, (iv) Himachal Pradesh, (v) Goa, Daman and Diu, (vi) Laccadiv, Minicoy and Amindivi Islands, (vii) Manipur, (viii) North-East Frontier Area, (ix) Pondicherry, (x) Tripura, (xi) Tribal Areas.⁵¹

The sectorwise breakdown of the direct requirements is presented in Table 4.11. The entries in the Table show

⁵¹ On account of Government of Union Territories Act, 1963, from 1st July 1963 the administration of the Union Territories of Himachal Pradesh, Manipur, Tripura, Goa, Daman and Diu, Pondicherry and with effect from 1st December 1963 Nagaland have attained a status of a State of the Union.

Table 4.11 : Direct Requirements of 'Union Territories'

(Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
3	1	0.03	1	0.04	-	-	-	-
4	4	0.14	1	0.04	1	0.04	1	0.04
9	3	0.11	-	-	-	-	-	-
14	29	1.04	-	-	-	-	-	-
19	107	3.84	86	3.20	90	3.83	70	2.59
22	2	0.07	1	0.04	11	0.47	13	0.48
23	1	0.03	1	0.04	5	0.21	6	0.22
25	102	3.66	81	3.02	86	3.66	86	3.18
28	154	5.52	130	4.84	76	3.24	80	2.96
30	42	1.51	34	1.27	19	0.81	21	0.78
33	1	0.03	-	-	3	0.13	1	0.04
34	1	0.03	1	0.04	14	0.60	4	0.15
35	-	-	-	-	-	-	1	0.04
37	8	0.29	6	0.22	9	0.38	9	0.33
38	54	1.94	43	1.60	32	1.36	26	0.96
41	1	0.04	-	-	2	0.09	16	0.59
42	-	-	-	-	2	0.09	-	-
44	-	-	-	-	-	-	6	0.22
45	7	0.25	15	0.56	14	0.60	21	0.78
46	2	0.07	1	0.04	4	0.17	2	0.07
47	4	0.14	3	0.11	17	0.72	32	1.18
48	3	0.11	3	0.11	5	0.21	18	0.67
49	15	0.54	8	0.30	11	0.47	29	1.07
50	13	0.47	23	0.86	24	1.02	23	0.85
52	24	0.86	6	0.22	51	2.17	31	1.15
54	1	0.04	1	0.04	3	0.13	5	0.18
59	112	4.01	108	4.02	84	3.58	77	2.85
60	154	5.52	109	4.06	52	2.22	53	1.96
62	148	5.30	145	5.40	307	13.08	340	12.57
63	-	-	-	-	-	-	1	0.04
64	14	0.50	11	0.41	5	0.21	5	0.18
65	1783	63.91	1867	69.52	1420	60.51	1728	63.87
Total	2790	100.00	2685	100.00	2347	100.00	2705	100.00
Index	100.00		96.24		84.12		96.95	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

value in lakhs of rupees in 1963-64 prices. The percentage share of individual sector in the total is also given in the Table.

The direct requirements of the Union Territories valued Rs. 27.90 crores in 1962-63 and show decrease over the period because of exclusion of certain areas from Union Territories. These were of the order of Rs. 26.85 crores and Rs. 23.47 crores in the years 1963-64 and 1964-65 respectively. In the year 1965-66 they valued Rs. 27.05 crores.

The most important is the Construction sector (65) which shows increase in 1963-64 and 1965-66 but decrease in 1964-65. Its percentage share varies between 69.52 per cent in 1963-64 to 60.51 per cent in 1964-65. The percentage share of this sector shows increase in 1963-64 and 1965-66 because of higher expenditure on construction of strategic roads in NEFA region.

The sector of Agriculture (62) indicates increase in its percentage share in 1963-64 because of lower indigenous production of foodgrains. In the year 1964-65 stock-piling policy adopted by the Government resulted into increase in its share in 1964-65.

4.12 Other Ministries

Other Ministries include: (i) Ministry of Commerce and Industry, (ii) Ministry of Education, (iii) Ministry of External Affairs, (iv) Ministry of Community Development

Projects, National Extension Service and Co-operation, (v) Ministry of Home, (vi) Ministry of Information and Broadcasting, (vii) Ministry of Iron and Steel, (viii) Ministry of Labour and Employment, (ix) Ministry of Rehabilitation, (x) Ministry of Law, (xi) Ministry of Mines and Metals, (xii) Ministry of Petroleum and Chemicals, (xiii) Department of Atomic Energy, (xiv) Department of Social Welfare, (xv) Department of Parliamentary Affairs.

The commodity purchases on behalf of each of these Ministries or the Departments are not available separately for each from the D.G.S. & D.'s office, but these have been grouped together under the head "Other Ministries". On account of this data limitation, we also have to group these activities together under the head "Other Ministries".

The sectorwise breakdown of the direct commodity requirements is presented in Table 4.12. Also percentage share of individual sector in total for four years have been shown in the Table.

The total direct requirements of Other Ministries valued Rs. 19.96 crores in 1962-63 in 1963-64 prices. These indicate rise of 12 per cent and 51 per cent in the years 1963-64 and 1964-65 respectively amounting Rs. 22.35 crores and Rs. 30.07 crores. In the year 1965-66 these attained Rs. 44.13 crores indicating rise of 121 per cent over the year 1962-63. Thus the total requirements indicating continuous increase throughout the period almost doubled by 1965-66.

Table 4.12 : Direct Requirements of Other Ministries

(Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
2	2	0.10	1	0.04	1	0.03	1	0.02
3	2	0.10	3	0.13	2	0.07	4	0.09
4	31	1.55	40	1.79	27	0.90	18	0.41
9	-	-	26	1.16	-	-	-	-
19	93	4.66	94	4.21	97	3.23	88	1.99
22	-	-	1	0.04	-	-	1	0.02
23	-	-	-	-	-	-	1	0.02
25	2	0.10	2	0.09	2	0.07	3	0.07
28	142	7.11	137	6.13	168	5.58	173	3.92
29	7	0.35	10	0.45	9	0.30	9	0.20
30	52	2.61	55	2.46	76	2.53	79	1.79
33	3	0.15	5	0.22	4	0.13	6	0.14
34	12	0.60	2	0.09	4	0.13	8	0.18
35	1	0.05	-	-	-	-	1	0.02
37	14	0.70	9	0.40	11	0.37	15	0.34
38	57	2.86	55	2.46	76	2.53	112	2.54
41	-	-	-	-	-	-	1	0.02
42	6	0.30	3	0.13	-	-	11	0.25
43	41	2.05	50	2.25	73	2.43	52	1.18
44	2	0.10	4	0.18	6	0.20	4	0.09
45	54	2.71	16	0.72	12	0.40	30	0.68
46	4	0.20	7	0.31	4	0.13	6	0.14
47	3	0.15	4	0.18	3	0.10	17	0.39
48	119	5.96	125	5.59	94	3.12	179	4.06
49	68	3.41	77	3.45	100	3.33	107	2.42
50	-	-	-	-	-	-	1	0.02
51	6	0.30	6	0.27	6	0.20	5	0.11
52	46	2.30	39	1.74	34	1.13	58	1.31
53	35	1.75	23	1.03	54	1.80	31	0.70
54	7	0.35	12	0.54	12	0.40	11	0.25
55	4	0.20	27	1.21	32	1.06	27	0.61
59	83	4.16	75	3.36	100	3.33	108	2.45
60	121	6.06	108	4.83	116	3.85	115	2.61
62	-	-	32	1.43	6	0.20	59	1.34
63	-	-	-	-	-	-	1	0.02
64	13	0.65	11	0.49	12	0.40	11	0.25
65	966	48.41	1176	52.62	1866	62.05	3060	69.35
Total	1996	100.00	2235	100.00	3007	100.00	4413	100.00
Index	100.00		111.97		150.65		221.09	

Source : 'Demands for Grants' and D.G.S. & D.'s data.

The most important expenditure is on the Construction (65) sector indicating continuously increasing trend. Its percentage share in the total over the period increases from 48.41 per cent in 1962-63 to 69.35 per cent in 1965-66. The process of economic planning adopted for achieving the development may be regarded as a cause giving rise to ever-increasing demand on the Construction sector by Other Ministries.

APPENDIX TO CHAPTER IVA NOTE ON TOTAL (DIRECT AND INDIRECT) COMMODITY
REQUIREMENTS OF THE MINISTRIES

In Chapter IV we have discussed the changes in the direct demand on the sectors. However, from the point of view of economic analysis it is the total (direct + indirect) requirements which are important. For the purpose of economic planning provision has to be made not only for the direct commodity requirements but also for the necessary inputs to produce the finally disposable output for these requirements; otherwise several bottlenecks will be generated in various sectors and that will affect the rate of growth of the economy.

In the following pages total (direct + indirect) requirements of different Ministries have been studied in details. As discussed earlier the commodity composition of the Ministries is composed of indigenous as well as imported components and hence the total impact of these will not be felt within the country. The impact of the imports is experienced by the country producing these commodities. However for the purpose of present study, if we assume that all of these commodity requirements were met out of indigenous production then the results presented here would indicate their total impact on the economy. It may be noted that the change in the total (direct + indirect) requirements depends

mainly upon the change in the direct requirements and the technological structure of the economy which in the present exercise is assumed to be constant over the short period covered by the study. We take up this study also at Ministry level.

A₄.1 Ministry of Defence

The sectorwise total (direct + indirect) commodity requirements of the Ministry of Defence are presented in Table A₄.1. The Table presents the total requirements in 1963-64 prices and also the percentage share of each sector in the total. Taking into consideration, again, the sectors which cover more than one per cent of the aggregate demand the main features of the total (direct + indirect) requirements are :

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand is about 1.49 and it has remained more or less the same for all the years under study. This indicates that the overall sectoral composition of the direct requirements and hence the total requirements has not changed much over the years, as is evident from Table A₄.1.1.

(iii) Additional sectors which account for more than 1 per cent of the total (direct + indirect) requirements (and

Table A₄.1 : Total (Direct + Indirect) Requirements of the Ministry of Defence (Rs.Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	33	0.08	58	0.07	44	0.07	52	0.08
2	388	0.95	962	1.17	903	1.36	750	1.11
3	22	0.05	41	0.05	66	0.10	78	0.12
4	795	1.94	2577	3.13	3257	4.90	1407	2.08
5	260	0.64	569	0.69	389	0.59	489	0.72
6	81	0.20	118	0.14	103	0.16	132	0.19
7	72	0.18	105	0.13	83	0.13	119	0.18
8	3	0.01	5	-	4	0.01	5	-
9	842	2.06	1152	1.40	1078	1.62	1461	2.16
10	6	0.01	9	0.01	9	0.01	11	0.02
11	371	0.91	546	0.66	504	0.76	711	1.05
12	10	0.02	16	0.02	16	0.02	21	0.03
13	823	2.01	1342	1.63	1272	1.92	1753	2.59
14	7	0.02	15	0.02	10	0.02	12	0.02
15	22	0.05	32	0.04	32	0.05	44	0.06
16	1	-	1	-	1	-	1	-
18	91	0.22	117	0.14	117	0.18	168	0.25
19	785	1.92	2281	2.77	1425	2.15	577	0.85
21	1	-	4	-	3	-	3	-
22	184	0.45	729	0.88	360	0.54	198	0.29
23	53	0.13	153	0.19	132	0.20	24	0.04
25	1175	2.87	2093	2.54	1456	2.19	1510	2.23
26	97	0.24	215	0.26	169	0.25	179	0.26
27	1	-	2	-	1	-	2	-
28	88	0.22	84	0.10	101	0.15	123	0.18
29	262	0.64	607	0.74	379	0.57	475	0.70
30	229	0.56	335	0.41	313	0.47	336	0.50
31	47	0.11	136	0.17	26	0.04	52	0.08
32	4	0.01	15	0.02	1	-	6	0.01
33	405	0.99	1270	1.54	631	0.95	806	1.19
34	565	1.38	1332	1.62	845	1.27	1035	1.53
35	632	1.54	1061	1.29	1006	1.52	1455	2.15
36	75	0.18	165	0.20	138	0.21	139	0.21
37	188	0.46	370	0.45	346	0.52	373	0.55
38	2413	5.90	3776	4.58	3465	5.22	4492	6.64
39	45	0.11	102	0.12	87	0.13	85	0.13
40	685	1.67	1421	1.72	1053	1.59	906	1.34
41	46	0.11	73	0.09	56	0.08	64	0.09
42	5	0.01	8	0.01	14	0.02	9	0.01
43	1422	3.48	2601	3.16	2167	3.26	1978	2.92
44	53	0.13	235	0.29	206	0.31	172	0.25
45	1792	4.39	3846	4.67	3196	4.81	3009	4.45
46	689	1.68	1413	1.71	1388	2.09	1603	2.37
47	340	0.83	801	0.97	553	0.83	657	0.97
48	848	2.07	1917	2.33	1631	2.46	1679	2.48
49	751	1.84	1927	2.34	1973	2.97	2530	3.74
50	437	1.07	447	0.54	466	0.70	495	0.73
51	25	0.06	24	0.03	156	0.24	13	0.02
52	2453	6.00	4691	5.68	5099	7.68	4296	6.35
53	3904	9.56	9132	11.08	6818	10.27	7464	11.03
54	148	0.36	326	0.40	400	0.60	447	0.66
55	42	0.10	71	0.09	62	0.09	45	0.07
56	1	-	65	0.08	23	0.03	-	-
57	1	-	1	-	1	-	1	-
59	2273	5.56	6527	7.91	3777	5.69	4742	7.01
60	710	1.74	1101	1.34	1006	1.52	1043	1.54
61	1048	2.56	1737	2.11	1409	2.12	1387	2.05
62	3337	8.17	5341	6.48	4295	6.47	5289	7.81
63	2772	6.79	3708	4.50	2779	4.19	2877	4.25
64	229	0.56	551	0.67	229	0.34	308	0.45
65	5809	14.20	12019	14.58	8859	13.36	7596	11.21
Total	40896	100.00	82378	100.00	66382	100.00	67694	100.00
Index	100.00		201.43		162.32		165.53	

Table A₄.1.1 : Ratio of Total to Direct Demand of the Ministry of Defence in different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	4,08,96	8,23,78	6,63,82	6,76,94
2. Direct Demand (Rs. Lakhs)	2,72,59	5,51,82	4,47,35	4,55,66
3. Total/Direct	1.50	1.49	1.48	1.48

were negligible or absent in the direct requirements) are :

- i) Basic Iron and Steel (2)
- ii) Saw Mill Products (25)
- iii) Rubber Products (33)
- iv) Basic Industrial Chemicals (34)
- v) Fire Bricks (40)
- vi) Iron and Steel Products (45)
- vii) Non-Ferrous Basic Metals (46)
- viii) Electricity (60)
- ix) Coal (61)

A₄.2 Ministry of Railways

The Table A₄.2 gives sectorwise breakdown of the total (direct + indirect) requirements in constant prices. The percentage share of each of the sector in respective year is also given in the Table. Taking into consideration the sectors which account for more than 1 per cent of the aggregate demand, the main features are as stated below.

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to

Table A.2 : Total (Direct + Indirect) Requirements of Ministry of Railways (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	34	0.04	36	0.04	35	0.04	34	0.04
2	206	0.25	230	0.26	249	0.28	248	0.28
3	20	0.02	42	0.05	28	0.03	49	0.06
4	379	0.46	322	0.37	567	0.64	531	0.61
5	6	0.01	6	0.01	6	0.01	6	0.01
6	11	0.01	12	0.01	12	0.01	10	0.01
7	-	-	1	-	1	-	1	-
9	11	0.01	11	0.01	12	0.01	12	0.01
11	3	-	3	-	3	-	4	-
13	146	0.18	155	0.18	169	0.19	155	0.18
14	7	0.01	7	0.01	7	0.01	7	0.01
18	-	-	2	-	3	-	-	-
19	661	0.80	719	0.82	706	0.80	648	0.74
21	2	-	2	-	2	-	2	-
22	104	0.13	119	0.14	110	0.12	111	0.13
23	2	-	4	-	1	-	2	-
25	3598	4.35	3923	4.48	3777	4.26	3527	4.04
26	100	0.12	114	0.13	107	0.12	105	0.12
28	14	0.02	16	0.02	15	0.02	22	0.03
29	147	0.18	171	0.19	188	0.21	213	0.24
30	192	0.23	206	0.23	252	0.28	288	0.33
31	7	0.01	7	0.01	6	0.01	6	0.01
32	2	-	2	-	2	-	2	-
33	87	0.10	80	0.09	76	0.09	85	0.10
34	566	0.68	601	0.69	582	0.66	585	0.67
35	18	0.02	22	0.03	42	0.05	33	0.04
36	107	0.13	109	0.12	114	0.13	120	0.14
37	140	0.17	108	0.12	130	0.15	144	0.16
38	1443	1.74	2083	2.37	2475	2.79	2976	3.41
39	130	0.16	135	0.15	140	0.16	141	0.16
40	3116	3.77	3329	3.79	3310	3.73	3051	3.51
41	37	0.04	42	0.05	36	0.04	41	0.05
42	10	0.01	12	0.01	8	0.01	9	0.01
43	5043	6.09	5307	6.05	5297	5.97	4918	5.63
44	36	0.04	60	0.07	58	0.07	41	0.05
45	7136	8.61	7237	8.25	7658	8.64	7510	8.60
46	1650	1.99	1787	2.04	1704	1.92	1863	2.13
47	1009	1.22	1006	1.15	1008	1.14	1052	1.21
48	1048	1.26	1557	1.77	1471	1.66	1286	1.47
49	2147	2.59	3040	3.47	2155	2.43	2744	3.14
50	81	0.10	80	0.09	83	0.09	79	0.09
51	11197	13.51	10418	11.87	11883	13.40	12433	14.24
52	192	0.23	293	0.33	162	0.18	211	0.24
53	32	0.04	32	0.04	35	0.04	41	0.05
54	113	0.14	128	0.15	123	0.14	114	0.13
55	5	0.01	9	0.01	4	-	8	0.01
56	11	0.01	9	0.01	9	0.01	3	-
59	12	0.01	20	0.02	26	0.03	30	0.03
60	2843	3.44	2930	3.34	3104	3.50	3384	3.88
61	6739	8.13	6855	7.82	6721	7.59	6753	7.74
62	2611	3.15	2753	3.14	2700	3.05	2607	2.99
63	3061	3.69	3114	3.55	3053	3.44	3067	3.51
64	26	0.03	28	0.03	28	0.03	26	0.03
65	26572	32.06	28440	32.42	28213	31.82	25948	29.73
Total	82870	100.00	87732	100.00	88666	100.00	87286	100.00
Index	100.00		107.07		106.99		105.33	

that of direct requirements except for the year 1965-66.

(ii) The ratio of the aggregate total demand to aggregate direct demand is about 1.71 and it has not changed much over the years. This shows that the overall sectoral composition of the direct requirements and hence the total requirements has not changed much over the years, as can be seen from the Table below.

Table A₄.2.1 : Ratio of Total to Direct Demand of the Ministry of Railway in Different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	8,28,70	8,77,32	8,86,06	8,72,86
2. Direct Demand (Rs. Lakhs)	4,79,54	5,11,74	5,19,51	5,14,95
3. Total/Direct	1.73	1.71	1.71	1.70

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Saw Mill Products (25)
- ii) Fire Bricks (40)
- iii) Cement (43)
- iv) Iron and Steel Products (45)
- v) Non-Ferrous Basic Metals (46)
- vi) Metal Products (47)
- vii) Agriculture (62)
- viii) Railway Transport (63)

A₄.3 Ministry of Food and Agriculture

The sectorwise total (direct + indirect) requirements of the Ministry are presented in Table A₄.3. The Table shows total requirements in constant prices and the percentage share of each of the sector for the respective years. Taking into account, again, the sectors with more than one per cent share in the aggregate requirements for the years, the main features may be summarized as follows.

(i) The behaviour of the aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to the direct requirements except for the year 1965-66.

(ii) The ratio of the aggregate total demand to aggregate direct demand varies between 1.34 to 1.41 and the range of difference is not large. Therefore the overall sectoral composition of direct and total requirements is more or less the same over the years.

Table A₄.3.1 : Ratio of Total to Direct Demand of the Ministry of Food and Agriculture

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	3,51,81	4,13,84	5,10,69	4,94,47
2. Direct Demand (Rs. Lakhs)	2,59,94	3,07,51	3,62,58	3,67,75
3. Total/Direct	1.35	1.34	1.41	1.34

Table A_{4.3} : Total (Direct + Indirect) Requirements of Ministry of Food and Agriculture
(Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	5653	16.07	6104	14.75	6654	13.03	9014	18.23
2	5	0.01	4	0.01	6	0.01	6	0.01
3	-	-	-	-	6	0.01	4	0.01
4	3	0.01	4	0.01	6	0.01	5	0.01
5	2	0.01	2	-	3	0.01	2	-
9	2922	8.31	3378	8.16	7839	15.35	3665	7.41
11	22	0.06	10	0.02	-	-	1	-
13	527	1.50	550	1.33	577	1.13	752	1.52
14	3	0.01	4	0.01	4	0.01	6	0.01
15	5	0.01	6	0.01	7	0.01	4	0.01
18	6	0.02	23	0.06	-	-	-	-
19	468	1.33	521	1.26	660	1.29	742	1.50
22	48	0.14	54	0.13	67	0.13	75	0.15
25	58	0.16	57	0.14	50	0.10	38	0.08
26	10	0.03	11	0.03	11	0.02	14	0.03
28	36	0.10	32	0.08	51	0.10	27	0.05
29	22	0.06	23	0.06	27	0.05	31	0.06
30	19	0.05	19	0.05	21	0.04	17	0.03
31	-	-	1	-	-	-	-	-
32	-	-	1	-	-	-	-	-
33	24	0.07	28	0.07	33	0.06	32	0.06
34	297	0.84	322	0.77	398	0.78	563	1.14
35	68	0.19	69	0.17	69	0.14	59	0.12
36	2	0.01	2	-	3	0.01	3	0.01
37	7	0.02	7	0.02	9	0.02	10	0.02
38	194	0.55	218	0.53	257	0.50	272	0.55
39	10	0.03	11	0.03	12	0.02	16	0.03
40	49	0.14	46	0.11	40	0.08	30	0.06
41	3	0.01	4	0.01	4	0.01	4	0.01
43	77	0.22	73	0.18	63	0.12	47	0.10
44	-	-	-	-	1	-	-	-
45	186	0.53	86	0.21	92	0.18	79	0.16
46	25	0.07	26	0.06	33	0.06	34	0.07
47	59	0.17	68	0.16	78	0.15	85	0.17
48	18	0.05	19	0.05	34	0.07	45	0.09
49	4	0.01	4	0.01	5	0.01	5	0.01
50	8	0.02	8	0.02	13	0.03	10	0.02
52	-	-	-	-	1	-	-	-
53	-	-	-	-	1	-	-	-
54	1	-	1	-	3	-	1	-
55	-	-	-	-	4	0.01	1	-
59	30	0.09	30	0.07	40	0.08	31	0.06
60	635	1.80	698	1.69	808	1.58	933	1.90
61	305	0.87	333	0.80	381	0.75	448	0.91
62	22499	63.95	27598	66.69	31744	62.16	31445	63.60
63	273	0.78	316	0.76	363	0.71	391	0.79
64	174	0.49	213	0.51	245	0.49	241	0.49
65	424	1.21	400	0.97	346	0.68	259	0.52
Total	35181	100.00	41384	100.00	51069	100.00	49447	100.00
Index	100.00		117.63		145.16		140.55	

(iii) The sectors which are present in direct requirements are also present in the total requirements in the same group of trends.

(iv) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Miscellaneous Food Products (13)
- ii) Cotton Textiles (19)
- iii) Electricity (60)
- iv) Agriculture (62)

A₄.4 The Department of Post and Telegraphs

The Table A₄.4 gives sectorwise breakdown of the total (direct + indirect) requirements in constant prices. The Table also presents percentage share of each of the sector in the respective year. Taking into consideration the sectors which account for more than one per cent of the aggregate demand, the main features may be stated as:

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand is about 1.52 and it has remained more or less the same over these years. This indicates that the overall sectoral composition of the direct requirements and hence of the total requirements has not changed very much

Table A_{4.4} : Total (Direct + Indirect) Requirements of the Department of Post and Telegraphs (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	-	-	1	0.02	1	0.01	1	0.01
2	22	0.46	28	0.43	40	0.52	39	0.46
4	7	0.14	2	0.03	18	0.23	13	0.15
5	2	0.04	2	0.03	2	0.03	3	0.04
6	-	-	-	-	-	-	1	0.01
9	-	-	1	0.02	1	0.01	1	0.01
11	1	0.02	1	0.02	1	0.01	2	0.02
13	6	0.13	9	0.14	9	0.12	11	0.13
14	1	0.02	1	0.02	1	0.01	1	0.01
19	64	1.34	82	1.25	82	1.07	96	1.12
21	2	0.04	2	0.03	3	0.04	3	0.04
22	13	0.27	16	0.24	20	0.26	23	0.27
25	56	1.18	126	1.93	81	1.06	84	0.98
26	15	0.31	20	0.31	27	0.35	27	0.32
28	67	1.41	77	1.18	87	1.14	116	1.36
29	219	4.60	225	3.44	232	3.03	482	5.65
30	495	10.39	507	7.75	516	6.74	1155	13.53
31	-	-	-	-	-	-	1	0.01
33	15	0.31	19	0.29	26	0.34	25	0.29
34	68	1.43	84	1.28	105	1.37	127	1.49
35	2	0.04	2	0.03	3	0.04	3	0.04
36	12	0.25	15	0.23	21	0.27	21	0.25
37	8	0.17	10	0.15	12	0.16	14	0.16
38	58	1.22	70	1.07	81	1.06	91	1.07
39	13	0.27	16	0.24	22	0.29	22	0.26
40	36	0.76	93	1.42	48	0.63	50	0.59
41	3	0.06	3	0.05	5	0.07	5	0.06
42	2	0.04	2	0.03	3	0.04	3	0.04
43	53	1.11	144	2.20	70	0.91	74	0.87
44	8	0.17	10	0.15	13	0.17	15	0.18
45	182	3.82	279	4.27	309	4.03	309	3.62
46	444	9.33	563	8.61	811	10.59	775	9.08
47	22	0.46	29	0.44	38	0.50	38	0.45
48	29	0.61	46	0.70	71	0.93	78	0.91
49	2217	46.54	2809	42.95	4066	53.08	3867	45.29
50	1	0.02	1	0.02	1	0.01	1	0.01
51	1	-	1	0.02	-	-	-	-
52	8	0.17	17	0.26	1	0.01	-	-
53	-	-	-	-	3	0.04	9	0.11
54	10	0.21	7	0.11	18	0.23	15	0.18
55	-	-	-	-	-	-	1	0.01
56	-	-	-	-	-	-	29	0.34
59	34	0.71	39	0.60	43	0.56	54	0.62
60	120	2.52	143	2.19	157	2.05	188	2.20
61	62	1.30	96	1.46	92	1.20	103	1.20
62	61	1.28	99	1.51	89	1.16	101	1.17
63	28	0.59	44	0.67	43	0.56	47	0.55
64	6	0.13	7	0.11	6	0.08	8	0.09
65	292	6.13	792	12.10	382	4.99	406	4.75
Total	4765	100.00	6540	100.00	7660	100.00	8538	100.00
Index	100.00		137.25		160.76		179.18	

over all these years, as is shown by the Table below.

Table A₄.4.1 : Ratio of Total to Direct Demand of the Department of Post and Telegraphs

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	47,65	65,40	76,60	85,38
2. Direct Demand (Rs. Lakhs)	31,49	42,54	50,85	56,61
3. Total/Direct	1.51	1.54	1.51	1.51

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Saw Mill Products (25)
- ii) Paper and Paper Products (29)
- iii) Basic Industrial Chemicals (34)
- iv) Petroleum Refinery Products (38)
- v) Fire Bricks (40)
- vi) Cement (43)
- vii) Iron and Steel Products (45)
- viii) Non-Ferrous Basic Metals (46)
- ix) Coal (61)
- x) Agriculture (62)

A₄.5 The Department of Other Communications

The sectorwise total (direct + indirect) commodity requirements of the Department of Other Communications are presented in Table A₄.5. The Table shows the total requirements in constant prices and also the percentage share of

Table A₄.5 : Total (Direct + Indirect) Requirements of the Department of Other Communications

Sector No.	(Rs. Lakhs)							
	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
2	2	0.24	1	0.13	1	0.13	2	0.22
3	-	-	1	0.13	-	-	-	-
4	1	0.12	1	0.13	-	-	-	-
13	3	0.35	2	0.25	2	0.25	2	0.22
19	14	1.65	12	1.52	13	1.64	16	1.75
22	1	0.12	1	0.13	1	0.13	2	0.22
25	55	6.47	51	6.44	49	6.18	58	6.35
26	1	0.12	1	0.13	1	0.13	1	0.11
28	8	0.94	8	1.01	10	1.26	15	1.64
29	2	0.24	2	0.25	2	0.25	2	0.22
30	2	0.24	2	0.25	3	0.38	4	0.44
34	6	0.71	5	0.63	5	0.63	6	0.66
38	8	0.94	8	1.01	9	1.13	11	1.20
40	48	5.65	44	5.56	43	5.42	50	5.48
43	75	8.82	69	8.70	66	8.32	78	8.54
45	54	6.35	50	6.31	50	6.31	59	6.46
46	10	1.18	12	1.52	15	1.89	12	1.31
47	3	0.35	3	0.38	3	0.38	3	0.33
48	9	1.06	2	0.25	2	0.25	11	1.20
49	34	4.00	44	5.56	56	7.06	35	3.83
53	1	0.12	3	0.38	7	0.88	8	0.88
54	6	0.71	6	0.76	7	0.88	9	0.99
59	7	0.82	4	0.51	5	0.63	7	0.77
60	18	2.11	17	2.15	17	2.14	23	2.52
61	23	2.70	21	2.64	21	2.65	25	2.74
62	27	3.17	26	3.27	24	3.03	29	3.18
63	10	1.18	10	1.26	10	1.26	11	1.20
64	1	0.12	1	0.13	1	0.13	1	0.11
65	421	49.52	385	48.61	370	46.66	433	47.43
Total	850	100.00	792	100.00	793	100.00	913	100.00
Index	100.00		93.18		93.29		107.41	

each sector in the total. Taking into account, again, the sectors which cover more than one per cent of the aggregate demand the main features of the total requirements are:

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand is about 1.69 and it has remained more or less the same for all these years. This shows that the overall sectoral pattern of the direct requirements and hence of the total requirements has not changed much over these years, as is evident from the Table below.

Table A.5.1 : Ratio of Total to Direct Demand of the Department of Other Communications

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	8,50	7,92	7,93	9,13
2. Direct Demand (Rs. Lakhs)	5,01	4,67	4,73	5,41
3. Total/Direct	1.70	1.69	1.68	1.69

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements (and were negligible or absent in the direct requirements) are:

- i) Saw Mill Products (25)
- ii) Petroleum Refinery Products (38)

- iii) Fire Bricks (40)
- iv) Cement (43)
- v) Iron and Steel Products (45)
- vi) Non-Ferrous Basic Metals (46)
- vii) Scientific Instruments (54)
- viii) Coal (61)
- ix) Agriculture (62)
- x) Railway Transport (63)

A₄.6 Ministry of Transport

The Table A₄.6 gives sectorwise breakdown of the total (direct + indirect) requirements in constant prices. The percentage share of each of the sector in respective year is also given in the Table. Taking into consideration the sectors which account for more than one per cent of the aggregate demand, the main features may be stated as:

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand is about 1.74 and it has remained more or less the same for all these years. This means that the overall sectoral composition of the direct and hence of the total requirements has not changed much over all these years, as observed in the Table below.

Table A₄.6 : Total (Direct + Indirect) Requirements of Ministry of Transport (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	6	0.06	7	0.05	6	0.05	6	0.06
2	10	0.10	14	0.10	18	0.16	19	0.18
3	1	0.01	-	-	3	0.03	7	0.07
4	1	0.01	1	0.01	2	0.02	4	0.04
6	2	0.02	3	0.02	3	0.03	2	0.02
9	2	0.02	3	0.02	2	0.02	2	0.02
13	24	0.24	33	0.25	27	0.24	25	0.24
19	109	1.09	147	1.10	122	1.08	111	1.07
22	11	0.11	15	0.11	13	0.12	12	0.12
25	727	7.26	984	7.34	809	7.19	734	7.11
26	15	0.15	21	0.16	18	0.16	17	0.16
28	5	0.05	6	0.04	7	0.06	5	0.05
29	4	0.04	5	0.04	5	0.04	5	0.05
30	1	0.01	2	0.01	2	0.02	1	0.01
33	1	0.01	1	0.01	2	0.02	1	0.01
34	50	0.50	66	0.49	55	0.49	51	0.49
35	1	0.01	1	0.01	1	0.01	1	0.01
36	1	0.01	1	0.01	2	0.02	2	0.02
37	6	0.06	9	0.07	7	0.06	6	0.06
38	65	0.65	87	0.65	73	0.65	67	0.65
39	9	0.09	12	0.09	11	0.10	10	0.10
40	639	6.38	868	6.48	710	6.31	644	6.23
41	1	0.01	1	0.01	1	0.01	2	0.02
43	1000	9.99	1353	10.10	1112	9.88	1007	9.75
44	-	-	-	-	-	-	1	0.01
45	675	6.74	903	6.74	758	6.73	692	6.70
46	35	0.35	44	0.33	42	0.37	52	0.50
47	25	0.25	34	0.25	30	0.27	28	0.27
48	25	0.25	36	0.27	203	1.80	249	2.41
49	4	0.04	2	0.01	8	0.07	74	0.72
50	111	1.11	94	0.70	8	0.07	7	0.07
51	-	-	-	-	15	0.13	-	-
52	5	0.05	12	0.09	27	0.24	7	0.07
54	1	0.01	-	-	3	0.03	-	-
59	3	0.03	3	0.02	4	0.04	3	0.03
60	119	1.19	158	1.18	135	1.20	122	1.18
61	280	2.80	376	2.80	312	2.76	284	2.74
62	352	3.52	473	3.53	379	3.36	343	3.32
63	128	1.28	174	1.30	144	1.28	130	1.26
64	3	0.03	5	0.04	4	0.04	3	0.03
65	5553	55.47	7447	55.57	6174	54.84	5593	54.15
Total	10010	100.00	13401	100.00	11257	100.00	10329	100.00
Index	100.00		133.88		112.46		103.19	

Table A₄.6.1 : Ratio of Total to Direct Demand of the Ministry of Transport for Various Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	1,00,10	1,34,01	1,12,57	1,03,29
2. Direct Demand (Rs. Lakhs)	56,96	75,90	64,43	59,31
3. Total/Direct	1.76	1.76	1.74	1.74

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Cotton Textiles (19)
- ii) Saw Mill Products (25)
- iii) Fire Bricks (40)
- iv) Cement (43)
- v) Iron and Steel Products (45)
- vi) Electricity (60)
- vii) Coal (61)
- viii) Agriculture (62)
- ix) Railway Transport (63)

A₄.7 Ministry of Works, Housing and Supply

The sectorwise total (direct + indirect) commodity requirements of the Ministry are presented in Table A₄.7. The Table presents the total requirements in constant prices and also the percentage share of individual sector in the total. Taking into consideration, again, the sectors which cover more than one per cent of the aggregate demand, the

Table A.7 : Total (Direct + Indirect) Requirements of Ministry of Works, Housing and Supply

Sector No.	(Rs. Lakhs)							
	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	1	0.03	1	0.03	1	0.03	1	0.03
2	5	0.14	5	0.15	5	0.13	5	0.16
3	-	-	1	0.03	1	0.03	-	-
4	-	-	-	-	1	0.03	-	-
5	-	-	-	-	1	0.03	1	0.03
6	1	0.03	1	0.03	1	0.03	1	0.03
9	1	0.03	1	0.03	1	0.03	1	0.03
11	2	0.06	3	0.09	3	0.08	3	0.10
13	11	0.32	12	0.35	13	0.35	12	0.39
14	-	-	1	0.03	1	0.03	1	0.03
19	74	2.14	81	2.36	78	2.09	62	1.99
22	13	0.38	12	0.35	12	0.32	10	0.32
25	179	5.17	154	4.48	176	4.70	140	4.50
26	4	0.12	4	0.12	4	0.11	4	0.13
28	27	0.78	19	0.55	22	0.59	22	0.71
29	644	18.59	844	24.56	851	22.75	782	25.13
30	37	1.07	47	1.37	34	0.91	24	0.77
33	2	0.06	2	0.06	2	0.05	4	0.13
34	50	1.44	60	1.75	62	1.66	57	1.83
35	1	0.03	1	0.03	1	0.03	1	0.03
36	1	0.03	1	0.03	1	0.03	1	0.03
37	6	0.17	5	0.15	3	0.08	12	0.39
38	28	0.81	31	0.90	33	0.88	27	0.87
39	5	0.14	5	0.15	5	0.13	5	0.16
40	156	4.50	134	3.90	152	4.06	122	3.92
41	1	0.03	1	0.03	1	0.03	1	0.03
42	4	0.12	1	0.03	-	-	-	-
43	243	7.01	208	6.05	243	6.50	189	6.07
44	6	0.17	8	0.23	64	1.71	7	0.22
45	208	6.00	192	5.59	198	5.29	202	6.49
46	17	0.49	30	0.87	24	0.64	17	0.55
47	19	0.55	16	0.47	16	0.43	22	0.71
48	27	0.78	41	1.19	38	1.02	18	0.58
49	30	0.87	47	1.37	45	1.20	12	0.39
50	1	0.03	1	0.03	1	0.03	1	0.03
52	3	0.09	5	0.15	1	0.03	-	-
54	-	-	1	0.03	1	0.03	-	-
55	-	-	2	0.06	-	-	-	-
59	6	0.17	7	0.20	10	0.26	27	0.87
60	60	1.72	63	1.82	66	1.75	57	1.84
61	91	2.62	87	2.52	96	2.56	81	2.60
62	110	3.17	104	3.03	115	3.06	96	3.08
63	42	1.21	40	1.16	44	1.18	38	1.22
64	2	0.06	2	0.06	2	0.05	2	0.06
65	1347	38.87	1155	33.61	1312	35.07	1044	33.55
Total	3465	100.00	3436	100.00	3741	100.00	3112	100.00
Index	100.00		99.16		107.97		89.81	

main features may be stated as:

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand varies between 1.57 to 1.61 as is evident in the Table below. This implies that the overall sectoral composition of the direct and hence of the total requirements has not changed much over these years.

Table A.7.1 : Ratio of Total to Direct Demand of the Ministry of Works, Housing and Supply for Different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	34,65	34,36	37,41	31,12
2. Direct Demand (Rs. Lakhs)	21,47	21,87	23,64	19,75
3. Total/Direct	1.61	1.57	1.58	1.57

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Saw Mill Products (25)
- ii) Basic Industrial Chemicals (34)
- iii) Petroleum Refinery Products (38)
- iv) Fire Bricks (40)
- v) Cement (43)

- vi) Electricity (60)
- vii) Coal (61)
- viii) Railway Transport (63)

A₄.8 Ministry of Finance

Table A₄.8 gives sectorwise breakdown of the total (direct + indirect) requirements in constant prices. The percentage share of individual sector in the respective year is also given in the Table. Taking into account the sectors which cover more than one per cent of the aggregate demand, the main features are:

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demands ranges between 1.48 to 1.51 over all these years as is shown in the Table below. This indicates that the overall sectoral composition of the direct requirements and hence that of total requirements has not changed much over all these years.

Table A₄.8.1 : Ratio of Total to Direct Demand of the Ministry of Finance for Different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	27,85	32,69	24,57	30,91
2. Direct Demand (Rs. Lakhs)	18,62	21,66	16,59	20,77
3. Total/Direct	1.49	1.51	1.48	1.49

Table A₄.8 : Total (Direct + Indirect) Requirements of Ministry of Finance (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	1	0.04	1	0.03	1	0.04	1	0.03
2	7	0.25	6	0.18	37	1.51	10	0.32
3	-	-	-	-	1	0.04	-	-
4	4	0.14	10	0.31	14	0.57	9	0.29
5	9	0.32	19	0.58	7	0.28	21	0.68
9	1	0.04	1	0.03	1	0.04	1	0.03
11	1	0.04	1	0.03	1	0.04	1	0.03
13	9	0.32	8	0.24	10	0.41	12	0.39
14	1	0.04	1	0.03	2	0.08	2	0.06
19	182	6.53	289	8.84	112	4.56	187	6.05
22	19	0.68	53	1.62	23	0.94	20	0.65
23	24	0.86	22	0.67	11	0.45	35	1.13
25	12	0.43	25	0.76	85	3.46	22	0.71
26	5	0.18	5	0.15	4	0.16	5	0.16
28	36	1.29	41	1.25	41	1.67	49	1.59
29	189	6.79	227	6.94	190	7.73	306	9.90
30	67	2.41	79	2.42	60	2.44	83	2.69
31	3	0.11	9	0.28	4	0.16	14	0.45
32	-	-	22	0.67	9	0.37	33	1.07
33	1	0.04	1	0.03	1	0.04	1	0.03
34	64	2.30	82	2.51	185	7.53	211	6.83
35	3	0.11	2	0.06	3	0.12	3	0.10
36	2	0.07	2	0.06	2	0.08	3	0.10
37	58	2.08	27	0.83	34	1.38	39	1.26
38	64	2.30	87	2.66	120	4.88	43	1.39
39	16	0.57	18	0.55	11	0.45	15	0.49
40	9	0.32	20	0.61	26	1.06	17	0.55
41	3	0.11	2	0.06	2	0.08	2	0.06
42	49	1.76	-	-	10	0.41	33	1.07
43	17	0.61	31	0.95	40	1.63	32	1.04
44	53	1.90	4	0.12	41	1.67	69	2.23
45	107	3.84	75	2.29	169	6.88	249	8.06
46	1135	40.75	1335	40.84	522	21.25	821	26.56
47	179	6.43	35	1.07	39	1.59	146	4.72
48	28	1.01	15	0.46	54	2.20	64	2.07
49	1	0.04	1	0.03	16	0.65	21	0.68
50	2	0.07	1	0.03	1	0.04	1	0.03
52	-	-	-	-	2	0.08	-	-
54	-	-	-	-	1	0.04	-	-
55	-	-	-	-	-	-	36	1.16
59	42	1.50	157	4.80	22	0.90	59	1.91
60	119	4.27	211	6.46	168	6.84	125	4.04
61	64	2.30	71	2.18	65	2.65	73	2.37
62	47	1.69	68	2.09	71	2.88	61	1.97
63	79	2.84	32	0.99	31	1.26	34	1.10
64	4	0.14	4	0.12	4	0.16	7	0.23
65	69	2.48	169	5.17	204	8.30	115	3.72
Total	2785	100.00	3269	100.00	2457	100.00	3091	100.00
Index	100.00		117.38		88.22		110.99	

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Coal (61)
- ii) Agriculture (62)
- iii) Railway Transport (63)

A₄.9 Ministry of Health

The sectorwise total (direct + indirect) commodity requirements of the Ministry of Health are presented in Table A₄.9. The Table presents the total requirements in constant prices and also the percentage share of each of the sector in the total. Taking into consideration, again, the sectors which cover more than one per cent of the aggregate demand, the main features of the total requirements are:

(i) The behaviour of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is mostly similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand ranges between 1.35 to 1.45 over the period of four years, as observed in the Table below.

Table A₄.9.1 : Ratio of Total to Direct Demand of the Ministry of Health for Various Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	7,11	10,51	11,63	13,40
2. Direct Demand (Rs. Lakhs)	5,25	7,26	8,62	9,34
3. Total/Direct	1.35	1.45	1.35	1.43

Table A₄.9 : Total (Direct + Indirect) Requirements of Ministry of Health (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	-	-	1	0.10	-	-	-	-
2	3	0.42	2	0.19	4	0.34	3	0.22
5	1	0.14	1	0.10	-	-	1	0.07
9	-	-	3	0.29	-	-	3	0.22
11	-	-	1	0.10	-	-	2	0.15
13	1	0.14	30	2.85	3	0.26	35	2.61
14	-	-	1	0.10	1	0.09	1	0.07
15	-	-	1	0.10	1	0.09	-	-
19	12	1.69	95	9.04	57	4.90	90	6.72
22	1	0.14	14	1.33	11	0.95	12	0.90
23	-	-	1	0.10	-	-	-	-
25	2	0.28	14	1.33	10	0.86	26	1.94
26	1	0.14	4	0.38	1	0.09	5	0.37
28	17	2.39	17	1.62	14	1.20	19	1.42
29	3	0.42	12	1.14	7	0.60	15	1.12
30	5	0.70	4	0.38	4	0.34	4	0.30
33	1	0.14	5	0.48	4	0.34	3	0.22
34	5	0.70	83	7.90	44	3.78	42	3.13
35	-	-	13	1.24	1	0.09	15	1.12
36	2	0.28	1	0.10	3	0.26	2	0.15
37	8	1.13	329	31.30	13	1.12	403	30.07
38	10	1.41	14	1.33	12	1.03	15	1.12
39	1	0.14	2	0.19	2	0.17	3	0.22
40	-	-	1	0.10	1	0.09	1	0.07
41	1	0.14	17	1.62	5	0.43	21	1.57
43	-	-	2	0.19	2	0.17	1	0.07
44	1	0.14	-	-	1	0.09	1	0.07
45	16	2.25	13	1.24	23	1.98	17	1.27
46	59	8.30	26	2.47	86	7.39	47	3.51
47	6	0.84	14	1.33	12	1.03	10	0.75
48	20	2.81	12	1.14	38	3.27	30	2.24
49	44	6.19	8	0.76	22	1.89	29	2.16
50	-	-	1	0.10	1	0.09	1	0.07
52	8	1.13	3	0.29	-	-	-	-
54	412	57.95	157	14.94	661	56.84	316	23.58
55	-	-	-	-	24	2.06	-	-
57	1	0.14	1	0.10	2	0.17	1	0.07
59	9	1.27	9	0.86	8	0.69	11	0.82
60	25	3.52	27	2.57	25	2.15	29	2.17
61	9	1.27	14	1.33	12	1.03	16	1.19
62	6	0.84	65	6.17	17	1.45	76	5.68
63	19	2.67	22	2.08	21	1.81	28	2.10
64	1	0.14	2	0.18	1	0.09	2	0.16
65	1	0.14	9	0.85	9	0.77	4	0.31
Total	711	100.00	1051	100.00	1163	100.00	1340	100.00
Index	100.00		147.82		163.57		188.47	

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are:

- i) Miscellaneous Food Products (13)
- ii) Paper and Paper Products (29)
- iii) Vegetable Oils (35)
- iv) Petroleum Refinery Products (38)
- v) Iron and Steel Products (45)
- vi) Non-Ferrous Basic Metals (46)
- vii) Metal Products (47)
- viii) Coal (61)
- ix) Agriculture (62)

A₄.10 Ministry of Irrigation and Power

The Table A₄.10 presents sectorwise breakdown of the total (direct + indirect) requirements in constant prices. The percentage shares of individual sectors are also shown in the Table. Taking into consideration the sectors which cover more than one per cent of the aggregate demand the main features are :

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to the aggregate direct demand ranges between 1.69 to 1.75 over these years, as observed in the Table below. This indicates that the overall sectoral composition of the direct requirements and hence that of the total requirements has remained

Table A₄.10 : Total (Direct + Indirect) Requirements of Ministry of Irrigation and Power (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	-	-	-	-	1	0.06	1	0.05
2	-	-	1	0.12	1	0.06	3	0.14
3	-	-	-	-	-	-	1	0.05
4	-	-	2	0.24	-	-	1	0.05
13	1	0.31	2	0.24	4	0.25	6	0.27
19	7	2.16	14	1.65	22	1.40	26	1.18
22	1	0.31	1	0.12	3	0.19	3	0.14
25	21	6.48	58	6.85	114	7.23	159	7.23
26	-	-	1	0.12	3	0.19	3	0.14
28	7	2.16	8	0.94	10	0.63	3	0.14
29	1	0.31	1	0.12	2	0.13	1	0.05
30	2	0.62	2	0.24	3	0.19	1	0.05
34	2	0.62	5	0.59	8	0.51	11	0.50
38	4	1.23	8	0.94	13	0.82	15	0.68
39	-	-	1	0.12	1	0.06	2	0.09
40	18	5.56	51	6.02	99	6.28	139	6.32
43	29	8.95	80	9.45	156	9.90	217	9.87
45	21	6.48	56	6.61	105	6.66	148	6.73
46	2	0.62	5	0.59	5	0.32	9	0.41
47	1	0.31	3	0.35	4	0.25	6	0.27
48	-	-	7	0.83	8	0.51	15	0.68
49	7	2.16	7	0.83	-	-	7	0.32
50	-	-	5	0.59	-	-	21	0.96
52	-	-	1	0.12	-	-	1	0.05
54	-	-	1	0.12	-	-	-	-
59	4	1.23	4	0.47	5	0.32	2	0.09
60	10	3.09	17	2.00	27	1.71	27	1.23
61	10	3.09	23	2.71	44	2.79	61	2.78
62	11	3.40	29	3.42	54	3.44	74	3.36
63	4	1.23	11	1.30	21	1.33	29	1.31
64	1	0.31	1	0.12	1	0.06	-	-
65	160	49.37	442	52.18	862	54.71	1206	54.86
Total	324	100.00	847	100.00	1576	100.00	2198	100.00
Index	100.00		261.73		486.42		678.39	

more or less the same over these years.

Table A₄.10.1 : Ratio of Total to Direct Demand of the Ministry of Irrigation and Power for Various Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	3,24	8,47	15,76	21,98
2. Direct Demand (Rs. Lakhs)	1,92	4,90	9,03	12,57
3. Total/Direct	1.69	1.73	1.74	1.75

(iii) Additional sectors which account for more than one per cent of the total requirements and were negligible or absent in the direct requirements are :

- i) Saw Mill Products (25)
- ii) Fire Bricks (40)
- iii) Cement (43)
- iv) Iron and Steel Products (45)
- v) Coal (61)
- vi) Agriculture (62)
- vii) Railway Transport (63)

A₄.11 Union Territories

The sectorwise total (direct + indirect) requirements of Union Territories are presented in Table A₄.11. The Table shows the total requirements in constant prices and also the percentage share of each of the sector in the total demand. Taking into account the sectors which cover more than one per cent of the aggregate demand the main features may be stated as:

Table A₄.11 : Total (Direct + Indirect) Requirements of Union Territories (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	4	0.09	4	0.09	4	0.11	5	0.11
2	9	0.20	8	0.18	8	0.21	9	0.21
3	1	0.02	1	0.02	-	-	-	-
4	4	0.09	1	0.02	1	0.03	1	0.02
5	5	0.11	5	0.11	5	0.13	5	0.11
6	1	0.02	1	0.02	1	0.03	1	0.02
9	4	0.09	1	0.02	1	0.03	1	0.02
11	4	0.09	-	-	-	-	-	-
13	8	0.17	9	0.20	8	0.21	10	0.23
14	30	0.66	-	-	-	-	-	-
19	148	3.23	128	2.88	124	3.29	109	2.49
22	17	0.37	14	0.32	24	0.64	25	0.57
23	1	0.02	1	0.02	5	0.13	6	0.14
25	341	7.45	329	7.41	277	7.35	315	7.20
26	9	0.20	8	0.18	7	0.19	8	0.18
28	154	3.37	130	2.93	76	2.02	80	1.83
29	23	0.50	19	0.43	13	0.34	13	0.30
30	42	0.92	34	0.77	19	0.50	21	0.48
31	-	-	-	-	1	0.03	1	0.02
33	5	0.11	2	0.05	7	0.19	4	0.09
34	46	1.01	43	0.97	49	1.30	42	0.96
35	1	0.02	1	0.02	1	0.03	2	0.05
36	5	0.11	5	0.11	3	0.08	3	0.07
37	13	0.28	10	0.23	13	0.34	13	0.30
38	94	2.05	79	1.78	59	1.56	57	1.30
39	4	0.09	4	0.09	4	0.11	4	0.09
40	206	4.50	216	4.86	164	4.35	200	4.57
41	4	0.09	1	0.02	3	0.08	17	0.39
42	-	-	-	-	2	0.05	-	-
43	321	7.01	336	7.56	256	6.79	304	6.95
44	-	-	-	-	-	-	7	0.16
45	263	5.75	272	6.12	217	5.76	268	6.13
46	23	0.50	20	0.45	23	0.61	28	0.64
47	19	0.42	17	0.38	28	0.74	44	1.01
48	9	0.20	8	0.18	10	0.27	23	0.53
49	17	0.37	10	0.23	13	0.34	32	0.73
50	16	0.35	27	0.61	28	0.74	27	0.62
52	27	0.59	7	0.16	56	1.49	35	0.80
54	1	0.02	1	0.02	3	0.08	5	0.11
59	116	2.53	112	2.52	87	2.31	80	1.83
60	235	5.14	180	4.05	104	2.76	112	2.56
61	130	2.84	122	2.76	90	2.38	108	2.47
62	355	7.76	339	7.63	503	13.33	559	12.78
63	61	1.33	57	1.28	44	1.17	53	1.21
64	17	0.37	13	0.29	9	0.24	9	0.21
65	1783	38.96	1867	42.03	1420	37.66	1728	39.51
Total	4576	100.00	4442	100.00	3770	100.00	4374	100.00
Index	100.00		97.07		82.39		95.59	

(i) The behaviour of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is similar to that of the direct requirements.

(ii) The Table below shows that the ratio of the aggregate total demand to aggregate direct demand varies between 1.61 to 1.65 over the period. This shows that the overall sectoral composition of the direct and hence of the total requirements has not changed much over the years.

Table A₄.11.1 : Ratio of Total to Direct Demand of Union Territories for Different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	45,76	44,42	37,70	43,74
2. Direct Demand (Rs. Lakhs)	27,90	26,85	23,47	27,05
3. Total/Direct	1.64	1.65	1.61	1.62

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements may be stated as :

- i) Basic Industrial Chemicals (34)
- ii) Fire Bricks (40)
- iii) Cement (43)
- iv) Iron and Steel Products (45)
- v) Coal (61)
- vi) Railway Transport (63)

A₄.12 Other Ministries

Table A₄.12 gives sectorwise breakdown of the total (direct + indirect) requirements in constant prices. The percentage share of individual sector in aggregate demand has also been presented in the Table. Taking into consideration the sectors with more than one per cent share in the aggregate demand, the main features are :

(i) The behaviour of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is similar to that of direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand ranges between 1.58 to 1.65 over all these years as shown in the Table below. This indicates that the overall sectoral composition of the direct and hence that of total (direct + indirect) requirements has not changed much over the years 1962-63 to 1965-66.

Table A₄.12.1 : Ratio of Total to Direct Demand of Other Ministries for Different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	31,65	35,81	49,12	72,86
2. Direct Demand (Rs. Lakhs)	19,96	22,35	30,07	44,13
3. Total/Direct	1.58	1.60	1.63	1.65

Table A₄.12 : Total (Direct + Indirect) Requirements of Other Ministries (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	1	0.03	2	0.06	3	0.06	4	0.05
2	20	0.63	19	0.53	20	0.41	25	0.34
3	3	0.09	4	0.11	3	0.06	5	0.07
4	31	0.98	40	1.12	27	0.55	19	0.26
5	4	0.13	4	0.11	5	0.10	5	0.07
6	1	0.03	1	0.03	1	0.02	1	0.01
9	1	0.03	27	0.75	1	0.02	1	0.01
13	9	0.28	9	0.25	13	0.26	19	0.26
14	-	-	-	-	-	-	1	0.01
19	123	3.89	129	3.60	148	3.01	159	2.18
22	13	0.41	15	0.42	15	0.31	18	0.25
25	133	4.20	161	4.50	252	5.13	411	5.64
26	6	0.19	6	0.17	9	0.18	12	0.16
28	142	4.49	137	3.83	168	3.42	174	2.39
29	34	1.07	39	1.09	48	0.98	51	0.70
30	52	1.64	55	1.54	76	1.55	79	1.08
33	9	0.28	11	0.31	11	0.22	13	0.18
34	47	1.48	38	1.06	52	1.06	68	0.93
35	2	0.06	1	0.03	2	0.04	3	0.04
36	6	0.19	6	0.17	7	0.14	8	0.11
37	17	0.54	13	0.36	17	0.35	22	0.30
38	87	2.75	86	2.40	117	2.38	166	2.28
39	4	0.13	5	0.14	6	0.12	9	0.12
40	113	3.57	137	3.83	216	4.40	354	4.86
41	1	0.03	1	0.03	1	0.02	3	0.04
42	6	0.19	3	0.08	-	-	11	0.15
43	215	6.79	263	7.34	410	8.35	604	8.29
44	3	0.09	5	0.14	7	0.14	5	0.07
45	241	7.61	221	6.17	305	6.21	480	6.59
46	40	1.26	47	1.31	51	1.04	66	0.91
47	16	0.51	18	0.50	21	0.43	40	0.55
48	126	3.98	133	3.71	102	2.08	191	2.62
49	74	2.34	85	2.37	109	2.22	116	1.59
50	1	0.03	1	0.03	1	0.02	4	0.05
51	6	0.19	6	0.17	6	0.12	5	0.07
52	51	1.61	43	1.20	38	0.77	65	0.89
53	36	1.14	24	0.67	56	1.14	32	0.44
54	7	0.22	13	0.36	13	0.26	12	0.16
55	4	0.13	27	0.75	32	0.65	27	0.37
59	86	2.72	78	2.18	104	2.12	112	1.54
60	183	5.79	172	4.80	198	4.03	223	3.06
61	94	2.97	99	2.76	139	2.83	201	2.77
62	94	2.97	163	4.55	159	3.25	296	4.07
63	43	1.37	46	1.28	64	1.30	93	1.28
64	14	0.44	12	0.34	13	0.26	13	0.18
65	966	30.53	1176	32.85	1866	37.99	3060	42.01
Total	3165	100.00	3581	100.00	4912	100.00	7286	100.00
Index	100.00		113.14		155.20		230.21	

(iii) Additional sectors which account for more than one per cent of the total (direct + indirect) requirements and were negligible or absent in the direct requirements are :

- i) Paper and Paper Products (29)
- ii) Basic Industrial Chemicals (34)
- iii) Non-Ferrous Basic Metals (46)
- iv) Coal (61)
- v) Agriculture (62)
- vi) Railway Transport (63)

CHAPTER VECONOMIC IMPACT OF THE PURCHASES OF THE
GOVERNMENT OF INDIA FROM 1961-62 TO 1965-66

It is generally recognized that a change either in the level or in the composition of Government expenditure generates repercussions on national economy. In case of a planned economy like India, study of such changes in the exogenous demand is of crucial importance.

The period of the Third Five Year Plan turned out to be very abnormal. "Weather conditions were adverse during three out of five years of the Third Plan period. Secondly, the country had to face serious hostilities in the very second year and again in the fifth year of the Plan." And "the sharp step-up in defence outlay that the country was compelled to undertake added to the pressure on resources". The external aggression and severe drought generated severe repercussions on the Indian economy. It "necessitated re-orientation of the pattern of production. The worsening of the foreign exchange situation rendered the position of industries depending on imported raw materials and components very difficult."¹ Steps were taken to implement a vigorous programme of import substitution. The policy of the Government

¹ Government of India, Ministry of Industry, Annual Report 1965-66, p. 5.

was to make purchase of stores for public requirements in such a way that the development of indigenous production of stores is encouraged to the maximum possible extent and the country is made self-sufficient in the matters of its own requirements.²

In the following pages we examine the economic impact of the purchases of Government of India in two parts. In Section A we examine the effects of total estimated expenditure from 1962-63 to 1965-66, and in Section B we examine the effects of indigenous expenditure through D.G.S. & D. While the expenditure discussed in Section A includes the expenditure on imported items as well as imputed indigenous expenditure of the Central Government, Union Territories and the indirect requirements on these accounts, the expenditure discussed in Section B pertains to the indigenous purchases through the D.G.S. & D. on behalf of Central Government, Union Territories, Central Government Undertakings etc. together with their indirect requirements. Thus to get the effect of Central Government's indigenous expenditure on the national economy, both of the above indicators are approximations in their own way. We can only point out to the conclusions that both of them lead to and see that both of them provide an approximation if their coverage is understood,

² Government of India, Directorate General of Supplies and Disposals, Directory of Government Purchases, 1963.

and also hope that Government publications will make it possible to separate these effects in future.

A : The Effects of Total Estimated Expenditure from 1962-63 to 1965-66

The commodity expenditure of all the Ministries, Union Territories and the Departments, discussed in Chapter IV, when added together forms the total expenditure. It covers commodity expenditure on indigenous and imported commodities, since as noted earlier, Ministrywise details of the indigenous purchases were not available. The changes indicated by the individual sectors consequent upon the change in the total as well as the change in the pattern of direct commodity requirements for various years have been taken into account. In order to study the change, the percentage share of individual sector in the total for any of the year is taken into consideration.

On account of the fact that the Central Government of India has taken initiative and actual participation in the process of the economic development of the nation, a progressive increase in the total commodity expenditure except for the year 1964-65 is observed over the period. On the face of it this decrease in the Central Government expenditure in 1964-65 is puzzling, as that is a year just after the Government declared its 10-year plan for defence preparedness and also its determination to go ahead with both development and defence simultaneously, without caring about the privations

to the economy that this might entail. Further, for agricultural production, 1964 was a record year. To understand this we have to remember that these figures are in constant prices of 1963-64. With the Government's efforts of defence and development simultaneously, an inflation had got up in the Indian economy at that time, and it seems that though the government was prepared to increase its total expenditure, it could not increase its real expenditure in that year because of the differential effects of inflation on its resource raising capacity and expenditure pattern in the short run. The period covered by this study is also characterised by actual war events in two years, emphasis on defence-preparedness and National Emergency. Thus during the period of these four years the Indian economy has been working continuously under strains.

The total direct requirements valued Rs. 1200.69 crores in 1962-63 in 1963-64 prices and increased by about 33 per cent in 1963-64 (Rs. 1599.07 crores), and by 30 per cent in 1964-65 (Rs. 1560.90 crores) respectively. In the year 1965-66 they rose by about 33 per cent (as compared to the year 1962-63) amounting to Rs.1593.32 crores (Table 5.1).

The sectors covering more than 1 per cent of the total in two or more years together cover about 90 per cent to 93 per cent of the total expenditure in any of these years.

The most important expenditure of Government is on Construction (65), that is, about one-third of the total

Table 5.1 : Direct Requirements of All Ministries (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	5282	4.40	5679	3.59	6179	3.96	8455	5.31
2	4	-	5	-	34	0.02	25	0.02
3	30	0.02	59	0.04	76	0.05	114	0.07
4	1168	0.97	2893	1.80	3828	2.45	1928	1.21
5	125	0.10	183	0.11	184	0.12	251	0.16
6	73	0.06	104	0.06	93	0.06	120	0.08
7	71	0.06	104	0.06	82	0.05	118	0.07
8	3	-	5	-	4	-	5	-
9	3688	3.07	4443	2.78	8799	5.64	4980	3.13
10	6	-	9	-	9	0.01	11	-
11	381	0.32	537	0.34	489	0.31	692	0.43
12	10	0.01	16	0.01	16	0.01	21	0.01
13	308	0.26	419	0.26	409	0.26	554	0.35
14	29	0.02	-	-	-	-	-	-
15	27	0.02	39	0.02	38	0.02	49	0.03
18	94	0.08	137	0.09	116	0.07	162	0.10
19	1119	0.93	2519	1.58	1653	1.06	868	0.54
22	82	0.07	434	0.27	184	0.12	82	0.05
23	80	0.07	181	0.11	149	0.10	68	0.04
25	526	0.44	617	0.39	381	0.24	587	0.37
28	587	0.49	552	0.35	579	0.37	628	0.39
29	795	0.66	1121	0.70	1004	0.64	1096	0.69
30	1138	0.95	1284	0.80	1296	0.83	2004	1.26
31	34	0.03	97	0.06	1	-	35	0.02
32	5	-	38	0.02	12	0.01	40	0.03
33	109	0.09	524	0.33	82	0.05	229	0.14
34	214	0.18	280	0.18	405	0.26	552	0.35
35	636	0.53	1029	0.64	1004	0.64	1409	0.88
37	307	0.26	636	0.40	395	0.25	805	0.51
38	2766	2.30	4348	2.72	4728	3.03	6161	3.87
39	1	-	1	-	1	-	1	-
41	10	0.01	23	0.01	11	0.01	38	0.02
42	71	0.06	21	0.01	31	0.02	58	0.04
43	657	0.55	637	0.40	830	0.53	880	0.55
44	114	0.09	252	0.16	318	0.20	242	0.15
45	372	0.31	357	0.22	459	0.29	523	0.33
46	1004	0.84	1229	0.77	699	0.45	1004	0.63
47	435	0.36	555	0.35	383	0.25	631	0.40
48	1669	1.39	3155	1.97	3015	1.93	3057	1.92
49	4938	4.11	7375	4.61	7809	5.00	8823	5.54
50	438	0.36	421	0.26	386	0.25	420	0.26
51	11044	9.20	10277	6.43	11861	7.60	12246	7.69
52	2482	2.07	4589	2.87	4878	3.13	4175	2.62
53	3800	3.16	8829	5.52	6638	4.26	7248	4.56
54	654	0.54	600	0.38	1155	0.74	859	0.54
55	51	0.04	109	0.07	126	0.08	113	0.07
56	11	0.01	65	0.04	28	0.02	28	0.02
59	2523	2.10	6746	4.22	3978	2.55	4968	3.12
60	1797	1.51	1853	1.16	1956	1.25	2184	1.37
61	4063	3.38	4112	2.57	3951	2.53	4014	2.52
62	18251	15.20	22661	14.17	22974	14.72	25845	16.22
63	2342	1.96	2904	1.82	2130	1.36	2239	1.41
64	244	0.20	543	0.34	224	0.14	292	0.18
65	43401	36.16	54301	33.96	50020	32.06	47395	29.75
Total	120069	100.00	159907	100.00	156090	100.00	159332	100.00
Index	100.00		133.18		130.00		132.70	

Source : Demands for Grants and D.G.S. & D.'s data.

expenditure. This expenditure increased substantially over the years 1962-63 and 1963-64 and then we see a decline in it over the next two years in real terms. This, as explained, in the individual Ministry expenditure part (Chapter IV) seems to be the immediate effect of better defence preparation on which the Government embarked. Its tapering off can be explained by firstly finishing the most essential of the defence plan and secondly, the urgency of reducing total Government expenditure in the face of mounting inflationary pressures.

The second most important expenditure, in proportionate terms, is that of the purchase of Foodgrains (62). This as explained before, is more in the nature of purchasing trading stocks, rather than in the nature of Government expenditure as such, and therefore is not important in the analysis of Central Government's expenditure pattern. Same holds true of Grain Mill Products (9) that is mainly rice, and Fertilizers (1). The purchase of Rail Road Equipment (51) forms an important part of Government expenditure in India because railways are operated directly by the Central Government and its accounts become Central Government's responsibility. They form about 8 per cent of the total expenditure. It will be seen that though the total amount spent on this item in real terms remained almost the same, as a proportion of the total it decreased from 1963-64 onwards as compared to the year 1962-63. We find that the item next

in importance in Central Government expenditure is Electrical Machinery (49). Expenditure on it increased both in absolute, as well as in proportionate terms throughout the period of our study. It may be noted that this is the direct resultant of the fact that organization of communications forms an integral part of the activities of the Government of India. A big chunk of its purchases have been on Fertilizers (1), throughout this period (about 4 per cent), but these purchases have also been more in the nature of trade goods rather than those for use by Government itself in its own activities.

A bureaucracy depends for its sustenance on a lot of paper work, which is reflected in 2 per cent of expenditure on Government being on Paper and Paper Products (29) and Printing and Stationery (30). Another important item would be the consumption of Petroleum (38) required for the mobility of Defence and other establishments. Appropriately, the expenditure on this item shows a continuous and substantial increase over years in absolute quantities as well as in percentage terms. Similar to that in trend is the expenditure on Motor Vehicles (52) and the purchase of Aircraft and Other Transport Equipment (53). This investment naturally increases at a very fast rate from about 5 per cent in 1962-63 to about 8 per cent in 1963-64 but then it tapers off to about 7 per cent in 1965-66 again, though, in real terms the total investment almost stabilizes itself at a bit less than the 1963-64 level.

The consumption of Coal (61) by the Government is almost at a stable level - about 3 per cent throughout our period - and seems to be unaffected by the development while that of Railway Transport (63) gets a spurt in 1963-64 and then stabilizes at a lower level, surprisingly.

A.1 : Total (All Ministries) Requirements

The sectorwise breakdown of the total (direct + indirect) and commodity requirements (indigenous + imported) of all the Ministries together are presented in Table 5.2. The Table gives total requirements in constant prices and also the percentage share of individual sector in aggregate demand for the respective year. Taking into account, again, the sectors having their percentage share more than 1 per cent in aggregate demand, the main features of the total requirements may be summarized as follows :

(i) The movement of aggregate (of all sectors) demand over the years 1962-63 to 1965-66 is more or less similar to that of the direct requirements.

(ii) The ratio of the aggregate total demand to aggregate direct demand is almost stable at 1.56 during the period, indicating thereby the stability of the overall sectoral composition of the direct and hence of the total commodity requirements.

(iii) Additional sectors which account for more than 1 per cent of the total (direct + indirect) requirements and

Table 5.2 : Direct + Indirect Requirements of All Ministries (Total) (Rs. Lakhs)

Sector No.	1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	5733	3.02	6215	2.50	6751	2.77	9120	3.71
2	679	0.36	1392	0.56	1293	0.53	1118	0.46
3	47	0.02	90	0.04	108	0.04	144	0.06
4	1226	0.65	2961	1.19	3887	1.60	1990	0.81
5	289	0.15	608	0.24	418	0.17	533	0.22
6	97	0.05	136	0.05	122	0.05	149	0.06
7	72	0.04	106	0.04	84	0.03	120	0.05
8	3	-	5	-	4	-	5	-
9	3783	2.00	4578	1.84	8936	3.67	5148	2.10
10	6	-	9	-	9	-	11	-
11	404	0.21	566	0.23	513	0.21	725	0.30
12	10	0.01	16	0.01	16	0.01	21	0.01
13	1570	0.83	2161	0.87	2107	0.87	2793	1.14
14	49	0.03	31	0.01	27	0.01	32	0.01
15	27	0.02	39	0.02	40	0.02	48	0.02
16	1	-	1	-	1	-	1	-
18	97	0.05	142	0.06	120	0.05	168	0.07
19	2647	1.40	4499	1.81	3551	1.46	2823	1.15
21	5	-	8	-	8	-	8	-
22	324	0.17	1043	0.42	659	0.27	509	0.21
23	80	0.04	181	0.07	149	0.06	67	0.03
24	1	-	1	-	1	-	1	-
25	6359	3.36	7977	3.20	7136	2.93	7020	2.86
26	264	0.14	411	0.17	362	0.15	381	0.16
27	1	-	2	-	2	-	2	-
28	601	0.32	575	0.23	602	0.25	655	0.27
29	1551	0.82	2175	0.87	1945	0.80	2377	0.97
30	1143	0.60	1292	0.52	1303	0.54	2013	0.82
31	57	0.03	153	0.06	37	0.02	74	0.03
32	6	-	40	0.02	12	-	41	0.02
33	550	0.29	1420	0.57	794	0.33	975	0.40
34	1766	0.93	2724	1.09	2390	0.98	2798	1.14
35	729	0.38	1174	0.47	1129	0.46	1575	0.64
36	213	0.11	308	0.12	295	0.12	303	0.12
37	453	0.24	890	0.36	585	0.24	1037	0.42
38	4467	2.36	6545	2.63	6715	2.76	8234	3.35
39	238	0.13	311	0.12	302	0.12	311	0.13
40	5076	2.68	6361	2.55	5863	2.41	5564	2.27
41	101	0.05	146	0.06	114	0.05	159	0.06
42	76	0.04	26	0.01	37	0.02	65	0.03
43	8498	4.48	10467	4.20	9881	4.06	9452	3.85
44	160	0.08	323	0.13	392	0.16	319	0.13
45	10881	5.74	13233	5.31	13080	5.37	13019	5.30
46	4128	2.18	5308	2.13	4705	1.93	5326	2.17
47	1698	0.90	2047	0.82	1829	0.75	2132	0.87
48	2186	1.15	3793	1.52	3662	1.50	3689	1.50
49	5330	2.81	7985	3.21	8469	3.48	9473	3.86
50	660	0.35	668	0.27	604	0.25	647	0.26
51	11229	5.92	10449	4.20	12060	4.95	12451	5.07
52	2747	1.45	5072	2.04	5387	2.21	4616	1.88
53	3973	2.10	9191	3.69	6920	2.84	7554	3.08
54	699	0.37	641	0.26	1233	0.51	919	0.37
55	51	0.03	109	0.04	126	0.05	118	0.05
56	12	0.01	74	0.03	32	0.01	32	0.01
57	2	-	2	-	3	-	2	-
59	2622	1.38	6990	2.81	4131	1.70	5158	2.10
60	5078	2.68	5796	2.33	5815	2.39	6265	2.55
61	8855	4.67	9836	3.95	9383	3.85	9538	3.87
62	29510	15.57	37059	14.87	40150	16.49	40975	16.67
63	6521	3.44	7575	3.04	6616	2.73	6798	2.76
64	481	0.25	841	0.34	544	0.22	621	0.25
65	43401	22.91	54301	21.80	50020	20.55	47395	19.30
Total	189523	100.00	249078	100.00	243469	100.00	245617	100.00
Index	100.00		131.42		128.46		129.60	

Ratio of Total to Direct Demand of All
Ministries in Different Years

Item	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	18,95,23	24,90,78	24,34,69	24,56,17
2. Direct Demand (Rs. Lakhs)	12,00,69	15,99,07	15,60,90	15,93,32
3. Total/Direct	1.58	1.56	1.56	1.54

were negligible or absent in the direct requirements are:

- i) Saw Mill Products (25)
- ii) Basic Industrial Chemicals (34)
- iii) Fire Bricks (40)
- iv) Cement (43)
- v) Iron and Steel Products (45)
- vi) Non-Ferrous Basic Metals (46)

A comparison of total direct requirements of all Ministries (Table 5.1) and total direct and indirect requirements of all Ministries (Table 5.2) is revealing. As noted above, the total direct and indirect requirements impinges on six additional sectors of the economy and that to quite a significant extent (given the total demands of these six additional sectors for each of these years as well as their percentage demands). Not only that, the demand of certain sectors has increased to a very significant extent, while for the others it has remained almost the same. The sectors for which the total demand is not very different from the direct

demand are: Fertilizers (1), Machine Tools (4), Malted Food and Milk Products (6), Preserved Food and Food Products (7), Preserved Fish Products (8), Grain Mill Products (9), Bakery Products (10), Sugar (11), Cocoa, Chocolate etc. (12), Tobacco (18), Footwear (23), Furniture (28), Printing and Stationery (30), Vegetable Oils (35), Pottery and Earthenware (42), Non-Metallic Mineral Products (44), Electrical Machinery (49), Shipbuilding etc. (50), Rail Road Equipment (51), Other Transport Equipment (53), Scientific Instruments (54), Photographic Stores (55), Watches and Clocks (56), Miscellaneous Industrial Products (59) and Construction (65). It will be noted that these are of two types. The first are those types which are used for final purposes and therefore do not enter into anything else's production, and their Government demand can well be predicted by the Budget papers. The others are the sort of goods which are of a capital nature and which are required for producing certain capacities for the future. The amount of capacity that is created is a decision taken by the Government machinery of the day, and therefore, if the Budget papers are looked at carefully, their demand can also be predicted. The most important of these is Construction (65), which, as we have seen, claims the "lion's share" of Government expenditure.

However there are other sets of goods for which the direct Government demand, as derived from the Budget papers directly, is much smaller than their total (direct + indirect)

demand, on the economy, which is necessary to be met if the 'bottlenecks' are not to be created. This phenomenon is quite noticeable in the following goods: Basic Iron and Steel (2), Miscellaneous Food Products (13), Cotton Textiles (19), Other Textiles (22), Saw Mill Products (25), Paper and Paper Products (29), Rubber Products (33), Basic Industrial Chemicals (34), Non-Ferrous Metals (46), Metal Products (47), Non-Electrical Machinery (48), Electricity (60), Coal (61), and Railway Transport (63). The Table 5.3 gives the percentage increase of the total demand over the direct demand for these commodities for all the years analysed.

Thus we see that the total picture of the extra claim of the Government, due to changes in the Budget structure, comes out to be different to the one which is apparent from looking at the direct expenditure of the Government. The above analysis does not include the multiplier effect of Government expenditure which, as is well known, is via consumption from the extra income generated, and which is superimposed over the one which we have analysed above. This only deals with the total production requirements of Government's purchases, while the total effect of the Government purchases will be this effect plus the multiplier effect of these extra purchases, through the well known Keynesian mechanism. It may be recalled that many of the sectors which show above a huge difference between direct and total demand of the Government are the same as the ones which were pointed

Table 5.3 : Percentage Increase of the Total Demand Over the Direct Demand of the Government for Certain Sectors

Sector No.		1962-63	1963-64	1964-65	1965-66
2	Basic Iron and Steel	16875.00	27740.00	3702.94	4372.00
13	Miscellaneous Food Products	409.74	415.75	415.16	404.15
19	Cotton Textiles	136.55	78.60	114.82	225.23
22	Other Textiles	295.12	140.32	258.15	520.73
25	Saw Mill Products	1108.93	1192.87	1772.97	1095.91
29	Paper and Paper Products	95.09	94.02	93.73	116.88
33	Rubber and Rubber Products	104.59	170.99	868.29	325.76
34	Basic Industrial Chemicals	725.23	872.86	490.12	406.88
38	Petroleum Refinery Products	61.50	50.53	42.03	33.65
43	Cement	1193.46	1543.17	1090.48	974.09
45	Iron and Steel Products	2825.00	3606.72	2749.67	2389.29
46	Non-Ferrous Basic Metals	311.16	331.90	573.10	430.48
47	Metal Products	290.34	268.83	377.54	237.88
48	Machinery except Electrical	30.98	20.22	21.46	20.67
60	Electricity	182.58	212.79	197.29	186.86
61	Coal	117.94	139.20	137.48	137.62
63	Railway Transport	178.44	160.85	210.61	203.62

out by Mathur in his study on "Defence Efforts and Physical Balances,"³ referred to earlier.

B : The Effect of Indigenous Expenditure Through D. G. S. & D.

In order to examine the economic repercussions of the commodity requirements of the Government, it is necessary that only indigenous purchases are to be taken into account, as the economic impact of the imported commodities are felt directly only in the countries where these commodities are actually produced. Their economic impact on the importing countries can only be traced indirectly via foreign exchange for the reason that any excess of imports will have to be paid by extra exports of some other commodities which are either available or are produced in the importing countries barring imports under Foreign Aid, Trade Agreement etc. We have already seen the magnitude of impact of Government demand if we assume all the purchases were made in the country. Now we concentrate only on the indigenous purchases to study immediate economic impact within the country.

The data utilized for the present Section relate to that of the D.G.S. & D.'s purchases as a whole except for the sectors of (i) Construction (65), (ii) Railway Transport (63), (iii) Road Transport (64), (iv) Electricity (60), (v) Coal (61),

³ P. N. Mathur, "Defence Efforts and Physical Balances," Indian Economic Journal, April 1963.

(vi) Printing and Stationery (30), the data on which are obtained from the demands for Grants for various Ministries for different years. The relevant data for the years 1961-62 to 1965-66 are converted into 1963-64 prices with the use of index numbers as has been discussed in Chapter III. The data obtained from the 'Directory of Government Purchases' (D.G.S. & D.) and used here pertain to total purchases through the D.G.S. & D. in which Central Government only account for ⁸⁴76 per cent to ⁸⁷78 per cent. The 'indigenous and imported' breakdown is not separately available for the purchases carried out on behalf of the Central Government. However, as the purchases for the Central Government including 'Union Territories' cover a major bulk of total purchases through D.G.S. & D. it can be assumed for the sake of this study that the changes observed in the indigenous purchases of the D.G.S. & D. mainly reflect the changes in composition of Central Government purchases and the changes on account of other bodies purchasing through D.G.S. & D. are either negligible or are in accordance with those of the Central Government. Keeping these data limitations in mind an attempt is made here to use the data available for the purpose of studying the change with respect to individual sectors consequent upon the change in the total and/or the change in the pattern of the direct commodity requirements.

The sectorwise breakdown of the purchases (direct requirements) is given in Table 5.4, and the resulting total

Table 5.4 : Indigenous Commodity Requirements of the Government (Rs. Lakhs)

Sector No.	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	-	-	109	0.11	11	0.01	31	0.03	21	0.02
2	19	0.03	133	0.13	44	0.04	103	0.10	154	0.14
3	7	0.01	49	0.05	34	0.03	24	0.02	55	0.05
4	312	0.46	736	0.72	1055	0.88	976	0.94	935	0.87
5	-	-	-	-	-	-	-	-	47	0.04
6	9	0.01	12	0.01	27	0.02	49	0.05	158	0.15
7	103	0.15	292	0.29	371	0.31	362	0.35	302	0.28
8	-	-	-	-	-	-	4	-	14	0.01
9	24	0.04	25	0.02	2	-	5	-	6	0.01
10	3	-	6	0.01	4	-	2	-	2	-
11	80	0.12	249	0.24	93	0.08	-	-	17	0.02
12	-	-	6	0.01	-	-	-	-	20	0.02
13	28	0.04	108	0.11	36	0.03	37	0.04	60	0.06
14	12	0.02	21	0.02	39	0.03	11	0.01	15	0.01
15	14	0.02	58	0.06	24	0.02	80	0.08	51	0.05
18	37	0.05	75	0.07	248	0.21	21	0.02	12	0.01
19	3293	4.83	8776	8.58	8008	6.67	4784	4.63	4474	4.15
20	32	0.05	174	0.17	148	0.12	63	0.06	70	0.06
21	30	0.04	54	0.05	59	0.05	20	0.02	24	0.02
22	52	0.08	881	0.86	1342	1.12	380	0.37	480	0.45
23	222	0.33	847	0.83	655	0.55	352	0.34	304	0.28
24	8	0.01	9	0.01	96	0.08	39	0.04	29	0.03
25	277	0.41	921	0.90	700	0.58	290	0.28	420	0.39
26	17	0.02	49	0.05	215	0.18	37	0.04	136	0.13
27	155	0.23	352	0.34	455	0.38	166	0.16	284	0.26
28	7	0.01	101	0.10	78	0.06	170	0.16	306	0.28
29	1014	1.49	1296	1.27	1769	1.47	1528	1.48	1285	1.19
30	606	0.89	1138	1.11	1284	1.07	1296	1.25	2004	1.86
31	56	0.08	101	0.10	222	0.18	6	0.01	40	0.04
32	20	0.03	25	0.02	45	0.04	22	0.02	17	0.02
33	462	0.68	700	0.68	1982	1.65	499	0.48	991	0.92
34	144	0.21	1057	1.03	319	0.27	319	0.31	513	0.48
35	360	0.53	544	0.53	513	0.43	836	0.81	364	0.34
36	295	0.43	365	0.36	537	0.45	298	0.29	374	0.35
37	424	0.62	1516	1.48	911	0.76	1291	1.25	1250	1.16
38	787	1.16	1071	1.05	1447	1.21	1416	1.37	1360	1.26
39	1085	1.59	1206	1.18	2103	1.75	1817	1.76	2206	2.05
40	226	0.33	373	0.36	151	0.13	91	0.09	454	0.42
41	27	0.04	72	0.07	55	0.05	42	0.04	123	0.11
42	55	0.08	52	0.05	95	0.08	54	0.05	73	0.07
43	5931	8.71	7058	6.90	5415	4.51	7389	7.15	6842	6.35
44	1001	1.47	1328	1.30	2049	1.71	2291	2.22	2294	2.13
45	1802	2.65	2899	2.83	2349	1.96	2464	2.38	3349	3.11
46	383	0.56	610	0.60	654	0.54	489	0.47	650	0.60
47	582	0.85	1189	1.16	1648	1.37	1130	1.09	1663	1.54
48	696	1.02	1498	1.46	2120	1.77	2053	1.99	3376	3.13
49	2300	3.38	3295	3.22	4008	3.34	4521	4.37	6102	5.66
50	27	0.04	118	0.12	30	0.02	88	0.09	344	0.32
51	2912	4.27	4925	4.81	4074	3.39	2791	2.70	1218	1.13
52	436	0.64	3302	3.23	7428	6.19	3113	3.01	4012	3.71
53	4	0.01	30	0.03	33	0.03	24	0.02	69	0.06
54	32	0.05	206	0.20	190	0.16	222	0.21	380	0.35
55	6	0.01	13	0.01	17	0.01	22	0.02	38	0.04
56	1	-	3	-	29	0.02	16	0.01	31	0.03
59	590	0.87	214	0.21	838	0.70	591	0.57	1535	1.42
60	1506	2.21	1797	1.76	1853	1.54	1956	1.89	2184	2.03
61	4010	5.88	4063	3.97	4112	3.43	3951	3.82	4014	3.71
62	186	0.27	191	0.19	261	0.22	372	0.36	342	0.32
63	1553	2.28	2342	2.29	2904	2.43	2130	2.07	2239	2.07
64	137	0.20	244	0.24	543	0.45	224	0.22	292	0.27
65	33726	40.51	43401	42.44	54301	45.24	50020	48.39	47395	43.96
Total	68123	100.00	102285	100.00	120033	100.00	103378	100.00	107819	100.00
Index	100.00		150.15		176.20		151.75		158.27	

(direct + indirect) requirements are given in Table 5.5. In both the Tables percentage share of each of the sectors in the aggregate demand of the respective year is also given.

As the year 1961-62 is a peace-time year it can be regarded as a normal year. Accordingly the change indicated by a particular sector in terms of percentage share of the total expenditure is studied with respect to the share for the year 1961-62. The sectors are grouped according to the trend pattern of their shares in aggregate demand over the years.

From Table 5.4 it is observed that the direct indigenous requirements amounted to Rs. 681.23 crores in 1961-62, Rs. 1022.85 crores in 1962-63 and Rs. 1200.33 crores in 1963-64 showing a rise of about 50 per cent and 76 per cent respectively over the year 1961-62. However in the year 1964-65, the requirements declined to Rs. 1033.78 crores and again increased to Rs. 1078.19 crores in 1965-66 indicating rise of about 58 per cent over 1961-62. Thus it may be noted that the direct indigenous commodity requirements are relatively higher during the years 1963-64 and 1965-66 on account of mobilization and war efforts.

The behaviour of aggregates of total (direct + indirect) requirements is mostly the same as shown by the direct requirements. The total requirements valued Rs. 1143.45 crores in 1961-62 and rose by 46 per cent and 71 per cent in the years

Table 5.5 : Indigenous (Direct + Indirect) Requirements of the Government (Rs. Lakhs)

Sector No.	1961-62		1962-63		1963-64		1964-65		1965-66	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1	65	0.06	206	0.12	112	0.06	126	0.07	114	0.06
2	256	0.22	603	0.36	725	0.37	619	0.36	790	0.45
3	13	0.01	70	0.04	70	0.04	45	0.03	86	0.05
4	363	0.32	801	0.48	1129	0.58	1040	0.61	1002	0.57
5	132	0.12	320	0.19	371	0.19	146	0.09	246	0.14
6	25	0.02	36	0.02	55	0.03	75	0.04	188	0.11
7	103	0.09	293	0.18	372	0.19	363	0.21	303	0.17
8	-	-	-	-	-	-	4	-	14	0.01
9	67	0.06	101	0.06	70	0.04	86	0.05	69	0.04
10	3	-	6	-	4	-	2	-	2	-
11	98	0.09	290	0.17	139	0.07	42	0.02	60	0.03
12	-	-	6	-	-	-	-	-	20	0.01
13	688	0.60	1184	0.71	1034	0.53	1259	0.74	949	0.54
14	25	0.02	52	0.03	64	0.03	34	0.02	41	0.02
15	14	0.01	58	0.03	24	0.01	80	0.05	51	0.03
16	-	-	1	-	1	-	1	-	2	-
18	38	0.03	78	0.05	257	0.13	22	0.01	12	0.01
19	4876	4.26	11145	6.67	10509	5.36	7039	4.12	6648	3.78
20	32	0.03	175	0.10	149	0.08	63	0.04	70	0.04
21	33	0.03	60	0.04	66	0.03	25	0.01	31	0.02
22	574	0.50	2107	1.26	2593	1.32	1181	0.69	1257	0.71
23	222	0.19	847	0.51	655	0.33	352	0.21	304	0.17
24	9	0.01	11	0.01	99	0.05	41	0.02	31	0.02
25	4780	4.18	6738	4.03	7980	4.07	6969	4.08	6800	3.87
26	172	0.15	300	0.18	501	0.26	294	0.17	410	0.23
27	156	0.14	355	0.21	458	0.23	168	0.10	286	0.16
28	14	0.01	111	0.07	91	0.05	184	0.11	325	0.18
29	1479	1.29	2116	1.27	2701	1.38	2388	1.40	2461	1.40
30	610	0.53	1145	0.69	1292	0.66	1303	0.76	2013	1.14
31	99	0.09	220	0.13	340	0.17	68	0.04	109	0.06
32	22	0.02	30	0.02	50	0.03	25	0.01	20	0.01
33	589	0.52	1014	0.61	2665	1.36	774	0.45	1381	0.79
34	1188	1.04	2650	1.59	2110	1.08	1800	1.05	2214	1.26
35	429	0.38	695	0.42	661	0.34	966	0.57	493	0.28
36	361	0.32	482	0.29	688	0.35	412	0.24	510	0.29
37	553	0.48	1780	1.07	1233	0.63	1531	0.90	1526	0.87
38	2133	1.87	2876	1.72	3529	1.80	3222	1.89	3261	1.85
39	1244	1.09	1455	0.87	2385	1.22	2064	1.21	2485	1.41
40	4162	3.64	5462	3.27	6502	3.32	5926	3.47	6005	3.41
41	103	0.09	211	0.13	193	0.10	176	0.10	263	0.15
42	57	0.05	55	0.03	98	0.05	58	0.03	78	0.04
43	12103	10.58	15005	8.98	15400	7.85	16610	9.73	15592	8.86
44	1091	0.95	1452	0.87	2227	1.14	2481	1.45	2491	1.42
45	7795	6.82	11589	6.94	12595	6.42	11327	6.63	12146	6.91
46	1784	1.56	2786	1.67	3167	1.62	2744	1.61	3379	1.92
47	1491	1.30	2401	1.44	3010	1.53	2309	1.35	2871	1.63
48	1095	0.96	2046	1.22	2748	1.40	2596	1.52	3954	2.25
49	2453	2.15	3541	2.12	4318	2.20	4835	2.84	6516	3.70
50	174	0.15	314	0.19	239	0.12	278	0.16	571	0.32
51	2961	2.59	5008	3.00	4142	2.11	2838	1.66	1238	0.70
52	486	0.43	3645	2.18	8186	4.17	3439	2.01	4437	2.52
53	12	0.01	44	0.03	45	0.02	32	0.02	75	0.04
54	35	0.03	221	0.13	204	0.10	238	0.14	407	0.23
55	6	0.01	14	0.01	18	0.01	23	0.01	39	0.02
56	1	-	3	-	33	0.02	18	0.01	35	0.02
57	-	-	1	-	1	-	1	-	1	-
59	612	0.54	225	0.13	871	0.44	616	0.36	1593	0.92
60	3984	3.48	5078	3.04	5367	2.74	5262	3.09	5607	3.19
61	8889	7.77	10299	6.17	11172	5.70	10657	6.25	10928	6.22
62	4089	3.58	6489	3.88	7464	3.80	6162	3.61	6123	3.49
63	5594	4.89	7036	4.21	7998	4.07	6983	4.10	7215	4.11
64	177	0.15	306	0.18	614	0.31	284	0.17	352	0.20
65	33726	29.49	43401	25.98	54301	27.69	50020	29.31	47395	26.95
Total	114345	100.00	167044	100.00	196095	100.00	170726	100.00	175895	100.00
Index	100.00		146.09		171.49		149.31		153.83	

1962-63 and 1963-64, amounting to Rs. 1670.44 crores and Rs. 1960.95 crores respectively. However these declined to Rs. 1707.26 crores in 1964-65 and again rose to Rs. 1758.95 crores in 1965-66, indicating rise of about 54 per cent over the year 1961-62.

Ratio of Total to Direct Demand of the
Indigenous Purchases of the Government
during the years 1961-62 to 1965-66

Item	1961-62	1962-63	1963-64	1964-65	1965-66
1. Total Demand (Rs. Lakhs)	11,43,45	16,70,44	19,60,95	17,07,26	17,58,95
2. Direct Demand (Rs. Lakhs)	6,81,23	10,22,85	12,00,33	10,33,78	10,78,19
3. Total/Direct	1.68	1.63	1.63	1.65	1.63

Taking into consideration the ratio of the total to direct requirements of indigenous purchases, it is observed to be more or less stable at about 1.64 over the period. Thus overall sectoral composition of direct and total requirements were more or less stable during these years. It may be noted that for 'All Ministries' the ratio is only 1.56 rather than 1.64 as for these indigenous purchases, by D.G.S. & D. and Government.

C : Trends in the Direct Government Demand for Selected Commodities

In the following we look at the trend in the direct Government expenditure of important commodities over the four

years, covered by our study. These are given in the Table 5.6, where the figures for 1962-63 are given in lakhs of rupees, while for 1963-64, 1964-65 and 1965-66 are given the index number of real expenditure on commodities, with 1962-63 as base. These figures are given in the row marked (a). In the rows marked (b), we have given for comparison the figure for total indigenous expenditure as reported by D.G.S. & D. Its relationship with the figures in (a) is discussed above in detail, but suffice it to say here that these do not contain any figures for imports and also no hypothetical estimates for under-reporting, etc. where an exact data were not available, as figures in (a) contain. On the other hand, figures in (b) also do contain some particular purchases of other agencies than Central Government, through the Directorate General of Supplies and Disposals. Thus, those in figure (b) are subject to unknown errors in either direction, while the figure (a)s are subject to the errors of hypothetical estimation for under-reporting and referred to total expenditure rather than only the indigenous one. For figure (b) the index number for the year 1961-62 is also included.

As was pointed out before, the most important expenditure of the Government is on Construction (65). It will be seen that under the impact of defence preparations and development this increased at a very fast rate in 1962-63 and 1963-64; but then, in real terms, it suddenly became less and it further decreased in 1965-66. This behaviour is inexpli-

Table 5.6 : Trends in the Direct Government Demand for Selected Commodities

Sector		1961-62	1962-63	1963-64	1964-65	1965-66	
1	Fertilizers	a)	-	5282	107.52	116.98	160.07
		b)	-	109	10.09	28.44	19.27
5	Preserved Food Products	a)	-	125	146.40	147.20	200.80
		b)	-	-	-	-	-
9	Grain Mill Products	a)	-	3688	120.47	238.58	135.03
		b)	96.00	25	8.00	20.00	24.00
13	Miscellaneous Food Products	a)	-	308	136.04	132.79	179.87
		b)	25.93	108	33.33	34.26	55.56
19	Cotton Textiles	a)	-	1119	225.11	147.72	77.56
		b)	37.52	8776	91.25	54.51	50.98
29	Paper and Paper Products	a)	-	795	141.00	126.29	137.86
		b)	78.24	1296	136.50	117.90	99.15
30	Printing and Stationery	a)	-	1138	112.83	113.88	176.10
		b)	53.25	1138	112.83	113.88	176.10
34	Basic Industrial Chemicals	a)	-	214	130.84	189.25	257.94
		b)	13.62	1057	30.18	30.18	48.53
38	Petroleum Refinery Products	a)	-	2766	157.19	170.93	222.74
		b)	73.48	1071	135.11	132.21	126.98
43	Cement	a)	-	657	96.96	126.33	133.94
		b)	84.03	7058	76.72	104.69	96.94
45	Iron and Steel	a)	-	372	95.97	123.39	140.59
		b)	62.16	2899	81.03	84.99	115.52
46	Non-Ferrous Basic Metals	a)	-	1004	122.41	69.62	100.00
		b)	62.79	610	107.21	80.16	106.56
47	Metal Products	a)	-	435	127.59	88.05	145.06
		b)	48.95	1189	138.60	95.04	139.87
48	Non-Electrical Machinery	a)	-	1669	189.04	180.65	183.16
		b)	46.46	1498	141.52	137.05	225.37
49	Electrical Machinery	a)	-	4938	149.35	158.14	178.68
		b)	69.80	3295	121.64	137.21	185.19
51	Rail Road Equipment	a)	-	11044	93.06	107.40	110.88
		b)	59.13	4925	82.72	56.67	24.73
52	Motor Vehicles	a)	-	2482	184.89	196.54	168.21
		b)	13.20	3302	224.95	94.28	121.50
53	Other Transport Equipment	a)	-	3800	232.34	174.68	190.74
		b)	13.33	30	110.00	80.00	230.00
54	Scientific Instruments	a)	-	654	91.74	176.61	131.35
		b)	15.53	206	92.23	107.77	184.47
59	Miscellaneous Industrial Products	a)	-	2523	267.38	157.67	196.91
		b)	275.70	214	391.59	276.17	717.29
60	Electricity	a)	-	1797	103.12	108.85	121.54
		b)	83.81	1797	103.12	108.85	121.54
61	Coal	a)	-	4063	101.21	97.24	98.79
		b)	98.70	4063	101.21	97.24	98.79
62	Agriculture	a)	-	18251	124.16	125.88	141.61
		b)	97.38	191	136.65	194.76	179.06
63	Railway Transport	a)	-	2342	124.00	90.95	95.60
		b)	66.31	2342	124.00	90.95	95.60
64	Road Transport	a)	-	244	222.54	91.80	119.67
		b)	56.15	244	222.54	91.80	119.67
65	Construction	a)	-	43401	125.11	115.25	109.20
		b)	77.51	43401	125.11	115.25	109.20
Total		a)	-	120069	133.18	130.00	132.70
		b)	66.60	102285	117.35	101.07	105.41

a) = All Ministries Demand (Indigenous + Imported).

b) = Central Government and Other Purchases through D.G.S. & D. (Indigenous).

cable, especially in view of the fact that just in 1963 a special ten-year plan for defence preparedness was made ready and there is a general tendency found in all the planning that the expenditure in the last years of the plan is always more than in the early years. This can only be explained by the fact that a big increase in the prices during 1963-64, in spite of the bumper crop in 1964, put all the Government schemes out of the gear, and it started cutting down all expenditures where it could and construction expenditure seemed to be the most obvious to 'come under the axe'.

Next in importance is the expenditure on Rail Road Equipment (51), which shows a big increase in 1962-63 and then almost a stabilization to the new level. This is in consonance with the understanding of the Railway Ministry of the burden that it may have to carry for defence and development in future. Then we have a very fast continuous increase in the expenditure on Machinery - both Electrical (49) and Non-Electrical (48) - as well as in Transport Equipment (53), though it may be noted in this context that the share of indigenous expenditure has been rather on the lower side.

Though there is a continuous increase in the direct expenditure of Electricity (60) that on Coal (61) seems to have reached a stable level and it looks as if the events of the quinquennium were not able to induce Government to

increase the consumption of one of India's most abundant resources.

The demand for transport shows wide fluctuations. It increased by about 50 per cent in 1962-63 over the previous year, then another 24 per cent and then it showed a decline of about 25 per cent before stabilizing. This can be well explained by the increased activities of the Government in 1962-63 and 1963-64 and then a sudden decrease in its activities from 1964-65 onwards, as pointed out above. But it might be worth remembering that any less utilization of the Railway facility which is already created, though may save Government expenditure on revenue account does not save, *pari passu*, a national factor of production, which remains idle, and so does not become a national saving in real sense which can be directed to other activities. We shall discuss this later, but at the moment we should make a note of it.

D : Trends in the Total (Direct + Indirect) Government Demand

Total (direct + indirect) requirements of all the Ministries together and that of indigenous purchases are given in Tables ^{5.2}5.5 and ^{5.5}5.6 respectively. In order to see whether the movement of the main items in the two were similar or dissimilar, certain items of the total direct and indirect Government demands from the two methodologies 'A' and 'B' discussed above, are presented in Table 5.7. There are some items which in direct demands of both types, are

Table 5.7 : Trends in the Total (Direct + Indirect) Government Demand for Selected Commodities

Sector		1961-62	1962-63	1963-64	1964-65	1965-66
1	Fertilizers	a)	5733	108.40	117.76	159.08
	b)	31.55	206	54.37	61.17	55.34
5	Preserved Food Products	a)	289	210.38	144.64	184.43
	b)	41.25	320	115.94	45.62	76.87
9	Grain Mill Products	a)	3783	121.02	236.21	136.08
	b)	66.34	101	69.30	85.15	68.32
13	Miscellaneous Food Products	a)	1570	137.64	134.20	177.90
	b)	58.11	1184	87.33	106.33	80.15
19	Cotton Textiles	a)	2647	169.97	134.15	106.65
	b)	43.75	111.45	94.29	63.16	59.65
25	Saw Mill Products	a)	6359	125.44	112.22	110.39
	b)	70.94	6738	118.43	103.43	100.92
38	Petroleum Products	a)	4467	146.52	150.32	184.33
	b)	74.17	2876	122.71	112.03	113.39
40	Fire Bricks	a)	5076	125.32	115.50	109.61
	b)	76.20	5462	119.04	108.50	109.94
4	Machine Tools	a)	1226	241.52	317.05	162.32
	b)	45.32	801	140.95	129.84	125.09
45	Iron and Steel Products	a)	10881	121.62	120.21	119.65
	b)	67.26	11589	108.68	97.74	104.81
46	Non-Ferrous Basic Metals	a)	4128	128.59	113.98	129.02
	b)	64.03	2786	113.68	98.49	121.28
47	Metal Products	a)	1698	120.55	107.71	125.36
	b)	62.10	2401	125.36	96.17	119.58
48	Other Machinery	a)	2186	173.51	167.52	168.76
	b)	53.52	2046	134.31	126.88	193.26
49	Electrical Machinery	a)	5330	149.81	158.89	177.73
	b)	69.27	3541	121.94	136.54	184.02
43	Cement	a)	8498	123.17	116.27	111.23
	b)	80.66	15005	102.63	110.70	103.91
51	Rail Road Equipment	a)	11229	93.05	107.40	110.88
	b)	59.13	5008	82.71	56.67	24.72
52	Motor Vehicles	a)	2747	184.64	196.10	168.04
	b)	13.33	3645	224.58	94.35	121.73
53	Other Transport Equipment	a)	3973	231.34	174.18	190.13
	b)	27.27	44	102.27	72.73	170.45
54	Scientific Instruments	a)	699	91.70	176.39	131.47
	b)	15.84	221	92.31	107.69	184.16
29	Paper and Paper Products	a)	1551	140.23	125.40	153.26
	b)	69.90	2116	127.65	112.85	116.30
30	Printing and Stationery	a)	1143	113.04	114.00	176.12
	b)	53.28	1145	112.84	113.80	175.81
34	Basic Industrial Chemicals	a)	1766	154.25	135.33	158.44
	b)	44.83	2650	79.62	67.92	83.55
59	Miscellaneous Industrial Products	a)	2622	266.59	157.55	196.72
	b)	272.00	225	387.11	273.78	708.00
60	Electricity	a)	5078	114.14	114.51	123.38
	b)	78.46	5078	105.69	103.62	110.42
61	Coal	a)	8855	111.08	105.96	107.71
	b)	86.31	10299	108.48	103.48	106.11
62	Agriculture	a)	29510	125.58	136.06	138.85
	b)	63.01	6489	115.03	94.96	94.36
63	Rail Transport	a)	6521	116.16	101.46	104.25
	b)	79.51	7036	113.67	99.25	102.54
64	Road Transport	a)	481	174.84	113.10	129.11
	b)	57.84	306	200.65	92.81	115.03
65	Construction	a)	43401	125.11	115.25	109.20
	b)	77.71	43401	125.11	115.25	109.20
Total	a)		189523	131.42	128.46	129.60
	b)	68.45	167044	117.39	102.20	105.30

a) = All Ministries Demand (Indigenous + Imported).

b) = Central Government and Other Purchases through D.G.S. & D. (Indigenous).

taken from the same source and are therefore identically equal. They are Construction (65), Railway Transport (64), Road Transport (63), Coal (61), Electricity (60) and Printing and Stationery (30). Though the comparison of these percentage changes is strictly not meaningful because of the year to year changing coverage of the indigenous purchase statistics, it may be revealing of certain broad tendencies wherever it can be compared. Percentage changes in the total perhaps reveal the effect of changing coverage, as the total direct and indirect demands of Government increase by about one-third in 1963-64 and remains constant in the next two years. However, the indigenous purchases revealed by D.G.S. & D.'s data rise only 17 per cent in 1963-64 and then in the later years go down almost the same level as 1962-63. Now this may be either due to a decreasing coverage of D.G.S. & D. in the last two years, and on account of increasing proportion of imports in the D.G.S. & D.'s purchases.

Looking at individual commodities, we see that the trends for total (a) and indigenous purchases (b) in case of Construction (65), Railway Transport (63), Coal (61), Printing and Stationery (30) are very similar. It may be noted that all these industries are the ones for which there is a correspondence in the direct demand also, but it also implies that indirect demands of other industries have not affected them in any significant manner.

There are two other industries in which there is a correspondence in direct demand but which show very different trends for the total demand. They are Electricity (60) and Road Transport (64). It is significant that while the total direct demand of Electricity and Road Transport increased much more swiftly for the total purchases than for indigenous purchases, that for Coal and Railway Transport increased at the same rate. It is significant when it is remembered that more complicated modern productions are more often electricity based than Coal based and depend more on Road Transport rather than on Rail Transport. This gives an inkling that during the three years after 1962-63, proportionately more products of modern industry were used by the Government than were purchased indigenously through D.G.S. & D.

This result is substantiated further when we look into the industries like Petroleum Products (38), Machine Tools (4), Metal Products (47), Iron and Steel (45), Non-Ferrous Basic Metals (46), Industrial Chemicals (34). In case of all of these the rate of growth of total requirements for purchases of all Ministries is higher than that of total requirements in the indigenous purchases. Though some such differences can be discussed from looking at the direct demands themselves, such glaring differences in their requirements become evident only when we look at total direct and indirect demands of these commodities from these two particular sources. To these must be added Electrical Machinery (49)

and Other Machinery (48) in which it was quite high upto 1964-65, but was caught up in 1965-66 only.

The above analysis throws light on a very significant chapter of India's industrial history if it is remembered that these are the same industries in which a lot of unutilized capacity was developed in 1964-65 and afterwards. It looked as if the demand had dried up, and now we observe that a lot of demand of these industries was transferred from indigenous to foreign sources. We can only speculate about the causes which led to this. One might be the general nervousness of the Government planners after the set-back in China's skirmishes in 1962, when they decided to purchase the best, which, according to them, was available only outside the country. Or it may be that because of the urgency the foreign exchange control on Government purchases was slackened, allowing lots of items, which would have been debarred otherwise from being imported because of the thorough foreign exchange control and examination, to be imported. Or it may be that the whole planning was being done with developmental purposes in view, and the capacities that were being created in those industries were for those items which were for use of immediate development goals rather than for defence preparedness, and this immediate change in emphasis made all that capacity created with so much effort during the Second Five Year Plan period as not useful for the purpose, and alternatively new goods had to be imported which could

not have been produced in the country. This third type of phenomena escapes our attention in the present classification scheme, as even the 1965 commodity classification is too aggregative to catch it.

CHAPTER VIREGIONAL IMPACT OF GOVERNMENT EXPENDITURE

Balanced development of different regions of the country was one of the major aims of the planned economic development of India. It was recognized that "Development of regions and of the national economy as a whole have to be viewed as parts of a single process. The progress of the national economy will be reflected in the rate of growth realised by different regions and, in turn, greater development of resources in the regions must contribute towards accelerating the rate of progress for the country as a whole."¹

During the period of Second Plan regional aspects were tackled through suitable plans of State Governments i.e., special programmes for backward areas and the policy of dispersed developed^{ment} of industries, so as to prepare ground for development of other related fields. Similarly under the Third Plan also, "provision was made for extensive opportunity for the development of different regions of the country". The size as well as the pattern of the State plans were worked out to reduce disparities of development between different States.

In spite of Government attempts to reduce the

¹ Planning Commission, Government of India. Third Five Year Plan, 1961, p. 153.

disparities of income in different regions (States) of India, the different regions are at the varying levels of development on account of mainly the historical factors leading to concentration of industries in few port regions, and partly due to other factors like soil, climatic conditions and other natural resources.

In the context of economic development and the objective of balanced regional development, the role of Government policy is well appreciated. But so far the Government policy has been merely confined to direct measures for achieving this objective such as encouraging entrepreneurs to establish industries in backward region by offering them concessions, providing social overheads, finances etc., and by giving preference to the claims of backward areas while locating some of the public sector undertakings. Even while issuing the licences, due regard is paid to the establishment of industries in backward regions wherever the initiative is forthcoming. However these direct measures have not been wholly successful in attaining the objectives. Some of the direct measures depend on private initiative which is not easily forthcoming at least from these regions and further the direct measures are also likely to arouse public dissent. It is little realised that Government, being a bulk consumer of the products of industries, can also help stimulate demand in backward regions, by adopting a suitable purchase policy so that wherever possible, purchases are carried out in the backward regions.

The Taxation Enquiry Commission (1953-54) observed that, "A certain measure of territorial or regional redress of inequalities is a conspicuous feature of Indian public expenditure." The Commission further stated that, "This redistributive process takes place both directly through the redistribution of Central expenditure regionally or indirectly through the division of shared taxes on the basis of population and by way of larger grants-in-aid to the more backward or financially weaker States."² It is evident from this quotation that the Commission was referring to total public expenditure which includes both the transfer expenditure and the expenditure on goods and services. The transfer type of expenditure involves merely transfer of purchasing power from one agency to the other. The expenditure on goods and services, stimulates effective demand not only of those goods and services which are used as inputs in the process of production. It is in the case of transfer expenditure that Government deliberately takes steps to redress inequalities. The ability to attain the same objective also through commodity expenditure is little appreciated.

It is in this context that an attempt is made here to study the relationship between the level of development of the region (State) and the pattern and level of direct and

² Government of India. Report of the Taxation Enquiry Commission 1953-54, Vol. 1, p. 42.

total (direct + indirect) demand generated by Government expenditure, in different States. We examine whether Government commodity purchases do anything to correct regional disparities or unwillingly accentuates these disparities by concentrating their purchases in most developed regions.

The Directory of Government Purchases, published by the Director General of Supplies and Disposals, gives in the appendix the commoditywise details of the purchases. It gives values of stores for which orders were placed by the D.G.S. & D. and other State Government Departments during the respective years according to small scale (cottage) and factory sector and imports separately. The data are available according to the Statewise location of supplies and source of manufacture. Subject to the limitations discussed in Chapter III, the data can serve as an important means to study the regional pattern of Government purchases. Government purchases from factory sector and small scale sector are studied separately, and the imports are excluded from the scope of present study.

The breakdown of the commodity purchases for the years 1961-62 to 1965-66 with respect to all the States and 'Union Territories' are aggregated according to the sectors of the Input-Output Table (65 x 65) for 1963. In case of small scale sector since separate Input-Output Table was not available, the same Table has been used for the purpose of estimating total (direct + indirect) demand.

The direct requirements and the aggregates of total (direct + indirect) requirements are given separately for small scale and factory sectors, for all the States and 'Union Territories'. In order to study the relationship between the level of economic development attained by the respective States, and the level and pattern of demands generated by Government expenditure, the States are arranged in the descending order on the basis of their economic development. The criterion used for this purpose is per capita income of respective States in the year 1960-61.

From the Table 6.1 it is observed that the distribution of human population and the net domestic product is not uniform. The regions like Madhya Pradesh and Rajasthan which cover about 14.2 per cent and 11.0 per cent of the total geographical area have about 7.4 per cent and 4.6 per cent of total population and contribute about 6.3 per cent and 3.7 per cent to the total net domestic product, ^{respectively.} On the other hand there are certain regions like West Bengal, Madras and Uttar Pradesh which cover only 2.8 per cent, 4.2 per cent, 9.4 per cent of the total geographical area, cover about 8.0 per cent, 7.7 per cent and 16.8 per cent of the total population and generate 11.0 per cent, 7.7 per cent and 15 per cent of the total net domestic product respectively. The other regions like Maharashtra and Andhra Pradesh cover about 9.9 per cent and 8.8 per cent of the total geographical area and about 9 per cent and 8.2 per cent of the total population

Table 6.1 : Distribution of Area, Population, Net Domestic Product etc. by States

States	Area Sq.Miles '000	Percen- tage	Population (Lakhs) (1961)	Percen- tage	Density Per Sq.Mile (1961)	Working Force (Lakhs) (1961)	Percen- tage	Working Force Population	Net Domestic Product (Rs.Crores)	Percen- tage	Per Capita Income (Rs.)
Union Territories	40	3.3	68	1.16	1.7	29	1.5	42.6	372	2.6	552
Maharashtra	119	9.9	396	9.0	3.3	189	10.1	47.7	1853	12.6	469
West Bengal	34	2.8	349	8.0	10.3	116	6.1	33.2	1623	11.0	465
Punjab	47	3.9	203	4.6	4.3	71	3.8	35.0	916	6.3	451
Gujarat	72	6.0	206	4.7	2.9	85	4.5	41.3	812	5.5	393
Madras	50	4.2	337	7.7	6.7	154	8.2	45.7	1125	7.7	334
Assam	47	3.9	119	2.7	2.5	51	2.7	42.9	396	2.7	333
Kerala	15	1.2	169	3.9	11.3	56	3.0	33.1	532	3.6	315
Mysore	74	6.2	236	5.4	3.2	107	5.7	45.3	719	4.9	305
Uttar Pradesh	114	9.4	737	16.8	6.5	289	15.3	39.2	2193	15.0	297
Jammu and Kashmir	55	4.6	36	0.8	0.6	15	0.8	41.7	103	0.7	289
Andhra Pradesh	106	8.8	360	8.2	3.4	187	9.9	51.9	1033	7.1	287
Madhya Pradesh	171	14.2	324	7.4	1.9	169	9.0	52.1	924	6.3	285
Orissa	60	5.0	175	4.0	2.9	77	4.1	44.0	485	3.3	276
Rajasthan	132	11.0	202	4.6	1.5	96	5.1	47.5	539	3.7	267
Bihar	67	5.6	465	10.6	6.9	192	10.2	41.3	1025	7.0	221
All India (Total)	1203	100.0	4382	100.0	3.6	1883	100.0	43.0	14653	100.0	335

Source : National Council of Applied Economic Research, New Delhi. Distribution of National Income by States. 1965.

and about 12.6 per cent and 7.1 per cent of the total net national income indicating thereby lower differences in the respective shares of area, population and national income.³ The regions like Uttar Pradesh and Bihar cover about 16.8 per cent and 10.6 per cent of the total population, the ratio of working force to the population comes out to 39.2 per cent and 41.3 per cent of the population respectively.

Per capita income of different regions also shows a wide range. 'Union Territories' has highest per capita income - about two and a half times that of Bihar. The high per capita income of Union Territories (especially Delhi) is on account of its relatively lower dependence on agriculture and allied activities than on manufacturing and other services. Similarly the regions like Maharashtra and West Bengal also indicate higher per capita income because of their lower dependence on agriculture and allied activities as compared to that on manufacturing sector. The regions like Rajasthan and Bihar show their higher dependence on agriculture and allied activities as compared to manufacturing sector and hence have a lower per capita income.⁴

Looking at the direct requirements of the Government (Table 6.2) it will be observed that about 75 per cent to

3 Distribution of National Income by States 1960-61.
New Delhi: National Council of Applied Economic Research,
1965, pp. 5-7.

4 Ibid., p. 9.

Table 6.2 : Direct Demand - Regional Purchases at 1963-64 Constant Prices (Rs. Lakhs)

State	Non-Factory Sector					Factory Sector					TOTAL				
	1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66
Union Territories	103 (8.12)	234 (7.57)	422 (10.71)	250 (10.99)	353 (13.66)	3468 (10.88)	3060 (7.59)	4458 (9.05)	3318 (8.15)	3791 (7.80)	3571 (10.77)	3294 (7.59)	4880 (9.17)	3568 (8.30)	4144 (8.10)
Maharashtra	294 (23.19)	551 (17.83)	790 (20.05)	482 (21.20)	364 (14.08)	7901 (24.78)	12509 (31.04)	17954 (36.44)	12592 (30.92)	15544 (32.00)	8195 (24.72)	13060 (30.10)	18744 (35.23)	13074 (30.41)	15908 (31.09)
West Bengal	303 (23.90)	706 (22.85)	972 (24.67)	549 (24.14)	512 (19.81)	11946 (37.47)	14170 (35.18)	15912 (32.30)	14291 (35.10)	16426 (33.81)	12249 (36.95)	14876 (34.29)	16684 (31.73)	14840 (34.52)	16938 (33.11)
Punjab	232 (18.30)	653 (21.13)	993 (25.20)	291 (12.80)	617 (23.87)	629 (1.97)	1021 (2.53)	997 (2.02)	505 (1.24)	799 (1.64)	861 (2.60)	1674 (3.86)	1990 (3.74)	796 (1.85)	1416 (2.77)
Gujarat	50 (3.94)	103 (3.33)	35 (0.89)	31 (1.36)	55 (2.13)	463 (1.45)	562 (1.39)	600 (1.22)	559 (1.37)	1510 (3.11)	513 (1.55)	665 (1.53)	635 (1.19)	590 (1.37)	1565 (3.06)
Madras	17 (1.34)	26 (0.84)	69 (1.75)	93 (4.09)	52 (2.01)	1765 (5.54)	2343 (5.81)	2316 (4.70)	2750 (6.75)	2950 (6.07)	1782 (5.38)	2369 (5.40)	2385 (4.48)	2843 (6.61)	3002 (5.87)
Assam	-	4 (0.13)	3 (0.08)	1 (0.04)	4 (0.15)	339 (1.06)	412 (1.02)	400 (0.81)	609 (1.50)	425 (0.87)	339 (1.02)	416 (0.96)	403 (0.76)	610 (1.42)	429 (0.84)
Kerala	11 (0.87)	58 (1.88)	32 (0.81)	14 (0.62)	23 (0.89)	104 (0.33)	187 (0.46)	147 (0.30)	187 (0.46)	216 (0.44)	115 (0.35)	245 (0.56)	179 (0.34)	201 (0.47)	239 (0.47)
Mysore	6 (0.47)	7 (0.23)	25 (0.63)	9 (0.40)	10 (0.39)	934 (2.93)	1154 (2.86)	1620 (3.29)	1215 (2.98)	1249 (2.57)	940 (2.84)	1161 (2.68)	1645 (3.09)	1224 (2.85)	1259 (2.46)
Uttar Pradesh	216 (17.03)	612 (19.81)	518 (13.15)	423 (18.60)	480 (18.57)	1704 (5.34)	3195 (7.93)	2465 (5.00)	1930 (4.74)	1724 (3.55)	1920 (5.79)	3807 (8.77)	2983 (5.61)	2353 (5.47)	2204 (4.31)
Jammu and Kashmir	-	2 (0.06)	1 (0.03)	-	-	60 (0.19)	110 (0.27)	61 (0.12)	55 (0.14)	64 (0.13)	60 (0.18)	112 (0.26)	62 (0.12)	55 (0.13)	64 (0.13)
Andhra Pradesh	1 (0.08)	3 (0.10)	9 (0.23)	22 (0.97)	22 (0.85)	481 (1.51)	300 (0.74)	807 (1.64)	933 (2.29)	1049 (2.16)	482 (1.45)	303 (0.70)	816 (1.53)	955 (2.22)	1071 (2.09)
Madhya Pradesh	1 (0.08)	6 (0.19)	12 (0.30)	31 (1.36)	43 (1.66)	611 (1.92)	433 (1.07)	276 (0.56)	620 (1.52)	902 (1.86)	612 (1.85)	439 (1.01)	288 (0.54)	651 (1.51)	945 (1.85)
Orissa	-	-	5 (0.13)	7 (0.31)	12 (0.46)	283 (0.89)	189 (0.48)	403 (0.83)	640 (1.57)	768 (1.58)	283 (0.85)	189 (0.44)	408 (0.77)	647 (1.50)	780 (1.52)
Rajasthan	20 (1.58)	68 (2.21)	49 (1.24)	20 (0.88)	7 (0.27)	141 (0.44)	298 (0.75)	115 (0.23)	92 (0.23)	167 (0.35)	161 (0.49)	366 (0.84)	164 (0.31)	112 (0.26)	174 (0.33)
Bihar	14 (1.10)	57 (1.84)	5 (0.13)	51 (2.24)	31 (1.20)	1053 (3.30)	352 (0.88)	734 (1.49)	422 (1.04)	995 (2.06)	1067 (3.21)	409 (0.95)	739 (1.39)	473 (1.11)	1026 (2.00)
Total	1268 (100.00)	3090 (100.00)	3940 (100.00)	2274 (100.00)	2585 (100.00)	31882 (100.00)	40295 (100.00)	49265 (100.00)	40718 (100.00)	48579 (100.00)	33150 (100.00)	43385 (100.00)	53205 (100.00)	42992 (100.00)	51164 (100.00)
Index	100.00	243.69	310.73	179.34	203.86	100.00	126.39	154.52	137.71	152.37	100.00	130.87	160.50	129.69	154.34

Source: 'Directory of Government Purchases'

Table 6.2.1 : Government Purchases in 'Union Territories' at 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	-	-	-	-	3	-	-	-	-	-
3	8	-	1	3	7	-	-	1	-	-
4	28	8	35	49	56	-	-	-	-	-
6	-	-	15	40	112	-	-	-	-	-
9	-	2	52	87	64	-	-	-	-	-
11	-	-	-	-	1	-	-	-	-	-
13	53	80	215	110	187	-	-	-	-	-
14	-	-	8	-	-	-	-	-	-	-
15	-	-	-	6	-	-	-	-	-	-
18	-	1	3	6	5	-	-	-	-	-
19	193	790	859	126	273	6	110	240	103	125
20	-	-	1	-	-	-	15	1	1	1
21	-	2	7	-	-	7	-	-	-	-
22	1	12	35	7	8	-	4	41	11	6
23	38	15	16	5	1	37	42	28	16	5
25	14	140	105	61	47	10	2	12	6	11
26	3	37	90	6	9	5	8	12	20	6
27	37	9	9	1	14	-	1	1	-	39
28	-	1	5	5	10	-	1	1	9	16
29	10	7	40	24	23	1	-	-	-	10
31	10	7	-	-	-	5	-	-	1	-
32	-	1	1	-	2	-	-	6	4	2
33	40	34	51	16	23	7	-	2	6	1
34	43	122	28	27	52	-	-	2	-	-
35	34	50	80	94	50	-	-	-	-	-
36	1	1	7	2	9	-	1	1	1	-
37	30	29	41	39	62	4	16	9	20	27
38	429	198	284	164	103	-	-	-	-	-
39	-	9	2	3	6	-	-	-	-	-
41	1	4	10	5	9	-	-	-	-	-
42	5	4	13	8	13	-	-	-	-	-
43	1261	649	727	746	510	-	-	-	-	-
44	119	114	126	225	252	-	-	-	-	-
45	1	12	27	20	80	-	-	-	-	12
46	15	3	8	21	26	-	-	-	-	-
47	80	73	230	57	63	3	15	22	15	24
48	447	139	491	520	699	1	-	10	3	12
49	408	156	435	511	461	4	7	8	10	22
50	-	-	-	19	-	-	-	-	-	-
51	51	249	59	56	50	-	2	1	4	-
52	41	59	155	127	263	2	-	1	-	-
53	-	1	1	2	1	-	-	-	-	-
54	32	16	24	20	29	3	9	3	10	9
55	5	1	1	7	5	-	-	-	-	-
56	1	-	-	-	6	8	-	-	-	-
59	39	4	152	55	164	-	1	20	10	25
62	1	21	9	38	33	-	-	-	-	-
Total	3468	3060	4458	3318	3791	103	234	422	250	353

Source : Directory of Government Purchases.

Table 6.2.2 : Government Purchases in the State of Maharashtra in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	31	2	14	5	14	-	-	-	-	-
4	154	116	166	242	300	-	1	1	-	1
6	-	-	1	-	6	-	-	-	-	-
9	-	5	3	1	5	-	-	-	-	-
11	37	23	11	-	16	-	-	-	-	-
13	23	95	41	74	51	-	-	-	-	-
14	1	-	1	-	-	-	-	-	-	-
15	-	-	-	-	2	-	-	-	-	-
18	-	1	3	1	1	-	-	-	-	-
19	777	2036	1838	1014	557	166	308	277	305	212
20	-	18	3	-	3	-	3	-	-	-
21	-	1	1	1	1	6	5	1	-	-
22	122	226	158	107	115	57	37	324	8	4
23	3	59	32	-	-	-	-	13	-	20
24	-	-	3	-	-	-	-	-	-	-
25	20	68	30	13	97	2	-	-	1	1
26	4	20	42	2	10	-	5	4	2	8
27	29	23	7	8	2	-	-	-	7	-
28	-	19	18	39	101	1	2	2	-	-
29	143	216	298	266	161	3	3	1	4	9
31	23	5	20	-	-	-	-	2	1	10
32	2	1	1	6	1	-	2	1	1	-
33	126	178	166	140	362	2	2	10	15	3
34	83	123	70	81	137	1	3	5	5	6
35	24	6	11	9	37	-	1	1	2	-
36	55	127	120	47	104	3	11	18	17	3
37	173	381	266	359	417	11	58	13	20	26
38	1879	1051	2093	1743	2114	1	-	-	-	-
39	-	79	97	118	190	-	-	-	-	-
41	14	8	8	5	61	-	1	-	-	-
42	7	3	3	4	11	-	-	-	-	-
43	621	3421	2993	2915	2948	-	-	-	-	-
44	503	588	1052	861	915	-	1	4	1	1
45	29	141	206	265	779	-	1	1	1	1
46	366	128	137	175	125	-	4	3	1	-
47	253	173	323	271	327	19	15	13	24	5
48	431	238	371	381	746	4	29	39	23	20
49	451	375	582	661	1084	3	20	21	8	14
50	119	32	25	24	86	-	-	-	-	-
51	178	200	262	289	117	7	28	24	18	12
52	654	2233	6090	2149	2776	-	-	3	1	-
53	1	6	16	7	11	-	-	-	-	-
54	31	42	58	115	233	-	1	1	1	-
55	60	5	10	10	16	-	1	-	-	-
56	1	1	1	1	17	-	-	-	-	-
59	106	35	302	183	488	8	9	8	16	8
62	14	1	1	-	-	-	-	-	-	-
Total	7901	12509	17954	12592	15544	294	551	790	482	364

Source : Directory of Government Purchases.

Table 6.2.3 : Government Purchases in the State of West Bengal in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	11	4	7	9	25	-	-	-	2	-
4	10	25	164	158	225	-	-	-	-	-
6	-	-	-	-	5	-	-	-	-	-
11	34	32	-	-	-	-	-	-	-	-
13	7	31	12	31	52	-	-	-	-	-
15	-	-	-	10	-	-	-	-	-	-
18	37	73	242	14	5	-	-	-	-	-
19	901	1277	1479	1054	2632	66	191	142	105	116
21	-	6	2	1	1	8	8	1	1	-
22	2	94	123	84	83	16	112	441	105	87
23	65	306	203	64	76	6	16	1	27	74
25	51	42	226	47	47	4	-	-	1	9
26	8	20	-	31	18	3	10	3	9	11
27	27	-	32	1	4	-	1	14	-	-
28	-	30	16	65	126	6	1	4	8	5
29	558	638	726	721	620	1	-	1	3	18
31	3	2	37	-	1	1	12	28	3	13
32	6	4	8	3	4	1	3	7	4	3
33	287	258	1599	258	451	29	54	70	24	27
34	62	102	64	78	112	-	1	-	2	5
35	163	373	226	277	141	-	-	-	-	-
36	122	108	234	118	145	29	4	36	38	10
37	255	584	423	689	546	25	22	9	8	4
38	432	258	416	497	514	-	-	-	-	1
39	-	24	24	65	74	-	-	-	-	-
41	12	23	28	17	38	-	1	1	1	1
42	35	7	15	67	114	-	-	-	-	1
43	817	1055	208	1099	626	-	-	-	-	-
44	123	347	180	396	393	1	1	2	-	-
45	553	498	1410	2097	2748	-	4	13	2	5
46	336	224	196	204	398	-	1	3	-	2
47	1620	1570	607	441	630	21	45	26	39	21
48	607	382	860	795	1159	1	4	8	4	8
49	1685	2029	2357	2128	2362	4	4	27	22	13
50	4	17	4	40	254	-	-	-	1	1
51	2419	3382	3174	2144	882	77	206	129	120	55
52	197	261	424	440	464	-	-	-	4	-
53	-	1	1	4	37	-	-	-	1	2
54	28	30	39	40	76	1	-	-	7	2
55	1	1	2	2	4	-	-	-	-	-
56	2	1	2	-	-	-	-	-	-	-
59	463	51	142	102	334	3	5	6	8	18
62	3	-	-	-	-	-	-	-	-	-
Total	11946	14170	15912	14291	16426	303	706	972	549	512

Source : Directory of Government Purchases.

Table 6.2.4 : Government Purchases in the State of Punjab in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	-	-	-	-	1	-	-	1	-	-
4	1	1	14	9	42	-	-	-	-	-
6	-	-	-	-	21	-	-	-	-	-
9	-	-	4	1	-	-	-	-	-	-
11	-	35	-	-	-	-	-	-	-	-
13	3	13	4	3	8	-	-	-	-	-
14	1	-	6	-	44	-	-	-	-	-
15	-	-	11	53	-	-	-	-	-	-
17	-	9	-	-	-	-	-	-	-	-
19	450	642	499	132	102	220	634	917	238	495
20	-	15	27	2	-	8	4	3	-	19
21	-	-	-	-	-	1	-	-	-	-
22	1	-	1	1	1	1	1	3	3	3
23	-	-	1	-	8	-	-	-	-	2
25	13	40	10	4	9	1	-	5	3	3
26	-	10	81	21	47	-	2	14	14	45
27	1	16	-	-	-	-	-	-	-	-
28	-	-	1	-	2	1	-	-	-	-
29	15	26	23	22	16	-	-	-	-	8
32	-	-	-	-	1	-	-	-	-	-
33	-	-	1	-	5	-	-	-	-	-
34	2	6	2	3	22	-	-	-	-	-
36	-	2	3	1	13	-	-	4	1	-
37	4	2	4	4	9	-	-	1	1	3
38	-	-	2	-	3	-	-	-	-	-
39	-	-	-	-	1	-	-	-	-	-
41	-	-	-	-	1	-	-	-	-	-
42	-	-	1	-	-	-	-	-	7	-
43	95	126	132	121	77	-	-	-	-	-
44	-	-	1	-	6	-	-	-	-	-
45	-	4	2	7	44	-	-	1	-	-
46	-	-	1	-	1	-	-	-	-	-
47	13	15	60	14	28	-	4	22	10	34
48	3	2	7	5	28	-	3	7	4	1
49	14	18	35	65	126	-	-	7	6	3
50	-	-	-	-	-	-	-	-	-	-
51	6	13	15	14	14	-	3	5	-	-
52	-	-	1	4	29	-	-	-	2	-
53	-	-	-	-	3	-	-	-	-	1
54	3	3	3	7	31	-	-	-	1	-
59	4	23	42	10	55	-	2	3	1	-
62	-	-	3	2	1	-	-	-	-	-
Total	629	1021	997	505	799	232	653	993	291	617

Source : Directory of Government Purchases.

Table 6.2.5 : Government Purchases in the State of Gujarat in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
4	-	-	-	-	1	-	-	-	-	-
6	-	3	8	-	11	-	-	-	-	-
13	-	1	-	3	14	-	-	-	-	-
14	4	-	-	-	-	-	-	-	-	-
19	107	241	285	126	130	16	83	-	13	13
22	50	75	10	-	1	30	4	19	-	-
25	6	-	72	1	-	-	-	-	-	-
26	-	-	2	1	1	-	-	-	1	-
28	-	-	6	2	3	-	-	-	-	-
29	52	88	63	37	12	-	-	1	-	9
33	1	-	2	3	27	-	-	-	-	-
34	2	6	13	50	29	-	-	-	-	-
36	-	-	-	-	4	-	-	1	-	-
37	12	9	28	57	29	3	16	8	13	12
38	-	-	-	5	-	-	-	-	-	-
41	-	-	1	3	6	-	-	-	-	-
42	-	-	1	2	1	-	-	-	-	-
43	204	88	-	31	626	-	-	-	-	-
44	-	5	32	14	79	-	-	-	4	4
45	-	-	-	7	46	-	-	-	-	-
47	17	1	18	-	5	-	-	1	-	-
48	6	29	49	44	98	-	-	-	-	2
49	1	1	2	53	217	-	-	-	-	13
50	-	-	1	-	2	-	-	-	-	-
51	-	12	-	5	5	-	-	5	-	2
52	-	-	-	1	3	-	-	-	-	-
53	-	-	-	-	2	-	-	-	-	-
54	-	1	-	1	4	-	-	-	-	-
55	-	-	1	-	-	-	-	-	-	-
56	-	-	-	1	-	-	-	-	-	-
59	1	2	6	112	152	1	-	-	-	-
62	-	-	-	-	2	-	-	-	-	-
Total	463	562	600	559	1510	50	103	35	31	55

Source : Directory of Government Purchases.

Table 6.2.6 : Government Purchases in the State of Madras in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	1	3	5	3	4	-	-	-	-	-
4	11	4	12	23	11	-	-	-	-	-
6	-	1	-	-	-	-	-	-	-	-
9	-	-	-	2	-	-	-	-	-	-
11	-	11	-	2	-	-	-	-	-	-
13	3	18	2	7	32	-	-	-	5	1
14	1	-	6	2	4	-	-	-	-	-
19	197	244	249	233	66	10	12	27	19	13
20	-	-	1	-	-	-	-	-	-	-
21	-	4	6	-	3	-	-	-	-	-
22	-	65	56	28	106	-	2	2	2	8
23	-	-	2	2	2	-	-	6	2	1
25	17	4	5	8	18	-	-	-	1	-
26	-	12	4	2	9	-	-	-	-	-
27	1	7	-	1	-	-	-	-	-	-
28	-	1	1	3	5	-	-	-	-	8
29	7	2	80	61	53	-	-	-	1	-
31	1	1	6	-	-	-	-	3	-	1
32	-	-	6	1	-	-	-	2	5	2
33	11	13	8	24	71	-	1	-	1	-
34	8	24	23	37	42	-	1	-	-	-
35	9	-	6	55	15	-	-	-	1	-
36	6	18	14	13	19	1	-	-	10	-
37	35	6	33	26	28	-	-	1	-	1
38	187	100	134	86	107	-	-	-	-	-
39	-	25	47	32	83	-	-	-	-	-
41	1	-	2	2	2	-	-	-	-	-
42	12	10	25	6	7	-	1	1	-	-
43	716	924	428	980	1008	-	-	-	-	-
44	206	211	327	392	275	1	-	-	-	-
45	9	14	19	41	96	-	-	-	-	-
46	81	47	48	36	15	-	-	1	-	-
47	40	46	41	76	75	3	4	13	7	6
48	22	20	39	62	149	-	-	-	1	1
49	48	123	110	275	233	-	2	4	24	5
51	50	33	84	35	22	-	1	7	12	4
52	57	337	433	158	202	-	-	1	-	-
53	2	3	5	5	5	-	-	-	-	-
54	16	3	6	17	33	1	-	-	-	-
55	1	1	-	1	12	-	-	-	-	-
56	-	4	-	-	-	-	2	-	-	-
59	8	4	43	13	138	1	-	1	2	1
62	1	-	-	-	-	-	-	-	-	-
Total	1765	2343	2316	2750	2950	17	26	69	93	52

Source : Directory of Government Purchases.

Table 6.2.7 : Government Purchases in the State of Assam in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
13	-	-	-	1	-	-	-	-	-	-
22	-	-	-	1	-	-	-	1	-	2
25	76	147	33	18	25	-	1	-	-	1
27	-	46	3	15	-	-	-	-	-	-
28	-	-	-	-	1	-	-	1	-	1
33	-	-	-	1	1	-	-	-	-	-
37	-	-	2	1	1	-	-	-	-	-
38	263	173	321	499	382	-	-	-	-	-
44	-	45	41	64	-	-	-	-	-	-
45	-	-	-	-	9	-	-	-	-	-
46	-	-	-	1	-	-	-	-	-	-
47	-	-	-	-	-	-	3	1	-	-
48	-	1	-	1	-	-	-	-	-	-
49	-	-	-	1	-	-	-	-	1	-
51	-	-	-	-	6	-	-	-	-	-
52	-	-	-	6	-	-	-	-	-	-
Total	339	412	400	609	425	-	4	3	1	4

Source : Directory of Government Purchases.

Table 6.2.8 : Government Purchases in the State of Kerala in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	1	-	-	-	-	-	-	-	-	-
4	-	-	-	1	2	-	-	-	-	-
9	-	-	-	1	-	-	-	-	-	-
13	2	6	5	15	19	-	-	-	-	-
19	2	29	9	10	7	-	-	-	-	-
22	-	-	2	1	2	2	46	22	2	7
23	-	-	1	-	-	-	-	-	-	-
25	20	84	26	15	40	3	-	-	1	8
26	4	12	3	-	3	-	3	4	6	7
27	10	5	4	-	-	-	-	-	-	-
28	-	-	-	1	1	1	-	-	-	-
29	18	7	12	13	15	-	-	-	-	-
33	5	2	7	3	1	-	-	2	1	-
34	13	14	7	9	11	-	-	-	-	-
35	-	-	3	-	-	-	-	-	-	-
37	-	3	1	1	9	-	2	-	-	1
38	-	-	-	-	1	-	-	-	-	-
41	-	-	1	-	-	-	-	-	-	-
42	-	-	-	1	2	-	-	-	-	-
43	-	1	1	-	11	-	-	-	-	-
45	-	-	-	-	12	-	-	-	-	-
46	-	-	-	1	-	-	-	-	-	-
47	1	2	1	1	5	-	-	1	-	-
48	-	-	-	-	2	-	-	-	-	-
49	28	18	32	77	53	-	-	1	4	-
50	-	4	-	2	-	-	-	-	-	-
51	-	-	-	2	-	-	-	-	-	-
52	-	-	13	3	2	-	-	-	-	-
54	-	-	19	-	17	-	6	1	-	-
55	-	-	-	1	-	-	-	-	-	-
59	-	-	-	29	1	5	1	1	-	1
62	-	-	-	-	-	-	-	-	-	-
Total	104	187	147	187	216	11	58	32	14	23

Source : Directory of Government Purchases.

Table 6.2.9 : Government Purchases in the State of Mysore in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	-	1	-	-	-	-	-	-	-	-
4	215	360	560	454	278	-	-	-	-	-
6	-	-	-	2	2	-	-	-	-	-
9	-	-	-	1	-	-	-	-	-	-
13	-	-	3	9	7	-	-	-	-	-
14	7	3	3	5	5	-	-	-	-	-
19	55	276	91	19	70	1	-	23	5	2
22	1	5	7	2	4	-	-	1	-	1
23	-	-	-	1	-	-	-	-	-	-
25	28	63	140	74	67	-	-	-	-	-
26	-	2	7	3	2	-	-	-	-	-
27	1	-	-	-	1	-	-	-	-	-
28	-	1	3	6	2	-	-	-	-	-
29	33	32	153	88	103	-	-	-	-	-
33	-	1	1	3	4	-	-	-	-	-
34	1	4	5	14	3	-	-	-	-	-
35	-	-	1	-	1	-	-	-	-	-
36	-	1	3	1	-	-	-	-	1	-
37	10	2	7	10	6	5	7	-	1	6
38	1	3	5	11	17	-	-	-	-	-
39	-	-	-	-	1	-	-	-	-	-
41	-	-	-	1	-	-	-	-	-	-
42	3	3	7	2	3	-	-	-	-	-
43	233	126	179	256	118	-	-	-	-	-
44	-	-	-	1	2	-	-	-	-	-
45	5	46	88	9	92	-	-	-	-	-
46	2	1	-	2	8	-	-	-	-	-
47	7	3	7	17	14	-	-	1	1	1
48	3	11	15	13	26	-	-	-	1	-
49	271	107	182	177	354	-	-	-	-	-
51	54	83	86	3	5	-	-	-	-	-
52	2	13	18	3	5	-	-	-	-	-
53	-	1	6	5	-	-	-	-	-	-
54	-	5	3	8	26	-	-	-	-	-
55	-	-	1	-	-	-	-	-	-	-
56	-	-	25	12	-	-	-	-	-	-
59	2	1	14	3	23	-	-	-	-	-
Total	934	1154	1620	1215	1249	6	7	25	9	10

Source : Directory of Government Purchases.

Table 6.2.10 : Government Purchases in the State of Uttar Pradesh in 1963-64 Prices (Rs.Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	-	-	-	-	17	-	-	-	-	-
3	-	-	-	-	2	-	-	-	1	-
4	1	7	7	15	4	-	-	1	-	-
6	-	6	-	3	-	-	-	-	-	-
9	-	8	133	-	213	-	-	-	-	-
11	9	134	82	-	-	-	-	-	-	-
13	185	137	110	218	127	-	-	-	-	-
14	7	1	15	3	4	-	-	-	-	-
15	-	1	12	11	6	-	-	-	-	-
17	-	48	-	-	-	-	-	-	-	-
18	-	1	-	-	-	-	-	-	-	-
19	548	1274	612	358	258	18	213	224	147	219
20	-	8	-	3	1	-	-	1	2	18
21	-	4	15	-	3	-	7	11	2	1
22	-	221	195	71	100	43	23	15	50	12
23	115	218	206	124	64	101	157	117	103	40
25	11	114	76	13	20	3	-	10	3	3
26	-	7	63	2	12	2	8	11	12	13
27	10	5	10	1	1	-	7	-	4	5
28	-	2	7	4	2	2	-	1	7	10
29	52	67	96	56	35	-	-	-	2	1
31	25	18	82	17	-	2	32	14	-	11
32	-	3	6	-	1	-	3	7	1	2
33	6	-	19	2	8	2	1	5	1	1
34	5	4	14	20	17	1	-	1	-	-
35	67	39	118	166	87	-	-	-	-	-
36	16	31	45	26	51	10	31	15	21	10
37	11	33	25	19	15	1	17	6	7	17
38	-	-	1	1	1	-	-	-	-	-
41	-	1	2	-	-	-	-	-	-	-
42	-	1	2	2	10	-	-	-	1	-
43	346	205	258	238	272	-	-	-	-	-
44	-	-	2	4	3	-	-	-	-	-
45	3	17	21	25	88	-	-	6	1	-
46	2	25	12	31	18	-	-	-	1	1
47	60	72	83	49	68	8	29	36	29	33
48	4	6	18	14	58	1	5	10	8	14
49	6	3	10	126	56	-	-	-	1	2
51	191	323	63	49	19	13	72	12	9	43
52	1	2	4	4	1	-	-	-	-	-
53	-	-	-	-	1	-	-	-	-	-
54	-	1	11	7	13	-	-	1	1	2
55	-	-	-	-	1	-	-	-	-	-
59	19	11	18	8	10	9	7	14	9	22
62	4	137	12	240	57	-	-	-	-	-
Total	1704	3195	2465	1930	1724	216	612	518	423	480

Source : Directory of Government Purchases.

**Table 6.2.11 : Government Purchases in the State of Jammu and Kashmir in 1963-64 Prices
(Rs. Lakhs)**

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
13	3	18	10	20	24	-	-	-	-	-
19	6	23	1	-	-	-	2	-	-	-
25	51	65	46	14	32	-	-	-	-	-
34	-	1	-	-	-	-	-	-	-	-
37	-	2	3	-	-	-	-	-	-	-
43	-	-	-	21	8	-	-	-	-	-
44	-	-	1	-	-	-	-	-	-	-
47	-	-	-	-	-	-	-	1	-	-
49	-	1	-	-	-	-	-	-	-	-
Total	60	110	61	55	64	-	2	1	-	-

Source : Directory of Government Purchases.

Table 6.2.12 : Government Purchases in the State of Andhra Pradesh in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
4	2	2	-	23	2	-	-	-	3	-
9	-	-	33	48	25	-	-	-	-	-
13	30	5	5	14	5	-	-	-	-	-
19	24	37	35	28	16	1	2	8	7	5
20	-	-	-	1	2	-	-	-	-	-
22	-	19	19	3	6	-	-	-	2	10
25	-	-	1	-	-	-	-	-	-	-
26	-	-	1	-	1	-	-	-	1	1
28	-	5	1	10	5	-	-	-	1	-
29	35	28	108	130	98	-	-	-	-	2
33	-	-	1	-	1	-	-	-	1	-
34	-	1	8	3	8	-	-	-	-	-
35	-	1	-	-	-	-	-	-	-	-
36	-	-	1	-	-	-	-	-	-	-
37	4	7	19	17	47	-	-	-	2	1
38	-	-	-	1	1	-	-	-	-	-
39	-	-	-	1	1	-	-	-	-	-
43	344	60	84	128	256	-	-	-	-	-
44	25	65	187	249	136	-	-	-	-	-
45	-	5	8	11	35	-	-	-	-	-
46	-	-	-	1	1	-	-	-	-	-
47	-	23	49	34	38	-	-	-	-	1
48	-	-	3	13	14	-	-	-	2	-
49	2	3	7	27	25	-	-	1	-	-
50	-	-	1	-	-	-	-	-	-	-
51	1	15	84	1	-	-	1	-	-	1
52	-	-	101	117	208	-	-	-	-	-
53	-	-	-	1	4	-	-	-	1	-
54	-	1	1	7	6	-	-	-	1	1
55	1	-	-	2	-	-	-	-	-	-
59	-	4	44	54	91	-	-	-	1	-
62	13	19	6	9	17	-	-	-	-	-
Total	481	300	807	933	1049	1	3	9	22	22

Source : Directory of Government Purchases.

Table 6.2.13 : Government Purchases in the State of Madhya Pradesh in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	-	-	-	-	2	-	-	-	-	-
4	1	-	4	-	-	-	-	-	-	-
9	-	-	5	-	-	-	-	-	-	-
13	-	1	-	3	8	-	-	-	-	-
14	4	-	-	-	-	-	-	-	-	-
19	19	21	32	9	55	-	2	1	3	2
22	-	-	-	-	1	-	-	1	-	-
23	1	-	-	-	1	-	-	-	-	-
25	4	42	19	3	20	1	1	1	14	8
26	-	-	18	-	2	-	1	2	1	-
27	-	-	-	-	4	-	-	-	-	-
28	-	-	-	1	3	-	-	-	5	1
29	11	-	31	10	-	-	-	-	1	-
31	2	-	-	-	-	-	-	-	-	-
32	-	-	1	2	1	-	-	-	-	-
34	-	1	2	3	5	-	-	-	-	-
35	49	61	60	206	34	-	-	-	-	-
36	1	-	21	-	5	-	-	1	-	1
37	1	13	7	-	4	-	-	1	-	7
38	6	-	1	4	20	-	-	-	-	-
39	-	-	-	-	2	-	-	-	-	-
42	31	25	43	18	44	-	2	-	-	-
43	456	205	3	281	127	-	-	-	-	-
44	-	1	3	2	1	-	-	-	-	-
45	8	16	-	7	226	-	-	-	-	-
46	1	1	-	2	25	-	-	-	-	-
47	-	-	-	1	13	-	-	3	2	14
48	1	4	-	-	36	-	-	-	-	10
49	12	1	4	32	213	-	-	-	2	-
51	2	38	1	1	8	-	-	1	-	-
52	-	-	19	32	38	-	-	-	-	-
53	-	-	-	1	-	-	-	-	-	-
59	1	-	2	2	4	-	-	1	3	-
62	-	3	-	-	-	-	-	-	-	-
Total	611	433	276	620	902	1	6	12	31	43

Source : Directory of Government Purchases.

Table 6.2.14 : Government Purchases in the State of Orissa in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
4	-	-	-	-	2	-	-	-	-	-
19	-	-	2	1	5	-	-	-	-	-
22	-	-	18	-	-	-	-	-	-	-
23	-	-	-	1	1	-	-	-	-	-
25	-	32	46	6	40	-	-	-	4	11
26	-	-	-	-	4	-	-	1	-	-
27	-	-	-	1	-	-	-	-	1	1
29	77	81	96	84	73	-	-	-	-	-
33	-	-	-	-	3	-	-	-	-	-
34	-	-	-	-	17	-	-	-	-	-
36	-	-	-	-	1	-	-	-	2	-
37	-	-	-	-	1	-	-	-	-	-
38	-	-	2	1	3	-	-	-	-	-
41	2	-	-	6	-	-	-	-	-	-
42	110	10	16	12	225	-	-	-	-	-
43	1	1	163	447	128	-	-	-	-	-
44	-	2	6	13	7	-	-	-	-	-
45	79	8	38	56	193	-	-	-	-	-
46	-	-	1	1	17	-	-	-	-	-
47	2	1	-	3	14	-	-	-	-	-
48	-	-	2	-	16	-	-	-	-	-
49	-	-	3	2	11	-	-	-	-	-
51	12	54	10	6	1	-	-	4	-	-
52	-	-	-	-	2	-	-	-	-	-
54	-	-	-	-	3	-	-	-	-	-
56	-	-	-	-	1	-	-	-	-	-
Total	283	189	403	640	768	-	-	5	7	12

Source : Directory of Government Purchases.

Table 6.2.15 : Government Purchases in the State of Rajasthan in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
4	-	-	-	-	1	-	-	-	-	-
9	-	1	3	-	-	-	-	-	-	-
13	11	1	2	1	-	-	-	-	-	-
19	16	3	10	4	2	3	66	44	7	3
22	-	2	3	-	-	7	-	1	1	-
25	-	-	1	-	-	-	-	-	-	-
26	-	-	1	-	-	-	-	-	-	-
28	-	-	-	1	-	-	-	-	-	-
29	1	4	-	-	-	-	-	-	-	-
34	-	-	-	1	1	-	1	-	-	-
35	-	1	-	-	-	-	-	-	-	-
37	-	-	1	-	-	-	-	-	-	-
38	1	-	1	2	3	-	-	-	-	-
41	-	-	-	1	-	-	-	-	-	-
42	-	-	-	1	9	-	-	-	-	-
43	-	2	1	1	-	-	-	-	-	-
44	-	1	-	-	1	-	-	-	-	-
45	-	-	15	1	6	-	-	-	-	-
46	2	13	17	10	5	-	-	-	-	-
47	2	9	3	1	5	1	-	1	5	1
48	14	13	12	13	18	-	-	2	-	-
49	87	102	23	41	103	-	1	1	7	1
51	1	143	3	5	7	-	-	-	-	-
52	-	-	2	1	-	-	-	-	-	2
54	-	-	10	1	5	-	-	-	-	-
59	6	1	6	-	1	9	-	-	-	-
62	-	2	1	7	-	-	-	-	-	-
Total	141	298	115	92	167	20	68	49	20	7

Source : Directory of Government Purchases.

Table 6.2.16 : Government Purchases in the State of Bihar in 1963-64 Prices (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
3	-	-	1	-	-	-	-	-	-	-
4	2	-	30	-	5	-	-	-	-	-
13	1	1	2	-	-	-	-	-	-	-
19	12	1	3	-	8	7	21	-	3	-
22	-	12	-	-	-	4	14	-	-	2
23	-	-	29	-	1	-	1	-	5	-
25	-	7	35	3	15	-	-	-	14	23
26	-	6	5	1	2	-	18	2	5	1
27	1	14	2	-	-	-	-	-	2	-
28	-	3	1	1	2	-	-	-	-	-
29	5	2	13	-	2	-	-	-	1	5
31	21	20	31	-	12	-	-	-	1	-
33	-	-	-	1	1	-	-	-	-	-
34	1	4	30	19	25	-	-	-	-	-
36	-	1	-	-	-	-	-	-	-	-
37	1	1	1	1	1	-	-	1	-	-
38	12	-	-	-	1	-	-	-	-	-
42	29	7	6	13	26	-	-	-	1	-
43	837	118	126	126	129	-	-	-	-	-
44	25	37	55	53	47	-	-	-	-	-
45	4	44	162	60	269	-	-	-	-	-
46	-	-	-	-	10	-	-	-	-	-
47	4	17	27	4	148	1	1	2	13	-
48	-	2	12	25	212	-	-	-	-	-
49	25	47	43	43	32	2	-	-	-	-
51	33	3	39	12	26	-	2	-	5	-
52	12	4	78	60	21	-	-	-	1	-
54	-	-	1	-	-	-	-	-	-	-
59	28	1	2	-	-	-	-	-	-	-
Total	1053	352	734	422	995	14	57	5	51	31

Source : Directory of Government Purchases.

80 per cent of the total annual purchases are met from 'Union Territories', Maharashtra, West Bengal and Punjab - the most developed regions which together account for only 23.2 per cent of the national population and 21.5 per cent of the total working force. The most under-developed States like Madhya Pradesh, Orissa, Rajasthan and Bihar together hardly contribute to 3 per cent to 6 per cent of the total purchases, while they account for 26.6 per cent of the total population and 28.4 per cent of the total working force. Taking into consideration the Government purchases from the factory sector, the first four most developed regions account for about 75 per cent to 80 per cent of the total purchases from the manufacturing sector. The four under-developed regions account hardly for 3 per cent to 6 per cent of the total annual purchases of the Government. Similarly in case of the small scale sector about 69 per cent to 81 per cent of the total small scale purchases are carried out in the four developed regions and the four under-developed regions account for 2 per cent to 5 per cent of the total purchases from the small scale sector.

It may also be noted that the purchases of the products like Prepared Food Products (5), Cotton Textiles (19), Miscellaneous Textiles (22), Footwear (23), Saw Mill Products (25), Rubber Products (33), Paints and Varnishes (36), Miscellaneous Chemical Products (37), Metal Products (47), Machinery (48 and 49), Agriculture (62), are quite common

both for small scale sector and the large scale sector; and these form a substantial portion of the total purchases of the Government. In spite of Government policy of preferential purchases from the small scale sector, the purchases from the factory sector are of very high order as compared to those from the small scale sector. Again the purchases of Cotton Textiles (19), Miscellaneous Textiles (22), Saw Mill Products (25), Chemical Products (34), Metal Products (47), Machinery (48, 49) are of very high order from the developed regions as compared to those from the under-developed regions.

In order to exclude the effect of population size, Government purchases in different regions may be divided by respective population to get per capita Government demand in various regions. Even with the use of this criterion the emerging picture is similar showing Union Territories, Maharashtra, West Bengal and Punjab with higher per capita expenditure while the backward regions like Madhya Pradesh, Orissa, Rajasthan and Bihar with lower per capita expenditure. Thus the Government purchases both in absolute and per capita terms are highly related with the level of economic development of the regions, highly developed regions ^{accounting for} ~~contributing~~ most of the Government purchases.

Looking at the total (direct + indirect) commodity requirements generated by direct purchases of the Government, we find that here also the top four regions account for about 74.14 per cent to 79.64 per cent of the total (small scale +

factory) purchases. The most backward regions like Madhya Pradesh, Orissa, Rajasthan and Bihar account for 3.10 per cent to 6.75 per cent of the total requirements of the Government. In case of the factory sector, the first four developed regions account for 74.17 per cent to 79.56 per cent of the total demand and about 69.21 per cent to 80.86 per cent of the total requirements from the small scale sector. However, the four backward regions contribute to about 3.21 per cent to 6.93 per cent of the total requirements from the factory sector and 1.66 per cent to 4.61 per cent of the total requirements from the small scale sector (Table 6.3). (6.3.1 to 6.3.16)

Thus the Government purchases are highly related with the economic development of the region so that most developed regions ^{account} contribute for most of the Government purchases. If the Government expenditure has to stimulate economic development of a backward region so as to do away the historical imbalances in economic development, deliberate attempt should be made to modify the pattern of Government purchases. Otherwise it will further accentuate the regional inequalities. The tendency of Government purchases in respect of even those commodities which Government could purchase from backward regions, is to purchase more from the developed regions. Even the products of small scale sector are also purchased more in the developed regions, as compared to those in under-developed regions. Hence it may be concluded that the

Table 6.3 : Total Demand (Direct + Indirect) - Regional Purchases at 1963-64 Constant Prices (Rs. Lakhs)

State	Non-Factory Sector					Factory Sector					TOTAL				
	1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66	1961-62	1962-63	1963-64	1964-65	1965-66
Union Territories	153 (8.42)	339 (7.67)	598 (10.58)	360 (11.14)	496 (13.54)	4947 (10.95)	4438 (7.56)	6480 (9.21)	4899 (8.36)	5518 (7.97)	5100 (10.85)	4777 (7.57)	7078 (9.31)	5259 (8.50)	6014 (8.25)
Maharashtra	418 (23.00)	777 (17.57)	1149 (20.34)	671 (20.76)	509 (13.90)	10018 (22.17)	17583 (29.96)	24448 (34.75)	17396 (29.67)	21476 (31.03)	10436 (22.20)	18360 (29.09)	25597 (33.67)	18067 (29.21)	21985 (30.17)
West Bengal	447 (24.60)	1063 (24.04)	1468 (25.98)	810 (25.06)	756 (20.64)	17670 (39.11)	21396 (36.45)	23634 (33.59)	20982 (35.79)	23606 (34.11)	18117 (38.55)	22459 (35.58)	25102 (33.02)	21792 (35.23)	24362 (33.43)
Punjab	315 (17.34)	888 (20.08)	1354 (23.96)	396 (12.25)	856 (23.37)	878 (1.94)	1441 (2.45)	1414 (2.01)	727 (1.24)	1151 (1.66)	1193 (2.54)	2329 (3.69)	2768 (3.64)	1123 (1.82)	2007 (2.75)
Gujarat	72 (3.96)	140 (3.17)	51 (0.90)	40 (1.24)	75 (2.05)	674 (1.49)	786 (1.34)	835 (1.19)	784 (1.34)	2210 (3.19)	746 (1.59)	926 (1.47)	686 (1.17)	824 (1.33)	2285 (3.13)
Madras	22 (1.21)	35 (0.79)	99 (1.75)	138 (4.27)	75 (2.05)	2504 (5.54)	3374 (5.75)	3254 (4.62)	4014 (6.85)	4313 (6.23)	2526 (5.37)	3409 (5.40)	3353 (4.41)	4152 (6.71)	4388 (6.02)
Assam	-	5 (0.11)	4 (0.07)	1 (0.03)	5 (0.14)	375 (0.83)	522 (0.89)	433 (0.62)	649 (1.11)	446 (0.64)	375 (0.80)	527 (0.83)	437 (0.57)	650 (1.05)	451 (0.62)
Kerala	14 (0.77)	85 (1.92)	44 (0.78)	18 (0.56)	33 (0.90)	149 (0.33)	271 (0.46)	214 (0.30)	279 (0.48)	323 (0.47)	163 (0.35)	356 (0.56)	258 (0.34)	297 (0.48)	356 (0.49)
Mysore	7 (0.39)	9 (0.20)	32 (0.57)	10 (0.31)	12 (0.33)	1356 (3.00)	1625 (2.77)	2289 (3.25)	1626 (2.77)	1776 (2.57)	1363 (2.90)	1634 (2.59)	2321 (3.05)	1636 (2.64)	1788 (2.45)
Uttar Pradesh	321 (17.67)	899 (20.33)	746 (13.20)	611 (18.90)	690 (18.84)	2670 (5.91)	4722 (8.04)	3846 (5.47)	3058 (5.22)	2739 (3.96)	2991 (6.36)	5621 (8.91)	4592 (6.04)	3669 (5.93)	3429 (4.71)
Jammu and Kashmir	-	2 (0.05)	1 (0.02)	-	-	88 (0.19)	170 (0.29)	97 (0.14)	93 (0.16)	108 (0.16)	88 (0.19)	172 (0.27)	98 (0.13)	93 (0.15)	108 (0.15)
Andhra Pradesh	1 (0.06)	3 (0.07)	11 (0.19)	28 (0.87)	30 (0.82)	726 (1.61)	426 (0.73)	1153 (1.64)	1321 (2.25)	1494 (2.16)	727 (1.55)	429 (0.68)	1164 (1.53)	1349 (2.18)	1524 (2.09)
Madhya Pradesh	1 (0.06)	7 (0.16)	15 (0.27)	41 (1.27)	61 (1.67)	958 (2.12)	702 (1.20)	435 (0.62)	1117 (1.91)	1332 (1.92)	959 (2.04)	709 (1.12)	450 (0.59)	1158 (1.87)	1393 (1.91)
Orissa	-	-	6 (0.11)	8 (0.25)	16 (0.43)	375 (0.83)	267 (0.45)	586 (0.83)	946 (1.61)	1054 (1.52)	375 (0.80)	267 (0.42)	592 (0.78)	954 (1.54)	1070 (1.47)
Rajasthan	26 (1.42)	90 (2.04)	65 (1.16)	26 (0.80)	8 (0.21)	210 (0.46)	453 (0.77)	171 (0.24)	132 (0.22)	239 (0.35)	236 (0.50)	543 (0.86)	236 (0.31)	158 (0.26)	247 (0.34)
Bihar	20 (1.10)	80 (1.80)	7 (0.12)	74 (2.29)	41 (1.11)	1585 (3.52)	521 (0.89)	1073 (1.52)	603 (1.02)	1426 (2.06)	1605 (3.41)	601 (0.96)	1080 (1.42)	677 (1.10)	1467 (2.02)
Total	1817 (100.00)	4422 (100.00)	5650 (100.00)	3232 (100.00)	3663 (100.00)	45183 (100.00)	58697 (100.00)	70362 (100.00)	58626 (100.00)	69211 (100.00)	47000 (100.00)	63119 (100.00)	76012 (100.00)	61858 (100.00)	72874 (100.00)
Index	100.00	243.37	310.95	177.88	201.60	100.00	129.91	155.73	129.75	153.18	100.00	134.30	161.73	131.61	155.05

Government policy of commodity purchases does not do anything to reduce the inequality, rather it accentuates it.

However several objections will be raised to above conclusion. One is that the Government cannot purchase from the region unless the commodity is available there. But it is also true that the production will not be stimulated unless demand is there. Prior demand in these regions is bound to be low as their income is low and only the Government demand which is exogenous in nature can provide some initial stimulation to the productive activities in such backward regions. After all demand and production go with each other and instead of suggesting that the pattern of Government purchases should be just reversed, we would only suggest that a deliberate effort should be made to increase share of backward regions in Government purchases slowly over time. Over the period of five years under study (1961-62 to 1965-66) such an effort is not seen.

Another objection may be that the sources of purchases do not clearly and definitely indicate sources of production of the commodities in all these cases and further the input requirements of producing a certain commodity in a particular region might be met by the commodities produced in the other regions, and hence the

indirect impact of commodity purchases might be spread over several regions.¹ But it is obvious that such indirect impact is again likely to be more in case of more industrialized regions, producing most of the commodities. In fact the regional pattern of purchases of inputs by producing industries would not at all be guided by the consideration of regional inequalities. Secondly it is assumed that in normal business transactions imports and exports of a region have to balance (a region cannot go on accumulating deficit all the time) even if some commodities are imported from other regions for supplying necessary inputs or for direct sale, some other commodities would have to be produced and exported to balance these imports, and in course of time if there is enough direct demand for a commodity the imports would get substituted by local production.

1 The study of the regional impact of indirect requirements consequent to direct requirements of a commodity in a region requires the availability of inter-regional input-output tables and any analytical framework of inter-regional analysis like linear programming models or gravity models. Such studies form a subject of research themselves. This type of research would be really very complementary in the context of the study of the impact of Government expenditure on the economy of different regions.

Table 6.3.1 : Direct and Indirect Demand of the Government in Union Territories (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	5	4	6	5	8	-	-	-	-	-
2	139	149	237	166	209	2	7	13	10	18
3	10	1	4	6	11	-	-	-	-	-
4	29	9	36	50	57	-	-	-	-	-
5	18	9	13	4	9	13	12	10	7	3
6	-	-	16	42	117	-	-	-	-	-
9	6	10	69	99	79	-	-	-	-	-
11	-	1	2	1	2	-	-	-	-	-
13	127	163	356	230	295	1	3	3	3	4
14	-	2	9	1	1	-	-	-	-	-
15	-	-	-	6	-	-	-	-	-	-
16	-	-	-	-	1	-	-	-	-	-
18	-	1	3	6	5	-	-	-	-	-
19	343	905	995	224	355	9	124	256	110	133
20	-	-	1	-	-	-	-	1	1	1
21	-	2	8	-	-	7	15	-	-	-
22	39	103	141	36	49	1	16	69	23	19
23	38	15	16	5	1	37	42	28	16	5
24	-	-	-	9	-	-	-	-	-	-
25	24	144	105	70	58	10	2	13	7	15
26	12	46	106	18	23	6	9	13	21	7
27	37	9	9	1	14	-	1	1	-	39
28	1	1	6	7	11	-	1	1	9	16
29	24	22	65	40	45	2	2	3	2	13
31	15	9	3	1	1	9	5	5	4	1
32	-	1	1	-	2	-	-	6	4	2
33	51	43	68	28	41	9	1	3	7	1
34	89	186	116	74	121	2	5	15	7	11
35	40	57	92	102	61	-	1	1	1	1
36	7	5	15	9	18	-	1	1	2	1
37	38	37	52	47	73	5	17	11	22	29
38	483	241	339	210	149	-	2	4	2	3
39	7	16	11	11	17	-	-	1	-	1
40	2	2	4	3	3	-	-	-	-	-
41	4	7	14	9	14	1	1	1	1	1
42	5	4	13	8	13	-	-	-	-	-
43	1272	659	738	766	532	-	-	-	-	-
44	128	122	136	241	270	-	-	-	-	-
45	29	25	38	56	129	-	1	1	1	14
46	146	77	163	177	187	2	5	6	6	10
47	112	102	267	89	99	4	16	24	17	26
48	467	154	514	540	722	1	1	12	4	13
49	434	166	463	543	492	4	8	9	11	24
50	3	2	2	23	2	-	-	-	-	-
51	52	253	60	57	51	-	2	1	4	-
52	47	66	173	142	292	2	-	1	-	-
53	-	2	1	2	1	-	-	-	-	-
54	34	17	26	21	31	3	10	3	11	10
55	5	1	1	7	5	-	-	-	-	-
56	1	-	-	-	7	9	-	-	-	-
59	41	4	158	57	170	-	1	21	10	26
60	108	84	105	84	82	1	4	8	4	7
61	218	139	164	151	127	1	3	5	3	5
62	156	293	459	342	392	12	20	46	28	35
63	99	65	77	70	60	-	1	3	2	2
64	2	3	4	3	4	-	-	-	-	-
Total	4947	4438	6480	4899	5518	153	339	598	360	496

Table 6.3.2 : Direct and Indirect Demand for the Government in the State of Maharashtra
(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	5	15	13	12	13	-	-	1	-	-
2	331	444	1021	572	820	11	21	28	18	10
3	36	10	36	14	27	-	-	-	-	-
4	155	119	169	245	303	-	1	1	-	1
5	20	24	37	12	25	1	1	6	2	11
6	-	1	2	-	7	-	-	-	-	-
9	6	19	13	13	18	-	1	-	-	-
11	39	26	14	3	19	-	-	-	-	-
13	92	266	185	219	222	3	9	7	6	5
14	3	3	4	3	4	-	-	-	-	-
15	-	-	-	-	2	-	-	-	-	-
18	-	1	3	1	1	-	-	-	-	-
19	913	2548	2301	1412	955	180	329	317	321	223
20	1	18	3	-	3	-	3	-	-	-
21	-	2	2	2	2	6	5	2	-	-
22	228	499	405	261	236	80	72	386	40	26
23	3	59	32	-	-	-	-	13	-	20
24	-	1	4	-	-	-	-	-	-	-
25	32	81	46	29	124	2	1	1	2	1
26	18	40	64	22	40	1	6	5	3	9
27	29	24	8	8	2	-	-	-	7	-
28	1	20	20	41	105	1	2	2	-	-
29	187	277	375	331	235	5	7	5	8	13
31	26	15	28	4	5	-	1	4	1	12
32	2	2	2	7	1	-	2	1	1	-
33	173	297	444	252	530	2	3	12	17	4
34	199	321	312	262	386	9	19	21	21	17
35	40	40	41	36	72	1	5	5	4	2
36	68	148	167	73	141	3	12	19	17	3
37	202	432	321	408	488	12	63	16	23	28
38	1948	1223	2288	1903	2303	4	5	7	5	3
39	20	102	128	147	234	1	1	2	1	1
40	5	7	15	9	14	-	-	-	-	-
41	23	25	24	22	83	-	3	1	1	1
42	7	3	3	5	12	-	-	-	-	-
43	665	3473	3085	2991	3028	-	-	-	-	-
44	539	630	1125	922	980	-	1	4	1	1
45	98	244	249	393	964	1	3	3	3	2
46	704	380	540	541	619	4	15	14	9	6
47	301	278	462	376	457	20	19	17	27	7
48	461	305	479	446	826	5	32	42	25	22
49	488	409	642	716	1172	3	21	22	9	15
50	136	44	36	34	105	-	-	-	-	-
51	181	203	266	294	119	7	28	24	18	12
52	723	2458	6702	2366	3059	-	-	3	1	-
53	2	7	17	8	12	-	-	-	-	-
54	33	45	62	123	249	-	1	1	1	-
55	60	5	10	10	16	-	1	-	-	-
56	1	1	1	1	19	-	-	-	-	-
59	111	37	313	190	506	8	9	8	17	8
60	135	340	351	310	352	6	11	12	10	8
61	179	661	675	617	696	4	7	9	7	5
62	303	641	587	442	540	36	53	122	42	31
63	83	303	309	282	318	2	4	5	3	2
64	3	7	7	6	7	-	-	1	-	-
Total	10018	17583	24448	17396	21476	418	777	1149	671	509

Table 6.3.3 : Direct and Indirect Demand of the Government in the State of West Bengal (Rs.Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	7	9	10	9	9	-	1	1	-	-
2	1584	1877	3103	1661	1616	33	83	77	57	31
3	15	7	13	14	33	-	-	-	2	-
4	12	27	166	160	227	-	-	-	-	-
5	44	91	92	26	42	3	12	18	11	29
6	-	1	2	1	6	-	-	-	-	-
9	12	26	18	23	17	-	-	1	-	-
11	38	38	6	6	6	-	-	-	-	-
13	194	414	272	353	273	4	5	7	4	4
14	3	4	5	4	5	-	-	-	-	-
15	-	-	-	10	-	-	-	-	-	-
18	38	76	251	15	5	-	-	-	-	-
19	1081	1521	1690	1288	2897	74	214	188	120	130
20	-	-	-	-	-	-	-	1	-	-
21	2	8	4	3	3	8	8	2	1	-
22	128	281	354	244	395	26	145	503	127	109
23	65	306	203	64	76	6	16	1	27	74
24	-	-	-	-	1	-	-	-	-	-
25	78	68	263	78	86	4	-	2	2	10
26	39	59	45	69	62	4	11	4	10	13
27	27	-	33	1	5	-	1	14	-	-
28	5	36	23	71	133	6	-	4	8	5
29	667	757	869	842	755	3	4	4	6	23
31	15	40	75	11	15	2	15	31	7	22
32	7	5	9	4	5	1	3	7	4	3
33	351	330	1842	331	549	33	62	79	28	32
34	298	336	395	320	451	7	15	16	12	17
35	192	422	282	327	187	3	3	6	3	2
36	163	156	280	160	187	30	6	37	40	11
37	300	653	558	766	627	29	27	15	11	6
38	578	439	605	675	703	3	7	9	5	6
39	53	82	86	141	164	1	2	3	2	1
40	24	29	46	29	29	-	1	1	1	-
41	25	47	50	43	61	1	2	2	2	2
42	36	9	17	69	116	-	-	-	-	1
43	829	1087	226	1135	662	-	-	-	-	-
44	143	384	208	436	434	1	1	2	-	-
45	658	599	162	2228	2917	1	6	2	5	7
46	1230	1199	1145	1046	1352	9	23	23	19	13
47	1766	1763	810	614	778	26	54	35	46	26
48	669	458	947	870	1238	2	7	11	6	10
49	1779	2141	2493	2251	2506	4	5	29	24	14
50	9	25	10	51	291	1	-	-	1	1
51	2460	3439	3227	2180	897	78	209	131	122	56
52	220	289	471	488	519	-	-	-	4	-
53	6	10	10	10	41	-	1	-	1	2
54	30	32	42	43	81	-	-	-	7	2
55	1	1	2	2	4	-	-	-	-	-
56	2	1	2	-	-	-	-	-	-	-
59	480	54	149	107	347	3	5	6	8	19
60	273	327	327	344	382	5	13	14	9	9
61	374	469	457	486	449	5	13	14	9	7
62	483	739	1055	642	746	28	75	160	54	55
63	172	217	214	224	208	3	7	7	5	4
64	5	8	10	7	8	-	1	1	-	-
Total	17670	21396	23634	20982	23606	447	1063	1468	810	756

Table 6.3.4 : Direct and Indirect Demand of the Government in the State of Punjab (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	1	1	1	1	1	-	1	1	-	1
2	10	16	35	18	46	1	5	15	5	14
3	-	-	-	-	1	-	-	1	-	-
4	1	1	14	9	42	-	-	-	-	-
5	1	2	3	1	5	-	1	1	-	1
6	-	-	-	-	22	-	-	-	-	-
9	-	1	4	1	1	-	-	-	-	-
11	-	36	1	2	6	-	-	-	-	-
13	9	24	12	8	15	1	4	6	2	3
14	1	-	7	2	46	-	-	-	-	-
15	-	-	11	53	-	-	-	-	-	-
17	-	9	-	-	-	-	-	-	-	-
19	482	695	552	153	118	235	666	962	250	529
20	-	15	27	2	-	8	4	3	-	19
21	-	-	-	-	-	1	-	-	-	-
22	47	66	54	16	13	23	64	94	27	53
23	-	-	1	-	8	-	-	-	-	2
25	13	42	11	5	11	1	-	5	3	3
26	1	12	83	22	50	-	3	15	14	46
27	1	16	-	-	-	-	-	-	-	-
28	-	-	1	-	2	1	-	-	-	-
29	20	34	31	26	23	1	4	6	2	12
31	-	-	-	-	1	-	-	-	-	-
32	-	-	-	-	1	-	-	-	-	-
33	-	-	2	1	8	-	-	-	-	-
34	21	38	30	14	42	8	23	33	9	19
35	1	1	1	1	2	-	1	1	-	1
36	-	3	4	2	15	-	-	4	1	-
37	5	4	5	5	11	-	-	2	1	4
38	8	12	14	8	13	2	6	10	3	6
39	1	1	1	1	4	-	1	1	-	1
40	-	-	1	-	1	-	-	-	-	-
41	-	1	2	7	4	-	-	-	-	-
42	-	-	1	-	-	-	-	-	7	-
43	95	126	132	121	78	-	-	-	-	-
44	-	-	1	-	7	-	-	-	-	-
45	1	5	4	10	54	-	-	1	1	1
46	6	9	19	19	41	-	1	6	3	5
47	16	20	66	18	36	-	5	24	11	36
48	6	7	12	7	32	1	6	12	5	4
49	15	19	37	69	135	-	-	7	6	3
50	-	-	-	-	-	-	-	-	-	-
51	6	13	15	14	14	-	3	5	-	-
52	-	-	1	4	32	-	-	-	2	-
53	-	-	-	-	3	-	-	-	-	1
54	3	3	3	7	33	-	-	-	1	-
59	4	24	43	10	57	-	2	3	1	-
60	18	27	26	15	18	6	16	24	7	14
61	21	30	32	25	26	3	8	12	4	8
62	54	113	98	38	60	22	60	93	29	65
63	10	14	15	12	12	1	4	6	2	4
64	-	1	1	-	1	-	-	1	-	1
Total	878	1441	1414	727	1151	315	888	1354	396	856

Table 6.3.5 : Direct and Indirect Demand of the Government in the State of Gujarat (Rs.Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	1	1	1	1	-	-	-	-	-	-
2	9	11	16	15	51	1	-	2	-	2
4	-	-	-	-	1	-	-	-	-	-
5	-	-	1	5	7	-	-	-	-	-
6	-	3	9	-	12	-	-	-	-	-
9	-	-	-	1	2	-	-	-	-	-
11	1	-	-	1	-	-	-	-	-	-
13	7	7	6	13	38	1	1	1	1	1
14	4	-	-	1	1	-	-	-	-	-
19	139	270	302	138	207	19	87	2	13	14
22	68	108	40	14	23	35	13	21	1	1
25	6	-	73	3	4	-	-	-	-	-
26	-	1	5	3	5	-	-	-	1	-
28	-	-	6	2	4	-	-	-	-	-
29	58	98	72	48	24	-	1	1	-	10
32	-	-	-	-	-	-	4	-	-	-
33	1	-	2	4	32	-	1	-	-	-
34	12	22	34	80	72	1	-	1	1	2
35	1	1	2	3	3	-	-	-	1	1
36	-	-	1	1	7	-	-	1	-	-
37	13	10	31	62	35	3	17	9	14	13
38	8	7	6	11	27	-	1	-	-	1
39	1	1	1	2	4	-	-	-	-	-
40	-	-	-	-	1	-	-	-	-	-
41	1	-	2	5	8	-	-	-	-	-
42	-	-	1	2	1	-	-	-	-	-
43	204	89	3	32	633	-	-	-	-	-
44	1	6	35	16	85	-	-	-	4	4
45	1	1	2	11	55	-	-	-	-	-
46	3	3	5	16	56	-	-	1	-	3
47	20	4	21	4	19	-	-	1	-	-
48	8	31	51	46	106	-	-	-	-	2
49	1	1	3	56	229	-	-	-	-	14
50	-	-	1	-	4	-	-	-	-	-
51	-	12	-	5	5	-	-	5	-	2
52	-	-	-	1	4	-	-	-	-	-
53	-	-	-	-	2	-	-	-	-	-
54	-	1	-	1	4	-	-	-	-	-
55	-	-	1	-	-	-	-	-	-	-
59	1	2	6	116	157	1	-	-	-	-
60	18	15	13	13	54	1	2	-	1	1
61	35	20	9	13	108	-	1	-	-	1
62	36	52	68	33	70	10	11	6	3	3
63	16	9	5	6	49	-	1	-	-	-
64	-	-	1	-	1	-	-	-	-	-
Total	674	786	835	784	2210	72	140	51	40	75

Table 6.3.6 : Direct and Indirect Demand of the Government in the State of Madras (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	3	3	2	4	4	-	-	-	-	-
2	54	79	122	104	125	1	2	8	8	5
3	1	4	7	4	5	-	-	-	-	-
4	12	5	12	24	12	-	-	-	-	-
5	1	1	8	2	7	-	-	4	2	1
6	-	1	-	-	-	-	-	-	-	-
9	2	2	1	6	4	-	-	-	-	-
11	-	11	1	3	1	-	-	-	-	-
13	32	49	25	78	83	-	-	-	8	2
14	1	1	7	3	5	-	-	-	-	-
19	286	364	322	361	196	11	13	29	20	14
20	-	-	1	-	-	-	-	-	-	-
21	-	4	6	-	3	-	-	-	-	-
22	28	107	94	69	139	1	3	5	4	10
23	-	-	2	2	2	-	-	6	2	1
25	19	7	7	12	23	-	-	-	1	-
26	3	15	7	7	15	-	-	-	-	-
27	1	7	-	1	-	-	-	-	-	-
28	-	1	1	4	6	-	-	-	-	8
29	13	9	95	76	71	-	-	-	2	-
31	1	1	8	1	1	-	-	4	2	2
32	-	-	6	1	-	-	-	2	5	2
33	15	30	28	36	90	-	1	-	1	-
34	33	55	63	81	100	1	2	1	2	1
35	12	4	10	60	21	-	-	-	2	-
36	8	22	19	17	24	1	-	-	10	-
37	40	10	40	34	39	-	-	1	-	1
38	217	139	165	133	156	-	-	1	1	1
39	4	30	53	38	92	-	-	-	-	-
40	1	1	2	2	2	-	-	-	-	-
41	3	2	5	6	6	-	-	-	-	-
42	12	10	25	6	7	-	1	1	-	-
43	734	942	456	1014	1032	-	-	-	-	-
44	220	225	349	419	294	1	-	-	-	-
45	15	29	20	57	117	-	-	-	-	-
46	141	113	117	134	104	-	1	3	7	2
47	55	67	61	101	105	3	4	14	9	7
48	30	33	51	76	164	-	-	-	1	1
49	52	131	118	291	248	-	2	4	25	5
50	1	2	1	2	3	-	-	-	-	-
51	51	34	85	36	22	-	1	7	12	4
52	63	371	477	174	223	-	-	1	-	-
53	2	3	5	5	5	-	-	-	-	-
54	17	3	6	18	35	1	-	-	-	-
55	1	1	-	1	12	-	-	-	-	-
56	-	5	-	-	-	-	2	-	-	-
59	8	4	45	14	143	1	-	1	2	1
60	61	78	57	91	95	-	1	1	2	1
61	124	170	118	193	221	-	-	1	1	1
62	69	110	89	124	148	1	2	4	8	5
63	57	78	54	88	101	-	-	1	1	-
64	1	1	1	1	2	-	-	-	-	-
Total	2504	3374	3254	4014	4313	22	35	99	138	75

Table 6.3.7 : Direct and Indirect Demand of the Government in the State of Assam (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
2	-	2	2	3	5	-	1	1	-	-
13	-	-	-	2	-	-	-	-	-	-
19	-	1	1	1	-	-	-	-	-	-
22	-	-	-	1	-	-	-	1	-	2
25	76	151	33	19	25	-	1	-	-	1
26	2	3	4	-	1	-	-	-	-	-
27	-	46	-	15	-	-	-	-	-	-
28	-	-	-	-	1	-	-	1	-	1
33	-	-	-	1	1	-	-	-	-	-
34	3	6	2	2	1	-	-	-	-	-
37	1	1	3	2	1	-	-	-	-	-
38	264	176	320	500	383	-	-	-	-	-
39	-	-	2	-	-	-	-	-	-	-
43	-	4	4	6	-	-	-	-	-	-
44	-	48	44	68	-	-	-	-	-	-
45	-	-	-	-	9	-	-	-	-	-
46	-	-	-	2	1	-	-	-	-	-
47	-	1	-	-	-	-	3	1	-	-
48	-	1	-	1	-	-	-	-	-	-
49	-	-	-	1	-	-	-	-	1	-
51	-	-	-	1	6	-	-	-	-	-
52	-	-	-	7	-	-	-	-	-	-
60	1	3	2	3	2	-	-	-	-	-
61	1	3	2	2	1	-	-	-	-	-
62	27	63	13	12	9	-	-	-	-	1
63	-	2	1	1	-	-	-	-	-	-
64	-	1	-	-	-	-	-	-	-	-
Total	375	522	433	649	446	-	5	4	1	5

Table 6.3.8 : Direct and Indirect Demand of the Government in the State of Kerala (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
2	3	4	4	7	10	-	1	1	-	-
3	1	-	-	1	-	-	-	-	-	-
4	-	-	-	1	2	-	-	-	-	-
9	-	-	-	2	1	-	-	-	-	-
13	3	9	9	20	26	-	-	-	-	-
19	3	31	11	12	10	-	4	1	-	1
22	1	3	4	3	3	2	51	24	2	8
23	-	-	1	-	-	-	-	-	-	-
25	21	85	27	16	41	3	-	-	1	8
26	5	14	4	1	5	-	3	4	6	7
27	10	5	4	-	-	-	-	-	-	-
28	-	-	-	1	1	1	-	-	-	-
29	20	9	14	16	18	-	-	-	-	-
33	6	2	9	4	2	-	-	2	1	-
34	17	20	11	17	17	1	1	-	-	-
35	-	-	3	1	1	-	-	-	-	-
36	-	-	-	1	-	-	-	-	-	-
37	1	4	2	2	10	-	2	-	-	1
38	1	2	2	2	4	-	-	-	-	-
39	-	-	*	1	1	-	-	-	-	-
41	-	-	1	-	-	-	-	-	-	-
42	-	-	-	1	2	-	-	-	-	-
43	-	1	1	-	11	-	-	-	-	-
45	-	-	1	1	13	-	-	-	-	-
46	6	5	10	18	15	-	1	-	1	-
47	2	3	2	3	7	-	-	1	-	-
48	-	-	1	1	3	-	-	-	-	-
49	29	19	34	81	56	-	-	1	4	-
50	-	5	-	2	-	-	-	-	-	-
51	-	-	-	2	-	-	-	-	-	-
52	-	-	14	3	2	-	-	-	-	-
54	-	-	20	-	18	-	6	1	-	-
55	-	-	-	1	-	-	-	-	-	-
59	-	-	-	30	1	5	1	1	-	1
60	2	3	2	3	4	-	1	-	-	-
61	2	2	2	3	5	-	-	-	-	-
62	15	44	20	21	32	2	-	8	3	7
63	1	1	1	1	2	-	14	-	-	-
64	-	-	-	-	-	-	-	-	-	-
Total	149	271	214	279	323	14	85	44	18	33

Table 6.3.9 : Direct and Indirect Demand of the Government in the State of Mysore (Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	1	1	1	1	1	-	-	-	-	-
2	57	79	194	62	79	-	-	-	-	-
3	-	1	-	-	-	-	-	-	-	-
4	215	360	560	454	278	-	-	-	-	-
5	-	-	1	1	1	-	-	-	-	-
6	-	-	1	2	2	-	-	-	-	-
9	-	-	1	2	1	-	-	-	-	-
11	1	1	1	1	1	-	-	-	-	-
13	7	6	12	20	15	-	1	-	-	1
14	7	3	3	5	5	-	-	-	-	-
19	85	304	120	51	91	1	-	24	5	2
22	10	35	20	8	15	-	-	3	-	1
23	-	-	-	1	-	-	-	-	-	-
25	31	65	144	77	71	-	-	-	-	-
26	4	7	16	10	8	-	-	-	-	-
27	1	-	-	-	1	-	-	-	-	-
28	1	1	4	7	3	-	-	-	-	-
29	39	38	171	99	117	-	-	-	-	-
33	2	3	4	5	7	-	-	-	-	-
34	15	24	34	33	27	-	-	1	-	-
35	1	1	2	1	2	-	-	-	-	-
36	3	4	7	4	3	-	-	-	1	-
37	12	3	10	12	9	5	7	-	1	6
38	15	17	26	28	32	-	-	-	-	-
39	3	4	6	4	7	-	-	-	-	-
40	1	1	3	1	1	-	-	-	-	-
41	1	1	1	2	1	-	-	-	-	-
42	3	3	7	2	3	-	-	-	-	-
43	233	126	179	256	118	-	-	-	-	-
44	1	1	2	3	4	-	-	-	-	-
45	31	87	65	60	128	-	-	-	-	-
46	71	45	67	60	103	-	-	-	-	-
47	16	13	21	27	24	-	-	-	-	-
48	10	20	27	22	34	-	-	1	1	1
49	291	123	207	199	380	-	-	-	1	-
50	1	-	1	1	-	-	-	-	-	-
51	55	84	87	3	5	-	-	-	-	-
52	2	14	20	3	6	-	-	-	-	-
53	-	1	6	5	-	-	-	-	-	-
54	-	5	3	9	28	-	-	-	-	-
55	-	-	1	-	-	-	-	-	-	-
56	-	-	28	14	-	-	-	-	-	-
59	2	1	15	3	24	-	-	-	-	-
60	28	29	39	33	30	-	-	-	-	-
61	47	35	57	53	37	-	-	1	-	-
62	32	62	87	57	56	1	1	2	1	1
63	21	16	27	24	17	-	-	-	-	-
64	-	1	1	1	1	-	-	-	-	-
Total	1356	1625	2289	1626	1776	7	9	32	10	12

Table 6.3.10 : Direct and Indirect Demand of the Government in the State of Uttar Pradesh
(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	3	5	5	5	22	-	-	-	-	-
2	87	144	89	57	68	9	34	25	17	29
3	-	-	-	-	2	-	-	-	1	-
4	1	7	7	15	4	-	-	1	-	-
5	46	71	103	44	18	29	61	42	29	18
6	-	7	1	3	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-	-
9	14	19	146	21	225	-	1	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	10	139	86	1	1	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-	-
13	295	222	243	406	236	2	7	5	4	4
14	8	2	17	4	5	-	-	-	-	-
15	-	1	12	11	6	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-	-
17	-	49	-	-	-	-	-	-	-	-
18	-	1	-	-	-	-	-	-	-	-
19	615	1386	699	416	317	23	228	240	160	241
20	-	8	-	3	1	-	-	1	2	18
21	-	5	15	-	3	-	7	11	2	1
22	62	377	287	126	145	50	48	40	71	36
23	115	218	206	124	64	101	157	117	103	40
24	-	-	-	-	-	-	-	-	-	-
25	13	116	78	15	22	3	1	10	4	4
26	7	17	73	11	18	3	11	13	14	14
27	10	5	10	1	1	-	7	-	4	5
28	-	2	7	4	2	2	-	1	7	10
29	64	87	115	69	44	2	4	4	5	5
30	-	-	-	-	-	-	-	-	-	-
31	38	43	107	31	8	13	50	29	12	16
32	-	4	6	-	1	-	3	7	1	2
33	9	5	25	6	11	4	4	7	3	2
34	38	71	59	49	42	4	11	13	8	13
35	76	50	131	179	97	1	3	2	2	2
36	18	34	47	28	53	10	32	15	22	11
37	13	41	30	22	18	1	19	7	8	19
38	24	35	29	25	23	1	5	4	3	4
39	3	6	4	4	4	-	1	1	1	1
40	1	2	1	1	1	-	1	-	-	-
41	2	9	8	4	2	1	2	1	1	1
42	-	1	1	2	10	-	-	-	1	-
43	346	205	258	239	272	-	-	-	-	-
44	1	1	3	5	4	-	-	-	-	-
45	6	22	5	31	95	-	1	2	2	2
46	28	72	40	85	55	2	9	6	7	10
47	80	100	105	68	84	10	36	40	32	37
48	11	18	25	20	63	1	7	12	9	16
49	7	4	12	133	60	-	-	-	1	2
50	1	1	1	1	1	-	-	-	-	-
51	194	328	64	50	19	13	73	12	9	44
52	1	2	5	4	1	-	-	-	-	-
53	1	1	-	-	1	-	-	-	-	-
54	-	1	12	7	14	-	-	1	1	2
55	-	-	-	-	1	-	-	-	-	-
56	-	-	-	-	-	-	-	-	-	-
57	-	-	-	-	-	-	-	-	-	-
58	-	-	-	-	-	-	-	-	-	-
59	20	11	19	8	10	9	7	14	9	23
60	47	68	52	43	42	3	10	9	7	9
61	74	72	69	58	62	2	8	7	5	7
62	244	596	491	584	446	21	47	44	41	39
63	35	36	34	30	31	1	4	3	3	3
64	2	5	4	5	4	-	-	-	-	-
65	-	-	-	-	-	-	-	-	-	-
Total	2670	4722	3846	3058	2739	321	899	746	611	690

Table 6.3.11 : Direct and Indirect Demand of the Government in the State of Jammu and Kashmir
(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
2	-	1	-	-	-	-	-	-	-	-
9	-	1	1	1	1	-	-	-	-	-
13	4	23	13	26	30	-	-	-	-	-
19	6	24	1	2	1	-	2	-	-	-
22	-	2	-	-	-	-	-	-	-	-
25	51	65	46	14	32	-	-	-	-	-
26	1	2	1	1	1	-	-	-	-	-
34	2	4	2	1	1	-	-	-	-	-
35	-	1	-	-	1	-	-	-	-	-
37	-	3	4	-	-	-	-	-	-	-
38	1	1	1	1	1	-	-	-	-	-
43	-	-	-	21	8	-	-	-	-	-
44	-	-	1	-	-	-	-	-	-	-
47	-	1	-	1	1	-	-	1	-	-
49	-	1	-	-	-	-	-	-	-	-
60	1	2	1	2	1	-	-	-	-	-
61	1	1	1	3	2	-	-	-	-	-
62	21	37	25	18	27	-	-	-	-	-
63	-	1	-	2	1	-	-	-	-	-
Total	88	170	97	93	108	-	2	1	-	-

Table 6.3.12 : Direct and Indirect Demand of the Government in the State of Andhra Pradesh

(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	1	-	1	1	1	-	-	-	-	-
2	4	17	65	38	47	-	-	-	1	1
3	-	-	-	-	1	-	-	-	-	-
4	2	2	-	23	2	-	-	-	3	-
5	-	-	2	2	4	-	-	-	-	-
9	2	-	34	49	26	-	-	-	-	-
11	-	-	1	1	1	-	-	-	-	-
13	46	10	12	25	19	-	-	-	-	-
19	62	48	54	52	51	1	2	8	8	6
20	-	-	-	1	2	-	-	-	-	-
22	6	26	27	9	12	-	-	1	3	12
25	-	-	2	1	2	-	-	-	-	-
26	1	-	2	2	3	-	-	-	1	1
28	-	5	1	10	5	-	-	-	1	-
29	39	31	121	145	112	-	-	-	-	2
33	-	-	6	5	10	-	-	-	1	-
34	7	7	28	26	35	-	-	-	1	-
35	1	2	1	1	3	-	-	-	-	-
36	-	-	3	2	2	-	-	-	-	-
37	5	8	22	21	53	-	-	-	2	1
38	11	4	10	12	15	-	-	-	-	-
39	-	1	2	3	3	-	-	-	-	-
40	-	-	1	1	1	-	-	-	-	-
41	-	1	1	2	2	-	-	-	-	-
43	346	66	100	150	268	-	-	-	-	-
44	27	69	200	266	146	-	-	-	-	-
45	-	6	6	20	45	-	-	-	-	-
46	2	5	17	18	20	-	-	-	-	-
47	5	25	56	40	46	-	-	-	-	1
48	2	1	6	16	19	-	-	-	2	-
49	2	3	8	30	27	-	-	1	-	-
50	1	-	1	-	1	-	-	-	-	-
51	1	15	85	1	-	-	1	-	-	1
52	-	-	111	129	229	-	-	-	-	-
53	-	-	-	1	4	-	-	-	1	-
54	-	1	1	7	6	-	-	-	1	1
55	1	-	-	2	-	-	-	-	-	-
59	-	4	45	56	94	-	-	-	1	-
60	23	8	17	21	27	-	-	-	-	-
61	54	14	28	35	52	-	-	-	-	-
62	50	40	62	80	73	-	-	1	2	4
63	25	7	13	16	24	-	-	-	-	-
64	-	-	1	1	1	-	-	-	-	-
Total	726	426	1153	1321	1494	1	3	11	28	30

Table 6.3.13 : Direct and Indirect Demand of the Government in the State of Madhya Pradesh

(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	2	1	-	2	1	-	-	-	-	-
2	8	19	4	11	87	-	-	1	2	6
3	-	-	-	-	2	-	-	-	-	-
4	1	-	4	-	-	-	-	-	-	-
5	1	-	-	-	1	-	-	-	-	-
9	3	3	8	9	2	-	-	-	-	-
11	1	-	-	-	-	-	-	-	-	-
13	46	51	45	157	39	-	-	-	-	1
14	4	-	-	-	-	-	-	-	-	-
19	69	45	37	45	74	-	2	2	3	2
20	-	-	-	-	-	-	-	1	-	-
22	9	7	6	13	10	-	-	-	-	-
23	1	-	-	-	1	-	-	-	-	-
25	4	42	19	4	23	1	1	1	14	8
26	1	2	19	3	5	-	1	2	1	-
27	-	-	-	-	4	-	-	-	-	-
28	-	-	-	1	4	-	-	-	5	1
29	13	1	34	12	3	-	-	-	1	-
31	2	-	-	-	-	-	-	-	-	-
33	-	-	2	4	4	-	-	-	-	-
34	7	7	8	9	17	-	-	-	1	1
35	51	63	63	212	36	-	-	-	-	-
36	1	-	21	1	7	-	-	1	-	1
37	1	14	8	1	5	-	-	1	-	8
38	21	9	5	17	33	-	-	-	-	-
39	1	1	1	1	8	-	-	-	-	-
40	-	-	-	-	2	-	-	-	-	-
41	1	-	-	-	1	-	-	-	-	-
42	31	25	43	18	44	-	2	-	-	-
43	456	205	3	281	127	-	-	-	-	-
44	-	1	4	2	2	-	-	-	-	-
45	9	17	1	9	234	-	-	-	-	1
46	6	6	2	12	90	-	-	-	1	2
47	7	6	3	10	21	-	-	3	2	14
48	4	6	1	3	40	-	-	-	-	10
49	13	1	4	34	224	-	-	-	2	-
50	1	-	-	1	-	-	-	-	-	-
51	2	39	1	1	8	-	-	1	-	-
52	-	-	21	35	42	-	-	-	-	-
53	-	-	-	1	-	-	-	-	-	-
59	1	-	2	2	4	-	-	1	3	-
60	31	17	5	22	25	-	-	-	-	1
61	73	36	6	48	38	-	-	-	-	1
62	43	60	52	113	47	-	1	1	6	4
63	33	17	3	22	17	-	-	-	-	-
64	-	1	-	1	-	-	-	-	-	-
Total	958	702	435	1117	1332	1	7	15	41	61

Table 6.3.14 : Direct and Indirect Demand of the Government in the State of Orissa

(Rs. Lakhs)

Input- Output- Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	-	-	1	1	1	-	-	-	-	-
2	25	20	49	21	59	-	-	1	-	-
4	-	-	-	-	2	-	-	-	-	-
9	-	-	-	1	-	-	-	-	-	-
13	1	1	5	11	5	-	-	-	-	-
19	2	2	31	50	21	-	-	-	-	-
20	-	-	18	-	-	-	-	-	-	-
22	-	-	-	5	2	-	-	-	-	-
23	-	-	3	1	1	-	-	-	-	-
25	-	32	47	7	41	-	-	-	4	11
26	1	1	1	1	6	-	-	1	-	-
27	-	-	-	1	-	-	-	-	1	1
29	84	88	105	92	81	-	-	-	-	-
33	-	-	-	-	4	-	-	-	-	-
34	6	6	10	11	29	-	-	-	-	-
36	-	-	-	-	2	-	-	-	2	-
37	-	-	1	-	2	-	-	-	-	-
38	6	2	10	16	18	-	-	-	-	-
39	2	1	1	2	6	-	-	-	-	-
40	1	-	1	-	1	-	-	-	-	-
41	2	-	-	7	-	-	-	-	-	-
42	110	10	16	12	225	-	-	-	-	-
43	1	1	164	448	129	-	-	-	-	-
44	1	3	7	15	8	-	-	-	-	-
45	80	8	1	57	197	-	-	-	-	-
46	3	4	4	6	35	-	-	-	-	-
47	4	3	3	10	20	-	-	-	-	-
48	1	1	4	3	18	-	-	-	-	-
49	-	-	3	2	12	-	-	-	-	-
50	-	-	-	1	1	-	-	-	-	-
51	12	55	10	6	1	-	-	4	-	-
52	-	-	-	-	2	-	-	-	-	-
54	-	-	-	-	3	-	-	-	-	-
56	-	-	-	-	1	-	-	-	-	-
60	9	5	16	32	27	-	-	-	-	-
61	13	6	33	73	45	-	-	-	-	-
62	5	15	27	21	29	-	-	-	2	4
63	6	3	15	33	20	-	-	-	-	-
Total	375	267	586	946	1054	-	-	6	8	16

Table 6.3.15 : Direct and Indirect Demand of the Government in the State of Rajasthan

(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
2	8	55	26	7	14	1	-	1	2	1
4	-	-	-	-	1	-	-	-	-	-
9	1	1	3	-	-	-	-	-	-	-
13	14	2	3	1	-	-	-	-	-	-
19	17	4	13	5	3	4	69	47	7	3
20	-	-	3	-	-	-	-	1	-	-
22	2	3	1	1	1	8	7	4	2	-
25	1	1	1	-	1	-	-	-	-	-
26	1	1	1	-	1	-	-	-	-	-
28	-	-	-	1	-	-	-	-	-	-
29	2	5	1	1	1	-	-	-	-	-
33	1	1	-	-	1	-	-	-	-	-
34	3	4	2	2	4	1	3	2	-	-
35	-	1	-	-	-	-	-	-	-	-
36	1	1	-	-	1	-	-	-	-	-
37	-	-	1	-	-	-	-	-	-	-
38	3	4	2	3	5	-	1	-	-	-
39	1	2	1	1	1	-	-	-	-	-
40	-	1	-	-	-	-	-	-	-	-
41	-	-	-	1	-	-	-	-	-	-
42	-	-	-	1	9	-	-	-	-	-
43	-	2	1	1	-	-	-	-	-	-
44	-	1	-	-	1	-	-	-	-	-
45	1	2	1	2	8	-	-	-	-	-
46	22	51	31	24	31	-	-	-	2	-
47	3	15	4	2	7	1	-	1	5	1
48	15	15	13	14	19	-	-	2	-	-
49	91	107	25	43	108	-	1	1	7	1
51	1	145	3	5	7	-	-	-	-	-
52	-	-	2	1	-	-	-	-	-	2
54	-	-	11	1	5	-	-	-	-	-
59	6	1	6	-	7	9	-	-	-	-
60	3	6	3	2	3	-	2	1	-	-
61	2	8	3	2	3	-	1	1	-	-
62	10	10	8	10	2	2	6	4	1	-
63	1	4	2	1	1	-	-	-	-	-
Total	210	453	171	132	239	26	90	65	26	8

Table 6.3.16 : Direct and Indirect Demand of the Government in the State of Bihar

(Rs. Lakhs)

Input- Output Sector No.	Factory Sector					Non-Factory Sector				
	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66
1	3	-	1	-	-	-	-	-	-	-
2	22	24	222	33	151	1	2	1	6	-
3	-	-	1	-	1	-	-	-	-	-
4	3	-	30	-	5	-	-	-	-	-
5	13	11	25	-	7	-	-	-	2	-
9	1	-	1	-	-	-	-	-	-	-
12	-	-	8	-	-	-	-	-	-	-
13	21	5	-	4	5	-	-	-	-	-
19	101	15	19	15	24	8	23	-	3	2
22	10	15	2	2	3	5	18	-	-	-
23	-	-	29	-	1	-	1	-	5	-
25	1	9	36	4	17	-	-	-	14	23
26	1	7	7	2	4	-	18	2	5	1
27	1	14	2	-	-	-	-	-	2	-
28	-	3	1	1	2	-	-	-	-	-
29	8	3	17	1	5	-	-	-	1	5
31	21	20	34	-	12	-	-	-	2	-
33	1	1	4	4	3	-	-	-	-	-
34	15	8	41	25	35	-	1	-	1	1
35	1	1	1	-	1	-	-	-	-	-
36	1	2	1	1	3	-	-	-	-	-
37	2	2	2	2	2	-	-	1	-	-
38	38	6	12	7	15	-	-	-	1	-
39	1	1	3	2	7	-	-	-	-	-
40	-	-	3	1	3	-	-	-	-	-
41	1	1	1	-	1	-	-	-	-	-
42	29	7	6	13	126	-	-	-	1	-
43	839	121	131	131	133	-	-	-	-	-
44	27	40	59	57	50	-	-	-	-	-
45	6	46	10	64	285	-	-	-	-	-
46	12	14	21	15	54	1	-	-	2	-
47	17	20	35	8	158	1	1	2	13	-
48	6	3	16	27	217	-	-	-	-	-
49	27	49	46	46	35	2	-	-	-	-
50	2	-	1	-	1	-	-	-	-	-
51	34	3	40	12	26	-	2	-	5	-
52	13	4	86	66	24	-	-	-	1	-
54	-	-	1	-	-	-	-	-	-	-
59	29	1	2	-	-	-	-	-	-	-
60	54	12	20	13	27	-	1	-	1	-
61	130	23	44	26	43	-	1	-	1	-
62	34	20	32	9	20	21	12	1	8	9
63	59	10	20	12	20	-	-	-	-	-
64	1	-	-	-	-	-	-	-	-	-
Total	1585	521	1073	603	1426	20	80	7	74	41

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