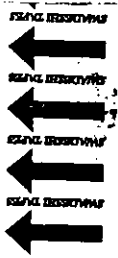


Provisional

INDIAN STATISTICAL INSTITUTE

REVIEW and REAPPRAISAL



OCTOBER, 1967

CALCUTTA-35

C o n t e n t s

1. A report of the Deshmukh Committee
2. Note by the Institute Administration
3. Extracts from proceedings of Council dated 19 and 20 August 1967 with Appendix A

INDIAN STATISTICAL INSTITUTE

REPORT OF THE DESHMUKH COMMITTEE

[for advising the Chairman and the Council on the Report of the Review Committee]

INTRODUCTION

1.1 A Committee was set up by the Government of India on the 15th February 1966, in accordance with Section 9 of the Indian Statistical Institute Act 57 of 1959, for the purpose of:—

- “(i) reviewing the work done by the Institute and the progress made by it ;
- (ii) inspecting its buildings, equipment and other assets ;
- (iii) evaluating the work done by the Institute ; and
- (iv) advising Government on the following matters—

- (a) to what extent and in what manner the regional activities of the Institute should be strengthened and expanded ;
- (b) in what manner the administrative set up of and financial and budgetary control in the Institute should be improved ;
- (c) whether any changes are necessary in the manner and degree of association of the Institute with the work of National Sample Survey ;
- (d) whether in the light of the experience gained so far, any amendments to the Indian Statistical Institute Act, 1959, are necessary to facilitate the working of the Act ;

which in the opinion of the Central Government are of importance in connection with the work of the Institute.”

1.2 The Review Committee submitted its report to Government on the 22nd December, 1966. The Review Committee had discussions with a large number of persons, submitted 57 recommendations to Government and made some general observations. We should like to express our appreciation of the desire of the Review Committee and its constructive approach to strengthen and develop the Indian Statistical Institute in regard to its future programme of work and organisational arrangements.*

*Footnotes give references to the page number, the paragraph number or the recommendation number of the report of the Review Committee.

1.3. The Council of the Indian Statistical Institute set up on the 14th January 1967 a Committee with Dr. C. D. Deshmukh as Chairman, and Professor B. R. Sesachar, Shri Pitambar Pant, Dr. C. R. Rao and Professor P. C. Mahalanobis as members "to advise the Chairman and the Council of the Institute relating to the report of the Review Committee and/or any communications from Government in this regard."

1.4. The report of the Review Committee, with a covering letter addressed to the Chairman of the Institute, was received in the Institute office on the 24th April 1967 with a request to inform Government within two months what action was taken on the recommendations of the Review Committee. A meeting of the Council was convened on the 3rd May 1967. As desired by the Council, the Institute administration prepared a note on the recommendations of the Review Committee which was placed before the present Committee, and was later circulated with some modifications among members of the Council.

1.5. The first two meetings of the present Committee were held in New Delhi on the 18th and the 19th May 1967. Professor B. R. Sesachar could not attend these meetings as he had gone abroad. He however sent a note giving his views on certain points. The third meeting of the Committee was held on the 13th June 1967 at which all the members were present.

1.6. The Cabinet Secretary, Shri D. S. Joshi, at his own desire, met the Committee for an informal discussion on the 19th May. We greatly appreciated having an opportunity of an exchange of views with him.

1.7. On the basis of discussions held at the three meetings of the Committee during May and June 1967, a draft report was prepared and circulated to Chairman and members. This draft was considered by the Committee at its fourth and final meeting on the 24th July 1967. The final report was signed by members on the 25th July 1967 for submission to the Council of the Institute.

1.8. Shri S. Basu and Shri Partha Roy, Joint Secretaries of the Institute, were present, by invitation, at the meetings of the Committee when necessary, and supplied a great deal of information.

2. GENERAL OBSERVATIONS

2.1. We should first like to draw attention to certain basic issues of a general nature. The Indian Statistical Institute Act provides :

“9(2). Notice shall be given in every case to the Institute of the intention to cause a review, inspection or evaluation to be made, and the Institute shall be entitled to appoint a representative who shall have the right to be present and be heard at such review, inspection or evaluation.”

In actual fact it appears that no representative of the Institute was present or heard at such review, inspection or evaluation.

2.2. In response to a notice received from Government the Institute had sent the name of a member of the Institute staff as its representative ; as he was unable to act in this capacity, the Institute sent the name of another member of the staff to act as liaison officer for representing the Institute before the Committee. Although he functioned as a liaison officer, he did not represent the Institute and was not present at the time of any review, inspection or evaluation. From a strictly legal point of view the Institute may be considered to have been in default in not availing of formal representation. The fact remains, however, that the lack of such representation has led to an inadequate and sometimes an inaccurate appreciation of the position by the Review Committee. As the review of an important scientific institution is of public interest we consider it necessary to draw attention to this aspect of the matter, and urge that all points raised now receive full consideration.

2.3. The report contains some serious inaccuracies or inadequacies in statements of facts. The Institute administration has already written to Government drawing attention to these matters. We have ourselves dealt with some of these matters in our present report. We have also suggested that the Institute Administration should comment on as many specific issues of this nature as possible in their consolidated Note to be submitted to the Council in terms of our recommendation contained in the concluding paragraph of our report.

2.4. Also, as in most cases the Review Committee had not given any reasons for its recommendations it is difficult to appreciate their validity. We have to note further that except for the views of Dr. C. D. Deshmukh and Professor P. C. Mahalanobis (some of whose views have been reproduced in the Appendices to the Report), no indication has been given in the Report of the views expressed by the various persons with whom the Review Committee had discussions.

2.5. We also feel that, by recommending changes in the Constitution (Memorandum and Rules) of the Indian Statistical Institute, the Review Committee, possibly, went beyond the terms of reference. Even if it is accepted that the Review Committee had acted within the terms of reference the recommendations about the administrative set-up involve major changes in the constitution and structure on the basis of which the Institute had been functioning for a long time even before the ISI Act and in respect of which the Act made no changes. This is a matter which requires

careful consideration by the Council and the general body of members. We have given our views on certain important points.

3. INDIAN STATISTICAL INSTITUTE ACT

3.1. We note that Government had asked for advice whether any amendment to the Indian Statistical Institute Act was necessary and that the Review Committee did not recommend any change.

MEMORANDUM OF ASSOCIATION

3.2. *Objects*: The Review Committee has suggested two changes in the following objects of the Institute as given in the Memorandum of Association :

- (i) to promote the study and dissemination of knowledge of and research on statistics and other subjects relating to planning for national development and social welfare ;
- (ii) to provide for, and undertake, the collection of information, investigations, projects and operational research for purposes of planning and the improvement of the efficiency of management and production ;
- (iii) to undertake any other activities which in the opinion of the Council may be usefully carried out by the Institute in furtherance of national development and social welfare.

3.3. The Review Committee has suggested that the objects of the Institute should be modified so as to read¹

- (i) to promote the study and dissemination of knowledge of and research on statistics and related sciences and planning for national development and social welfare ;
- (ii) to provide for, and undertake, the collection of information, investigations, projects and operational research for purposes of planning and the improvement of efficiency of management and production ;
- (iii) to undertake any other ancillary activity in fulfilment of (i) and (ii) above.

3.4. We feel that the proposed amendment of item (i) of the objects of the Institute seems to be vague and would hardly be an improvement on the original text. There is no subject which can be called a "related science" to statistics. If any change is to be made in the text of item (i), we feel the essential focus should be statistical and we should recommend the following :

"(i) to promote the improvement of the knowledge of statistical theory and methods and their use in research and practical applications generally with special relevance to problems of planning of national development and social welfare."

¹ p.8, 3.6

3.5. The proposed change in item (iii) of the objects of the Institute may be accepted.

3.6. The Review Committee has questioned whether certain activities undertaken by the Institute were its legitimate functions. It has been pointed out by the Administration of the Institute that the activities which had been taken up by the Institute in the past were within its competence in accordance with its memorandum of association, were approved by its Council, and were supported by funds either from Government or other sources. In our view there is nothing to be gained by arguing about the legitimacy of such activities in a narrow, procedural sense. The important issue is : what criteria should determine the scope and direction of the activities of a scientific and educational institution, like the Indian Statistical Institute, particularly in view of its pioneering role in a developing country like India ?

3.7. It has been pointed out to us that statistics has been defined in the opening sentence of a standard text book as a branch of the theory of probability. On the other hand, statistics is grouped under the social sciences in the UNESCO list of subjects. Historically, the theory of errors of observation, a classical part of statistics, had its origin in adjustments of observations in astronomy and topographical surveys. Statistical mechanics and statistical physics are important parts of the physico-chemical sciences. The fact that "biometry" (a new word which was coined in 1900) cannot be distinguished from statistics shows the intimate connexion of statistics with biology. In recent years statistics is being increasingly used in the applied sciences or technologies like agriculture, industry, medicine or engineering. Statistical methods become increasingly useful as each subject becomes increasingly numerate. Professional training and research in statistics requires a wide variety of knowledge, skills and experience.

3.8. The role of statistics as a new technology was accepted by the Government, who wrote to the Institute in the following terms in a communication dated the 15th June 1962.

"Government accept the view that statistics being a new technology, it should be open to the Indian Statistical Institute to establish and maintain research and study units in subjects other than theoretical and applied statistics, to offer facilities for research and application of statistical methods and for provision of training in such methods. The number of such units would depend on the availability of really able research scientists and also on the funds available to the Institute. Similarly, in furtherance of the purposes as set out in Section 5 of the Indian Statistical Institute Act, the Institute may establish and maintain units for the study of different languages (including translation units, library science, documentation etc.) and for auxiliary studies and teaching in different subjects including humanities."

The Institute has been trying to implement the above policy within the limits of available resources.

3.9. The integration of theory and practice, the development of knowledge and new methods and tools of observation and quantitative analysis and the extension and improvement of application of statistical techniques to wide range of activities have been the guiding principles behind the pioneering efforts of the Institute. It is inevitable in such pioneering effort to commit some mistakes or what appear in retrospect to be mistakes. These can be corrected by learning from experience. At each stage, there must also be a consolidation of gains, but not at the cost of losing initiative and dispensing with bold experimentation.

3.10. The importance of a judicious blending of theoretical and practical training in the education of a competent statistician was stressed by Sir Ronald A. Fisher, who commended the Indian Statistical Institute for its policy in this regard in the following words in his convocation address at the Indian Statistical Institute in 1962 :

“It is, I believe, in recognising statistics as the key technology of our century, that we can appreciate the special features of the Indian Statistical Institute... What the sciences have to do with statistics lies in the part they must play in the education of any competent statistician.”

4. RESEARCH AND TRAINING SCHOOL

4.1. We welcome the Review Committee's recommendation that the training facilities of the Research and Training School should be strengthened and expanded,² and that the Institute should provide training and research facilities in the subject of economic development and planning to trainees from India and abroad.³ We also agree that the Research and Training School premises should be remodelled and more space provided for research workers.⁴ The Institute should press Government to provide necessary funds for the above purposes.

4.2. The Review Committee's recommendation that there should be an Academic Council may be accepted.⁵ The present Governing Body of the Research and Training School was functioning as a specialised committee with a dual character partly administrative and partly academic. With the setting up of the proposed Executive Committee and the Academic Council we agree that it would not be necessary to continue the Governing Body and it should be abolished.

4.3. *Planning Division* : There is urgent need for promotion of knowledge and application of quantitative methods and analysis of economic data useful for planning in its various aspects. We agree with the recommendation of the Review Committee that the activities comprised in the Planning Division of the Institute in Calcutta and the Planning Unit in New Delhi should be suitably reorganised and made integral parts of the activities of the Research and Training School.⁶ It is not,

² p.9, 4.1.

³ p.12, 4.10.

⁴ p.30, 8.9 (iii).

⁵ p.37, 9.8 (vii).

⁶ p.13, 4.12.

however, necessary that activities in this field in both Delhi and Calcutta should be placed under one person as Head.

4.4. In view of the fact that a strong team of adequately qualified persons already exists, it is in our view desirable to develop the Planning Unit in New Delhi into a specialised Centre for training and research on quantitative methods and analysis and processing of economic data useful for planning. The Centre would exercise a certain measure of autonomy and would be encouraged to develop as a distinct entity within the over-all control of the Research and Training School. It would have as its Head a well-qualified person, enjoying professional reputation and capable of leadership and team work. The Centre would require facilities of library, office accommodation, hostel and staff quarters etc. The Institute has acquired sufficient land in New Delhi. Provision should be made in the capital budget for a building programme beginning with the current year, 1967-68, and the scheme of development should be completed within a period of three years. This arrangement would also correspond to the recommendation of the Review Committee that the Planning Unit in New Delhi should have its own premises and should not be obliged to function in premises made available in the building of the Planning Commission.⁷ It is presumed, that present arrangements will continue till the new premises are developed for the Centre.

4.5. We fully agree with the Review Committee that the Institute should be in a position to study and wherever possible participate in the process of thinking involved in the formulation of plans.⁸ The Institute has been obtaining considerable information through the Planning Unit and we fully endorse the Review Committee's suggestion that it is necessary to ensure that relevant information in possession of the Planning Commission or other Government Departments is made available to the Institute.⁹

4.6. We agree with the Review Committee that the new Centre may take consultancy work assigned to it by the Planning Commission, any other Government department or an outside agency.¹⁰ For specified periods, individual workers may be allowed to take up assignments on deputation, if the Planning Commission or any other Government Department so desire. This close contact with live problems will be of advantage for the healthy growth of the Centre just as it will be beneficial to the Planning Commission to have opportunities of referring analytical problems of the economy to trained scholars.

4.7. We consider it necessary and desirable that one specialised unit or more for research and training in economics, econometrics and planning should be organised in Calcutta, with necessary autonomy, and facilities for processing and analysis of socio-economic data, under persons of high professional competence and reputation who can supply leadership and organize team-work. These units in

⁷ p.13, 4.13.

⁸ p.13, 4.14.

⁹ p.13, 4.14.

¹⁰ p.13, 4.13.

Calcutta, which need not be under the Centre for economics and planning in New Delhi, should have similar opportunities for contact with the Planning Commission and for appropriate consultancy work, and would function within the over-all control of the Research and Training School. Organisational and functional details would have to be worked out by the Research and Training School, and the help of the proposed Academic Council should be available for this purpose when it is established.

4.8. *Science teaching units* : The Research and Training School will have small units for teaching science subjects which are included as a part of various educational and training courses. Expenditure for such units should be considered as a part of the normal expenditure of the R.T.S. Also, if a teacher of a compulsory science subject happens to be interested in research, obviously he should be encouraged and provided with necessary facilities.

4.9. *Specialised research units* : The Review Committee has agreed that the Institute may start and maintain small research units,¹¹ has reproduced Professor P. C. Mahalanobis' note regarding such research units in an appendix to its report¹² and has endorsed his three-fold criteria for evaluation of each research unit, whether existing or to be started. The criteria to be applied, as summarised by the Committee,¹³ are reproduced below.

- “(i) Whether the unit is actually supplying, or is likely to supply in the near future, suitable observational and experimental data for teaching and research purposes ;
- (ii) whether the unit is engaged on work of a pioneering nature—this does not necessarily mean work of great significance for the advancement of science but it does mean something which is not merely imitative ; and
- (iii) the extent to which studies on a thematic programme could be undertaken by collaboration between two or more units within the Institute or in collaboration with other research institutions and universities.”

4.10. The Committee has, however, observed that it is “not in favour of such units being continued or started in a haphazard manner. Subjects for research should be selected with great care. Also there should be intensive work in a few selected fields instead of frittering away time and resources over a wide range”.¹⁴

In Professor Mahalanobis' note it has been stressed that no specialized research unit should be started unless a scientific worker of sufficient promise and ability was available to undertake a research programme of a pioneering or a thematic nature, or to supply live data for research and training purposes. We believe that if one or more of the three conditions stated in Professor Mahalanobis' note, and endorsed by the Review Committee, are satisfied there should be no possibility of re-

¹¹ p.11, 4.7.

¹² Appendix VII, pp. 69-82.

¹³ p.11, 4.7.

¹⁴ p.11, 4.7.

search units being started or continued in a haphazard manner, or time and resources being frittered away.

4.11. We are unable to accept the Review Committee's observations that these research units are intended to be temporary.¹⁵ Any unit which satisfied one or more of the three criteria endorsed by the Committee deserve to be continued. In our view, it will do a great deal of harm to start a Research Unit on the presumption that it will be purely temporary as such a policy will make it impossible to attract and retain good research workers. On the other hand, perpetuation of units, which have not established a record of good performance, have outlived their usefulness or hold no promise for the future cannot be countenanced and they should be discontinued after proper evaluation.

4.12. We agree, as laid down in the note itself, that there should be periodic assessment and evaluation of the specialized research units.¹⁶ We also agree with the recommendation of the Review Committee that eminent scientists from outside the Institute should be associated with such units. We should add that it would be desirable and necessary to secure the help of eminent scientists from outside India for such assessment. We agree that the continuation or starting of each unit should have specific approval of the Academic Council of the R.T.S.¹⁷

4.13. As regards the financial limit of 20 per cent of the R.T.S. budget suggested by the Review Committee for the special science research units, we feel that there should not be any rigidity. Encouragement of high quality research, where such activity can be organised, is a definite responsibility of a higher educational and research institution like the Institute. Also, such encouragement may be considered a special responsibility of the Indian Statistical Institute because true pioneering research is almost certain to offer scope for new applications of known statistical methods or to open new fields for statistical research.

4.14. *Documentation Research and Training Centre (DRTC)*: The Review Committee has expressed appreciation of the useful work on indexing, abstracting and retrieving of documents and information being done in the Documentation Research and Training Centre of the Institute at Bangalore under the guidance of National Professor Dr. S. R. Ranganathan, one of the foremost workers in this field.¹⁸ While the usefulness and importance of this activity is recognised, doubt has been raised whether the functioning of the Unit under the auspices of the Institute is justified. The Review Committee has recommended that for the next five years the Centre may continue to be part of the Institute but the position should be reviewed after five years. It has been pointed out to us that there is good scope for the use of statistical methods in the retrieval of information. We feel that more effective link should be established between the R.T.S. and D.R.T.C. and that while the Institute should make good use of D.R.T.C., the R.T.S. should assist D.R.T.C. in developing requisite statistical tools for its work.

¹⁵ p.11, 4.7.

¹⁶ p.11, 4.7.

¹⁷ p.11, 4.7.

¹⁸ p.24, 7.12.

4.15. *Appraisal Division* : We agree with the Review Committee that the Appraisal Division should be made a part of the Research and Training School.¹⁹ Psychology has been historically one of the earliest and most fruitful subjects for the application and development of statistical methods. It has been pointed out to us that one particular programme relating to the construction of a universe of standardised questions is of fundamental interest to statistical theory and applications. If construction of such universes of questions is shown to be feasible, it would be possible to select questions with an indefinitely large number of variants but of a guaranteed uniformity of the assigned level of difficulty, by appropriate statistical design, and process of selection of the questions. The construction of such universes of questions is of special interest to a multi-lingual country like India. It has been also pointed out that this special field of research can be effectively undertaken only in a Statistical Institute or with the help and cooperation of experienced statisticians. This particular line of research would be as legitimate as sample surveys.

4.16. The Review Committee has observed that the Crop Museum, and the Units for Agricultural Chemistry and the Agricultural Farm at Giridih are unquestionably useful activities but is of the opinion that they have no direct relation with the work of the Institute and should be placed under the appropriate organisations in the Ministry of Food and Agriculture.²⁰ This recommendation is not acceptable for reasons explained below.

4.17. *Crop Museum* : This is a small piece of land, less than an acre in area, located within the Institute premises at Calcutta, in which besides a few rare specimen of plants from different parts of the country, annual seasonal crops are grown in very small plots mainly to make the students familiar with different types of crops. The Review Committee's recommendation that the Crop Museum should be transferred to the Ministry of Agriculture is not meaningful and cannot be accepted.

4.18. *Agriculture Chemistry* : The former teacher of chemistry (which is a compulsory subject in RTS), who joined the Institute after retirement from a West Bengal Government agricultural institution, had been working for some time on the effect of fertilizers on rice plants. The Institute provided facilities for the continuation of his work in cooperation with the West Bengal Department of Agriculture. He retired from the Institute last year. The agricultural chemistry unit is thus essentially a teaching unit. The question of transferring this unit does not arise.

4.19. *Agricultural Farm at Giridih* : It has been stated in the Administration Note that the work on agricultural crops was started long ago as a part of teaching in biometry and has gradually developed important research programmes. The so-called agricultural farm at Giridih consists of a number of plots for field trials and is only a small part of the land which was acquired by the Institute through the Land Acquisition procedure. These plots of land were being used for both training and research on crop cutting and crop forecasting as a part of the research studies of the

¹⁹ p.25, 7.15.

²⁰ p.25, 7.20.

National Sample Survey. At a later stage these plots began to be used for experiments on mixed crops of cereals. The field plots are being still used for both teaching and research purposes. They have provided good scope for the application of sophisticated design of experiments and for significant research studies.

4.20. Quite apart from this aspect of the matter, the land at Giridih was acquired through the land acquisition procedure of the Government of Bihar on the understanding that the Institute would maintain a branch at Giridih. Also, a legal condition for the acquisition of the land was that it would revert to the Government of Bihar in case the Institute ceased to use it. The Review Committee's recommendation that the work should be transferred to the Central Ministry of Food and Agriculture is not feasible.

4.21. *Computing Machines and Electronics Laboratory (CMEL)*: The Review Committee has stated that the work of designing and fabricating electronic computers and their components is not the legitimate activity of the Institute and large-scale manufacturing activity should not be taken up.²¹ It has been represented to us by the Institute administration that there has never been an intention of undertaking large-scale manufacturing activity of production of electronic computers or their components.

4.22. This Unit (CMEL) is concerned with research and design of modern computers and fabrication of the model designed and developed by it in collaboration with Jadavpur University (the ISI-JU Project), on a laboratory scale. We feel that fabrication work to a limited extent is necessary for bringing to fruition the design and development. Judged from this point of view the present programme of design and fabrication should be considered as a legitimate activity of the Institute.

4.23. In our view the Computing and Electronics Laboratory should form part of the larger Electronic Computer Division (or Unit) of the Research and Training School which would have both training and research activities. Increasing attention should be given to extending the use of electronic computing in analytical work in diverse fields and developing efficient and effective programmes and techniques. Training in computer technology and programming will also have to be greatly expanded.

4.24. To what extent the Electronic Computer Division should extend its activities to the development of computers in the country and to what extent designs worked out by the Electronic Computing Division of the Institute may be useful to other institutions or for enterprises for commercial utilization is a matter which, in our opinion, should be examined by a committee of experts on the subject and the Council may decide the issue on the basis of such special advice.

4.25. *Library*: We recommend that the library should continue to be an integral part of the Research and Training School. We do not find any reason

²¹ p.24, 7.10.

for treating it as a separate division.²² We agree with the Review Committee that there should be a Library Committee with representatives of different divisions.²³

4.26. *M.Stat. Course* : We have considered the recommendation made by the Review Committee that the duration of the M.Stat. course should be two years for every one.²⁴ It has been explained to us that the duration of the B.Stat. course of the Institute is four-years, and students who have taken the B.Stat. degree of the Institute are exempted one year when they are admitted to the M.Stat. Course. Students who come from other Universities, after taking the three-year Bachelor degree, are required to complete full two years of the M.Stat. course. The total period of study for both these categories of students taking the M.Stat. degree is thus five years after the Pre-University examination. We are of the view that the present system should continue as there is no academic justification for change.

4.27. With regard to the suggestion of the Review Committee that information theory should be included in the training course,²⁵ it has been pointed out to us that this subject has been a part of the M.Stat. course for a long time and already a Ph.D. degree has been awarded by the Institute on the basis of research in information theory.

4.28. We have considered the Review Committee's recommendation that there should be staff committees to assist Director/Officer incharge of different departments and divisions.²⁶ The Research and Training School has a Teacher's Committee to assist the Director. We do not consider it practicable to have staff committees comprised of non-academic staff. We are not aware of any instance in universities or public administration of the existence of such Committees. The Institute may ascertain from other academic bodies and government institutions etc. the nature of staff committees they may have before taking any decision in this matter.

4.29. Other recommendations of the Review Committee in academic matters and related points should be examined by the Research and Training School and also by the Academic Council when it is set up.

4.30. *Age of retirement*²⁷ : As regards retirement of academic staff we agree that 60 should be adopted as the normal retiring age as in the case of the Delhi and other universities. For research scientists, in deserving cases the Institute may give extension of service upto 65, and after superannuation may give short period renewable contracts.

4.31. The age of retirement of non-academic staff of the Institute, as distinguished from the academic and scientific staff, may be determined more on Government pattern rather than on the lines of universities rules.

²² p.36, 9.8 (vi).

²³ p.37, 9.8 (viii).

²⁴ p.10, 4.4.

²⁵ p.10, 4.3.

²⁶ p.37, 9.8. (ix).

²⁷ p.37, 9.8 (xii)

5. STATISTICAL QUALITY CONTROL

5.1. We welcome the Review Committee's recommendation that the activities of the Statistical Quality Control Division should be strengthened by provision of more funds and facilities and greater encouragement and support by Government.²⁸

5.2. The S.Q.C. Division may continue for the present as a separate entity as recommended by the Review Committee,²⁹ but should have closer collaboration with the Research and Training School especially in the research and training aspects of the activities. We feel that the question of the S.Q.C. Division being made an integral part of the Research and Training School, while retaining a good measure of autonomy in its functioning, may be considered at an opportune moment.

6. NATIONAL SAMPLE SURVEY

6.1. We have carefully considered the Review Committee's recommendations regarding the National Sample Survey (NSS). The division of work between the Institute and the proposed autonomous organization requires clarification by Government.

6.2. It was because of sample survey activities over a number of years beginning from 1936 that it was possible to make significant contributions from the Institute to the theory of design of large-scale sample surveys. These activities are essential in connexion with the work of Research and Training School of the Institute and have been a characteristic feature of the Institute for more than 30 years. We are of the view that it is necessary that the Institute should maintain an adequate project wing which would take up a variety of *ad hoc* or continuing surveys in different parts of the country with emphasis on improving the design and efficiency of surveys and developing new methods and techniques.

6.3. It is not possible to achieve the above objective on the basis of restricted participation in N.S.S. work in West Bengal alone on the lines proposed by the Review Committee.³⁰ Experience in only one State of India would not be adequate for the purpose in view. Also, if the collection and processing of N.S.S. data in West Bengal is to be carried out in accordance with the design given from outside, such activity would be reduced to purely repetitive routine work without any research interest. In the event of the government assuming responsibility for the integrated operation of the N.S.S., we feel it would be advisable for the Institute to relinquish entirely operational responsibilities in connexion with the integrated scheme in regard to N.S.S. in West Bengal.

6.4. In this case the Institute should concentrate on organising a Project Wing consisting of a highly competent design staff, experienced personnel for the supervision of field and processing work, and a core of competent field and processing

²⁸ p.20, 6.3. ²⁹ p.36, 9.8. (vi)

³⁰ p.16, 5.8 (ii), (iii)

staff. The Institute should be provided with adequate funds to undertake surveys of interest of different types with the help of additional field and processing staff as necessary from time to time.

6.5. We wholeheartedly endorse the recommendation of the Review Committee that no employee of the Institute should be thrown out of employment as a result of the proposed reorganisation of the National Sample Survey,³¹ and further that, while appointments at existing location could not be guaranteed, every effort would be made to avoid hardship to low paid staff inherent in a transfer to a new place.

6.6. We do not feel, however, that steps suggested by the Review Committee would be adequate for the above purpose.³² We apprehend that when the proposed reorganisation is to be effected the 'autonomous organisations' may want to select only those persons who would meet its own criteria of selection and without paying full attention to ensuring that no one is thrown out of employment. For the work which would remain with the Institute it would be in the interest of the Institute to keep those workers only who would be found suitable for the new programmes. A serious problem of residual service staff may, therefore, be created.

6.7. The Review Committee's recommendation that the residual staff would be the responsibility of the Institute cannot possibly be accepted.³³ We think it is necessary for Government, or the proposed autonomous body, to take the responsibility for the employment of such staff.

6.8. We agree with the recommendation of the Review Committee that the N.S.S. primary information, whether collected in the past or to be collected in future, should be reduced to microfilm of which one copy should be made available to the Institute.³⁴ This arrangement would be very useful for purposes of research and training in the Institute.

6.9. We have considered the observations of the Review Committee that the Institute, being basically a scientific organisation, should not become involved in large-scale routine operations to the detriment of its more important work in teaching and fundamental and applied research work.³⁵ We can accept this principle precisely as it has been stated. We feel, however, that it should be open to the Institute to take up even large-scale projects which would have definite scientific interest or would be of benefit to the nation and that there should be no objection in principle to the Institute making, through efficient conduct of the project, some profit which may be utilised to acquire useful assets.

7. CONSTITUTION AND ORGANIZATIONAL STRUCTURE

7.1. *Society type activities*: We agree with the Review Committee that greater attention should be given to society-type activities and such activities be

³¹ p.18, 5.9

³² p.18-19, 5.9 (i) (ii) (iii).

³³ p.19, 5.9 (ii)

³⁴ p.18, 5.8(xiv)

³⁵ p.15, 5.5

strengthened and extended and that adequate earmarked grants should be provided for this purposes.³⁶

7.2. The Review Committee has recommended that the question of separating the society-type activities should be examined after five years;³⁷ and also that "E. The General Body should consist of members with such academic and professional qualifications as may be prescribed by the Institute."³⁸

7.3. We are not in favour of separating the society-type activities but we agree that the Institute may have two types of membership, one open as at present and the other restricted to professional statisticians like Associate Fellows, or Fellows of the Institute or persons with equivalent qualifications.

7.4. The Institute has been conducting for 30 years external examinations on the professional side for the award of certificates and diplomas in statistics and the Associate Fellowship of the Institute. Society-type activity combined with higher training and examinations is a well-known form of organization in many professional subjects and also in the general educational field (for example, the Servant of India Society and the Ferguson College). Such combined activities would be a convenient way for the effective coordination of academic training and qualifications for professional competence in statistics which is already becoming a problem in India.

7.5. *Office-bearers* : We feel that it is advisable to maintain generally the existing structure of the Institute. The General Body of members should continue to elect the President, Vice-Presidents, the Chairman, the Secretary and the Treasurer.

7.6. The Review Committee has stated that "the President and Vice-Presidents have no specific functions".³⁹ This observation is not correct. The constitution provides that the President shall have the right to attend and preside over all meetings of the Council, Governing Body and of any Committees or Sub-Committees of the Institute. The Vice-Presidents have the function of presiding over general meetings of the Institute in the absence of the President. Professor P. C. Mahalanobis mentioned that he had been in close touch in connexion with the work of the Institute with Dr. C. D. Deshmukh, who was President of the Institute for 19 years, and who had given a good deal of his time to Institute affairs. The first President, Sir R. N. Mookerjee, had presided over most of the meetings of the Council and of the General Meetings during the period of four years that he was President; many of his successors in the office had also done this frequently. It is not necessary to give any executive powers to the President; he can help with his advice and guidance when presiding over meetings and in personal discussions.

7.7. The Review Committee has recommended that "the President should be elected by the General Body once in four years on the recommendation of the Council. He should be a person distinguished in scientific and technical field so that

³⁶ p.22, 7.1—7.3

³⁷ p.22, 7.4

³⁸ p.35, 9.8 (i)(E)

³⁹ p.32, 9.1.

he may be able to take effective interest in the progress of the Institute and its scientific and technical activities. He should also be able to represent it with distinction in national and international scientific meetings".⁴⁰ The President is elected at present for two years; this term may be changed by the Council if necessary. We do not feel that there is any special point in making the term four years for the President because a suitable person can be re-elected. Secondly, there is no advantage in restricting the choice to the scientific and technical field so long as the membership is open. Some former Presidents, although not active in scientific and technical fields, had played an important role and helped in the development of the Institute. Also, it is not necessary that the President should represent the Institute at scientific meetings. Representation is essentially a functional question, and the Institute can be best represented in scientific meetings by the Director or appropriate specialists on the Institute staff.

7.8. We therefore feel that the President should continue to be elected by the General Body as at present. He should be a distinguished person who would be able to take effective interest in the progress and activities of the Institute. The President should be the Head of the Institute and should have the same functions and powers as in the present rules, and as are inherent in an office of this kind.

7.9. The Review Committee has recommended that there should be only two Vice-Presidents.⁴¹ We do not see any reason for restricting the number of Vice-Presidents to two. It should be open for the Institute to have more than two Vice-Presidents as at present, and the actual number may be settled from time to time by the Council as is being done at present. A Vice-President may preside over meetings of the General Body and the Council in the absence of the President.

7.10. *Organizational structure*: We appreciate the need of strengthening and streamlining the work of the central administration. A direct and integrated line of control with clear assignment of responsibilities is indispensable for this purpose. We are making some suggestions in this regard on the assumption that the Institute would continue its combined society-type and operational (research, training and project) activities which gave the Institute its special character since its foundation.

7.11. The two aspects of the Institute activities found expression in having two different officers, namely, the Secretary and the Director. Professor P. C. Mahalanobis has been holding both offices so far; it is not necessary that the same practice should always continue. We are contemplating that the two offices in future may be held by different persons, without any constitutional restriction on the same person holding both offices.

7.12. On the above view, the Secretary should be responsible for the society-type activities of the Institute and should have the present powers of the Secretary in respect of such activities.

⁴⁰ p.34, 9.8, (i)(A).

⁴¹ p.34, 9.8, (i)(B).

7.13. We are also of the view that the Director of the Research and Training School should be the Director of the Institute and should have the present powers of the Secretary in respect of the operational activities in connexion with research, training and projects.

7.14. *Executive Committee*: We agree with the Review Committee that there should be an Executive Committee as is indeed provided in the constitution of the Institute.⁴² We recommend that the rule in this regard be brought into operation, and the composition of the Executive Committee and procedural details be prescribed by appropriate Regulations.

7.15. The Review Committee has recommended the creation of a post of a whole-time paid Chairman with the status of a Vice-Chancellor of a University.⁴³ We have considered carefully whether there is any need for a paid whole-time Chairman for the Institute. The office of an elected Chairman was created in a very special situation when Dr. C. D. Deshmukh was the Finance Minister as well as the President of the Institute and was not in a position to preside over the Institute meetings when decisions were being taken in financial matters. But the Chairman was an elected honorary office-bearer.

7.16. We feel that a whole-time paid Chairman may be needed when day to day coordination among a number of big and autonomous departments is required. The main organ of the Institute is the Research and Training School. We have already recommended that the Planning Division, the Library, the Appraisal Division, the Electronics Division etc., should be integral parts of the Research and Training School. The Statistical Quality Control (S.Q.C.) Unit already has some connexions with the Research and Training School; we think there should be closer contact in future, and the S.Q.C. Unit also may be made a part of R.T.S. The present National Sample Survey Division (which may be replaced by the proposed Projects Division) of the Institute would be in future a much smaller organ and should be closely integrated with the reorganized Research and Training School. The problem of coordination would thus be much simpler.

7.17. It is also necessary to stress that even after reorganisation the Research and Training School would be a much smaller body than Universities, and would have only 200 or 250 professional students from the under-graduate to the Ph.D. level. The Research and Training School in respect of its high level of training and research, has, no doubt, a similar status to any university in India or outside. From the administrative point of view, the Research and Training School, because of its much smaller size, greater homogeneity and compactness, cannot probably be compared with a university. Guidance and coordination by the Director would be the most effective way of maintaining the high level of scientific and educational activities of the Institute. A paid whole-time administrative Chairman would be an impediment rather than of help.

⁴² p.34, 9.8 (i)(C). ⁴³ p.35, 9.8 (iv).

7.18. We are of the view that it would be incongruous to have four Directors for the Institute as recommended by the Review Committee. The Institute should have only one Director.⁴⁴ The Administration Department should be the servicing department and the Finance Officer should be an officer of this department. In this situation we are of the view that a whole-time paid Chairman would have very little work and should not be appointed.

7.19. The Director of the Research and Training School should be the Director of the Institute and should preside over the meetings of the Executive Committee.

7.20. The Head of the Administration should be designated as Administrator and should function as the Secretary of the Executive Committee. The Administrator should represent the Institute in all business and legal transactions, and all suits instituted by, or on behalf of the Institute, should be instituted in the name of the Administrator, and in all suits brought against the Institute the Administrator should represent the Institute.

7.21. We agree with the Review Committee that there should be two nominees of the Government of India in the Executive Committee.⁴⁵ We are of the view that these two nominees should be selected from amongst statisticians, scientists, educationists, technologists, or industrialists of repute and not from the concerned Department or Ministry of the Government of India. It may be pointed out that the Board of Directors of the Indian Institute of Technology (which would correspond functionally to the proposed Executive Committee) has an identical provision for the Government nominees. The concerned Department and Ministry of the Government of India will be adequately represented on the Council which would formulate the general policy and programmes in accordance with which, and within the budget and financial limits prescribed by the Council, the Executive Committee would act.

7.22. We have considered carefully the recommendations of the Review Committee regarding the composition of the Council.⁴⁶ We find that out of 50 members of the proposed Council only 18 would be members elected by the general body whereas in the present Council, which consists of 40 members, about 30 persons including 10 office bearers are elected by the general body. Such drastic reduction in the proportion of members elected by the general body would, we feel, change the character of the Council, and may not be acceptable to the Council and/or the general body of the Institute.

7.23. For reasons already discussed we are firmly of the view that a whole-time, paid, administrative Chairman is not required. We favour the retention of the present provision of the ISI Constitution for an elected Chairman, who shall preside at meetings of the Council.

⁴⁴p.35, 9.8 (iv). ⁴⁵p.34, 9.8 (i)(C).

⁴⁶p.34, 9.8(i)(D).

8. MISCELLANEOUS

8.1. *Family Planning* : The Family Planning Unit is financed by the Ministry of Health and not by the Department of Statistics. This project is one of a series of research projects, which are being sponsored by the Ministry of Health, and are located in different universities, medical institutions, and welfare and other organizations, as a part of an external research programme.

8.2. The object is to study various aspects of the effectiveness of family planning promotional programmes. The Institute is using, among other things, sample survey methods for assessing the results of promotional efforts, a task for which the Institute is particularly well-equipped. The grant can be surrendered by the Institute but the project cannot be transferred to the Ministry of Health.⁴⁷

8.3. *Kalyanashree* : We have considered the Review Committee's recommendation that the Kalyanashree Unit should be transferred to the State Government or a suitable voluntary organisation.⁴⁸ We have noted that in the early stages of the Second Plan there was need of studying the economic possibilities of cottage industries, and one of the aims of Kalyanashree was to provide opportunities for such studies. Some papers had been prepared, including a careful study of the economics of Ambar Charkha. However, over a period of time the possibility of continuing further significant studies appeared to be limited and the Board of Management took a view in 1966 that it was not necessary to continue the experiment. Direct subsidy from the Institute budget has been discontinued already. We are informed that the Institute has written to the State Government on the lines recommended by the Review Committee.

8.4. *Lands* : We have considered the Review Committee's recommendation that lands not required in the foreseeable future should be disposed of.⁴⁹ The Institute administration has pointed out that proper utilization of land has been greatly hampered by lack of funds for construction of buildings and provision of necessary facilities. It would be impossible to secure compact pieces of land and prices would continually increase in future in urban areas. It is necessary, therefore, to retain enough land for future expansion. Also, in most cases land has been acquired through the land acquisition procedure on condition that such lands, if not required by the Institute, would have to be returned to respective State Governments. We, however, agree that some lands at Hyderabad, which has been acquired from a private party, may be sold if not required. The question may be examined by the Institute.

8.5. *Hired premises* : We have considered the Review Committee's recommendation that the practice of using hired premises for the combined purpose of official use and residential staff should be discontinued.⁵⁰ It has been pointed out

⁴⁷ p.25, 7.16.

⁴⁸ p.24-25, 7.14.

⁴⁹ p.30, 8.9 (ii).

⁵⁰ p.31, 8.9 (viii).

to us that this practice is sometimes unavoidable for scarcity of suitable accommodation; also, there is no evidence that this system has been misused. This system should be continued or discontinued not on ground of general principle, but on merit of each case, as and when necessary accommodation for both office and officers can be found.

8.6. *Construction work* : We have noted the Review Committee's recommendation that all new constructions should be entrusted to reputed firm of architects and contractors.⁵¹ We have asked the Institute administration to set up a small Technical Committee including the Institute's Consulting Engineer to examine the cost of construction and related questions, and administration should place the matter before the Council.

8.7. *Test audit* : We have considered the Review Committee's recommendation about a test audit once in five years to commence in a year before the Statutory Committee begins its work.⁵² The Institute keeps its accounts not on the basis of Government rules and procedure but on the lines of commercial firms. It is apprehended that there would be complications if the Comptroller and Auditor General follows a different system during test audit. If the Auditor General does the test audit on the basis of rules and procedure prevalent in the Institute there need not be any objection in accepting the recommendation of the Review Committee.

8.8. *Other recommendations* : We are in general agreement with the observations and views on various points given in the note circulated by Administration among the members of the Council. We have given our views on most but not all of the items which had been referred to us by Administration. Points which we have not had time to consider in detail and other recommendations of the Review Committee and related matters may be considered by the Council, or by the General Body of members, as necessary.

8.9. *Administration Note* : We have asked the administration to prepare a consolidated note on observations or recommendations of the Review Committee generally, with discussion of consequential points bearing on administration, budget and finance, and setting out correct facts on any inadequacies or inaccuracies of statement appearing in the report of the Review Committee.

C. D. DESHMUKH
P. C. MAHALANOBIS
PITAMBAR PANT
C. R. RAO
B. R. SESACHAR

New Delhi, 25 July 1967.

⁵¹p.30, 8.9 vi(C). ⁵²p.44, 10.9 (xii).

INDIAN STATISTICAL INSTITUTE

ANNEXURE : NOTES BY THE INSTITUTE ADMINISTRATION ON OBSERVATIONS AND RECOMMENDATIONS OF THE REVIEW COMMITTEE BASED ON INCORRECT OR INCOMPLETE INFORMATION OR INADEQUATE APPRECIATION OF FACTS.¹

The Indian Statistical Institute Act provides for a representative of the Institute being present and being heard at the review, inspection and evaluation by a Review Committee set up by Government. In circumstances mentioned in paragraphs 2.1 to 2.4 of the report of the Deshmukh Committee, no representative of the Institute was present at such review, inspection and evaluation by the Review Committee in 1966. As desired by the Deshmukh Committee and the Council of the Institute, the correct position in respect of some of the inaccuracies or inadequacies in statements of facts or observations and recommendations of the Review Committee is explained in this Annexure.

1. *Review and Evaluation of work* : The Review Committee was appointed by the Government of India "for the purpose of—

(i) reviewing the work done by the Institute and the progress made by it;

(iii) evaluating the work done by the Institute".²

These are two important items of the terms of reference regarding which very little has been said in the report of the Review Committee. There is no mention of the number of persons given advanced professional training, the number of candidates awarded the Ph.D. degree, or the activities of the Planning Division, etc. except for a few observations of a general nature. There is no evaluation of the work of the research units in natural sciences or their contributions to the advancement of science.

It is understood that the Review Committee had invited the opinion of some foreign experts on the work of some of the science research units in the Institute, reports having been contributed by distinguished scientists including Fellows of the Royal Society of London, the American National Academy of Sciences, the Swedish Academy, a Nobel Laureate in Chemistry, etc. The Institute Administration wishes to record its appreciation of the Review Committee's desire to get unbiased outside opinion, advice and evaluation from distinguished experts in their several subject fields.

¹ Quotations or precis of observations or recommendations of the Review Committee are given in italic types, with the paragraph number (e.g., para 4.3), within brackets. References to paragraph numbers of the Deshmukh Committee also have been given within brackets.

² Cabinet Secretariat, Department of Statistics, Notification dated, New Delhi, 15th February 1966, quoted in the Report of the Review Committee, Appendix III, p. 61.

The training, and technical and scientific achievements of the Indian Statistical Institute form the entire basis on which its continued encouragement and support by Government should properly be judged. The Administration feels that for this reason, and because of the terms of reference of the Review Committee, quoted above, it would have been of great help if the opinions of the foreign experts had been included in the Report, either anonymously except for a reference to the scientific distinction, or permission might have been sought to quote the authors.

2. *Information theory* : The Review Committee stated that it would be useful to include information theory in the syllabus. (4.3).

This subject has been a part of the M.Stat. syllabus for many years and a Ph.D. degree has already been awarded on the basis of research on the subject. (Deshmukh Committee, 4.27, p. 12).

3. *Duration of M. Stat. course* : The Review Committee stated that the duration of the M. Stat. course should be two years for every one including B. Stat. degree holders. (4.4).

This suggestion seems to have been based on an inadequate appreciation of the fact that the B.Sc. course of other universities is a 3-year course against a 4-year course for the B. Stat. degree of the Institute. It is proper, from an academic point of view, that the M. Stat. degree should be awarded to both categories of students on the basis of five years of study after the pre-university examination. (Deshmukh Committee, 4.26, p. 12).

4. *Science research units* : The Review Committee stated that it was "not in favour of Science Research Units being continued or started in a haphazard manner", that "subjects for research should be selected with great care" and "there should be intensive work in a few selected fields instead of frittering away time and resources over a wide range" (4.7).

These three statements are misleading, may create a wrong impression, and seem to be based on incorrect information and lack of adequate appreciation of the policy, rationale and history of science research units in the Institute.

In universities, higher educational institutions or research institutes, the subject fields of research are more or less determined and fixed, and on rare occasions new subject fields are added. In such institutions suitable men have to be found, from time to time, for particular subject fields. That is, the selection of men is based on the subject field of research.

The position in the Indian Statistical Institute is completely different. It has been continually emphasised by the Institute that, because statistics is a key technology of the present time, research in any science subject, if it is of a pioneering nature, is likely to provide live data for both teaching and research purposes in statistics. It was explained in para. 2.1 of Professor P. C. Mahalanobis's note (reproduced as Appendix VII in the report of the Review Committee, page 69) that an essential condition for starting such units was the availability of at least one scientific worker of ability to undertake pioneering research. The Institute policy of starting research units is thus based essentially on the availability of suitable men, and the subject field is determined by the preferences of the research personnel concerned.

Questions of "selecting subject fields with care" and of "intensive work in a few selected fields" do not arise and are not meaningful in the case of this Institute. The question of "starting research units in a haphazard manner", also does not arise because such units are started only on the basis of a rational policy of availability of promising scientific workers.

As regards continuation of such units, Professor Mahalanobis had stressed the need of periodical evaluation, and had laid down three criteria for this purpose which were accepted by the Review Committee (para. 4.7, page 11). There would be full justification to continue permanently any research unit (a) if it is supplying observational or experimental data suitable for teaching and research in statistics, or (b) if it is doing research of a pioneering type (because such research is almost certain to throw up in time live data for the application of statistical methods or which would require the development of new statistical tools, and also because the maintenance of such units would promote the advancement of science in India), or (c) which is participating in a thematic programme by collaboration with other units or research workers within the Institute itself or in other universities or scientific institutions and organisations (because while a thematic programme offers scope for research on different aspects of a particular theme, being done independently by different research units, the results of such research would be capable of being gradually integrated to give a more comprehensive view of the subject or theme as a whole, through multi-variate and multi-type statistical analysis).

A research unit would be permanent if it continues to satisfy any one or more of the above three criteria, in which case there cannot be any "frittering away of time or resources". A research unit which does not satisfy at least one of the three criteria would be discontinued.

Also, subject to the double restrictions of availability of suitable research personnel and of resources, there is absolutely no harm in a wide range of subject fields. On the contrary, the wider the range of subject fields of research, the greater would be the opportunities for diversification of experience in statistical training and in statistical research.

The Review Committee failed to take note of the fact that the Institute has consistently followed the research policy explained above. The science research units (other than those in statistics, mathematics and economics which are compulsory subjects in the training courses) have been always started on the basis of suitable men and not on the basis of subjects. Because of the unpredictable element in the organisation of scientific research (which is present even in the most advanced countries) some research units in the Institute were not successful and were therefore discontinued. Some research units were successful but the leading scientists retired or left the Institute; such units also were discontinued unless suitable research workers were available to carry on the work at a sufficiently high level of quality. Because of the above policy, there was no avoidable waste of resources.

In fact, if an impartial evaluation is made of the research units in terms of their significant scientific contributions, international recognition, and voluntary participation in their activities, without remuneration, by distinguished scientists from outside India, it would be clear that there was not only no frittering away of resources but actual achievement of this Institute, in terms of the expenditure incurred, would compare favourably with those of any other research institutions in India.

5. *Crop museum* : *The Review Committee suggested that the crop museum should be transferred to the Ministry of Agriculture. (7.20).*

The crop museum is a piece of land of a little more than half an acre, located in the grounds of the Institute, which is used to grow mostly annual crops and plants for teaching purposes. Such crop museums can be started, if desired, in any village or town. The recommendation of the Review Committee is not meaningful. (Deshmukh Committee 4.17, p. 10.)

6. *Agricultural chemistry* : *The Review Committee recommended that the research unit for agricultural chemistry should be transferred to the Ministry of Agriculture. (7.20).*

A former teacher of chemistry (which is a compulsory subject for B. Stat. degree) had been provided facilities to work on the effect of fertilizers on rice plants in collaboration with the West Bengal Department of Agriculture. This work was discontinued on his retirement from the Institute in March 1966. The question of transfer does not arise. (Deshmukh Committee 4.15, p. 10.)

7. *Agricultural Farm at Giridih* : *The Review Committee recommended the transfer of the Agricultural Farm at Giridih. (7.20).*

Work on agricultural crops was started many years ago for biometric experiments and crop-cutting experiments for estimating per acre yield of crops for purposes of teaching and research. The cultivated fields are located on a small part of about fifteen acres of land out of about thirty-eight acres acquired through the land acquisition procedure of the Bihar Government on condition that the Institute would continue to maintain a Branch at Giridih (Government of Bihar, Revenue Department letter no. 1256R/IL-216 received in the Institute Office on the 23rd January, 1946). If the Institute had no further use for it, the land would revert to the Bihar Government. The question of a transfer to the Central Ministry of Agriculture is not meaningful.

On the scientific side it may be stated that one important line of study has been on the observed increase of 12 or 15 per cent of the total yield per acre in the case of mixed sowings, on the same piece of land of two varieties of rice or wheat in comparison with the total yield when the same quantity of seeds of the same two varieties are sown in separate portions of the land. These studies on the interaction of different varieties of rice and wheat have offered good scope for training in the design of experiments, opened up important lines of research and attracted attention outside India. Active collaboration has also been secured of private cultivators for experimental field studies on a large scale, of scientists in other institutions, and of a Nobel Laureate in chemistry of U.K. through periodic visits. This research unit,

therefore, satisfies all three criteria laid down by Professor P. C. Mahalanobis and endorsed by the Review Committee and should therefore continue in the Institute according to the recommendation of the Review Committee.

It may be pertinent to add that during crop-estimating surveys in Bihar in 1943 it was observed that mixed sowings of wheat and barley or other crops gave higher yields. These results were discussed by Professor P. C. Mahalanobis in 1945 in a "Report on the Bihar Crop Survey 1943-44" *Sankhyā*, Vol. 7, pp. 29-106 and it was recommended that the above work should be followed up but no notice was taken of this recommendation by the Ministry or Government Departments of Agriculture. The recommendation of the Review Committee is neither desirable nor feasible for reasons explained above. (Deshmukh Committee, 4.19-4.20, pp. 10-11.)

8. *Electronic Computer*: The Review Committee has mentioned that the work of designing and fabricating computers and their components is not a legitimate activity of the Institute; that the Institute had started these activities without proper planning and detailed consideration of the implications; and further that past experience has proved that large scale manufacturing activity will retard the work of the Institute in more vital and legitimate fields (para 7.10).

The above observations of the Review Committee are based on incorrect information or inadequate appreciation of facts. Certain aspects of the question have been considered in paragraphs 4.21 to 4.24 of the Report of the Deshmukh Committee.

Training in computer technology is now recognised as an important qualification of professional statisticians. The Institute has been a pioneer in the field of electronic computers. The Electronic Division of the Institute had designed and constructed the first electronic computer in India in 1953; and an account of this machine was published in the *American Review of Scientific Instruments* in 1955. The Institute installed the first electronic computer in India (a small British machine HEC-2M) in 1956, and the second computer in India, the Soviet URAL, which was received as a gift from the U.S.S.R. through the United Nations, in 1959. Both computers (HEC-2M and URAL) have been maintained from the very beginning by the Institute's own engineers and staff.

From 1956 the Institute functioned as a de facto computation centre for India; and undertook important computation tasks from the Ministry of Defence, the Atomic Energy Commission, the Tata Institute of Fundamental Research, the Meteorological Department and other universities and scientific institutions. For this purpose the Institute had to train a number of numerical analysts and programmers who had to handle intricate computational problems.

Maintenance, repair, and engineering modifications of the HEC-2M and the URAL computers also gave the Institute engineers the opportunity to know the defects of these computers, and to make experiments in improving their efficacy. In 1961 the Jadavpur University approached the Institute for collaboration on computer development. The ISI-JU project to build two computers, one in the Jadavpur University and the other in the Indian Statistical Institute, was approved

and funds were sanctioned by both institutions. As a result of such collaboration, a modern solid state computer was designed and built in the Jadavpur University and was commissioned by the Minister of Education on the 2nd April 1966. The ISI-JU project includes the design and construction of a second special purpose digital computer in the Indian Statistical Institute. Apart from the ISI-JU project, the Institute has made some advanced studies on computer technology, particularly, on the magnetic drum type memory. Such studies have aroused interest among computer technologists abroad.

The Institute had never proposed or planned to start large scale manufacturing activities in respect of electronic computers or their components. The ISI-JU project and the studies mentioned above are purely of a research and development type, and are legitimate activities of the Institute because of the intimate connexion between statistics and computer technology, and also because the Institute has acquired much expert knowledge and skill and more than twelve years of experience in this field.

9. *Visiting scientists* : The Review Committee, while admitting that the visits of scientists from other countries, 'apart from their scientific utility, have an obvious public relations value' and that 'some of these visits also result in reciprocal invitations to the staff of the Institute to visit institutions of higher learning in other countries which in itself is no small advantage', mentioned that 'there is an impression that a number of papers prepared by these foreign visitors have little practical relevance to the problems of the country and that these visits involve substantial expenditure.' (7.21).

In the first place, the scientific collaboration expected from most of the foreign experts is essentially for the development of scientific and technological methodologies, and for suggestions and discussions relating to problems of fundamental research. The visiting scientists are mathematicians, statisticians, economists, biologists, chemists, geologists etc., and it was not expected that they would necessarily write papers which would have immediate practical relevance to the country although such papers also have been prepared by some of the guests specially with reference to economic planning in India.

As regards 'substantial expenditure', the Review Committee has not mentioned the facts (a) that the foreign scientific guests worked in the Institute without taking any remuneration, (b) that many of them were of such scientific eminence that it would have been impossible for the Institute to obtain their services by payment of any remuneration, and (c) that the Institute met only actual expenses incurred, sometimes only living expenses in India.

Among many others, the following are some of the well-known scientists who have visited the Institute and have participated in its research activities, sometimes through repeated visits, because of their continued interest in these activities :

Australia : Professor O. H. K. Spate (geography) ; Professor Trevor Swan (economics).

Bulgaria : H. E. Academician Evgeni Mateev (economics) ; Academician Ivan Stefanov (statistics).

Canada : Dr. Nathan Keyfitz (statistics).

Czechoslovakia : Professor Jiri Benes (physics) Academician J. Kozesnik (mathematics).

France : Professor Claude Berge (mathematics); Professor Charles Bettelheim (economics); Professor Jean A. Rosenberg (bio-chemistry); Dr. Daniel Thorner (economics).

German Democratic Republic : Professor G. Grummer (biology).

Japan : Professor T. Kitagawa (mathematics); Professor M. Masuyama (statistics).

Netherlands : Professor Jan Tinbergen (econometrics).

Norway : Professor Ragnar Frisch (economics)

Poland : Dr. M. Kalecki (economics); Dr. Oskar Lange (econometrics).

Sweden : Dr. Arne Muntzing (genetics); Dr. Herman Wold (econometrics).

Switzerland : Professor Arthur Linder (statistics).

U.K. : Dr. Thomas Balogh (economics); Professor G. A. Barnard (statistics); the late Sir Ronald A. Fisher, F.R.S. (statistics, on eight occasions); Dr. J. A. Gallagher (history); the late Dr. Ruggles Gates, F.R.S. (anthropology); Dr. D. V. Glass (demography); the late Professor J. B. S. Haldane, F.R.S. (biology, on three occasions before he joined the Institute); Sir Robert Hall (demography); Dr. P. L. Robinson (geology); Dr. A. T. A. Learmonth (geography); Dr. R. L. M. Synge, F.R.S., Nobel Laureate in chemistry (on three occasions); Dr. Frank Yates, F.R.S. (statistics).

U.S.A. : Professor Russell Aokoff (statistics); Dr. E. H. Colbert, Member, National Academy of Sciences (vertebrate paleontology); Dr. E. W. Deming, Consultant in Statistical Surveys; Professor Karl Deutsch (political science); Professor J. L. Doob, Member, National Academy of Sciences (mathematics); Professor J. K. Galbraith (economics, on two occasions); Dr. Harold Hotelling (statistics); Dr. Leon H. Keyserling (economics); Professor Simon Kuznets (economics); Dr. J. Neyman, Member, National Academy of Sciences (statistics); Dr. H. L. Shapiro, Member, National Academy (anthropology); the late Dr. Walter A. Shewhart, Bell Laboratories (Statistical Quality Control); the late Dr. Abraham Wald (statistics); the late Dr. Norbert Wiener, Member, National Academy of Sciences (mathematics, for one full academic session).

U.S.S.R. : Academician N. Bogolyubov, Institute of Theoretical Physics; Dr. D. D. Degtyar (economics); Dr. A. I. Ezhov (economics and statistics); Academician A. N. Kolmogorov (mathematics), Dr. G. Kotovsky (economics), Academician Yu. V. Linnik (mathematics), Dr. Panov (electronic computer); Dr. L. Y. Pisarev (economics and statistics); Dr. L. R. Polonskaya (economics); Professor Yu. V.

Prohorov (mathematics); Dr. M. Rubinstein (economics); Professor S. K. Sirajdhinov (mathematics); Professor A. S. Sobolev (mathematics); Academician A. Zelinovsky (gosplan).

West Germany : Dr. F. Vogel (human genetics).

It may be stressed that it would have involved an enormous expenditure to have to pay them a proper remuneration for the period of their stay in the Institute but, what is more important, also that remuneration by itself would not have been any attraction for them to work in the Institute. It was because of the satisfaction of rewarding work that such foreign scientists have come to the Institute.

10. *Family Planning Research Unit* : The Review Committee has stated that the Family Planning Unit should find its place in an appropriate organisation under the Ministry of Health. (7.16).

The above recommendation is based on either lack of correct information or an inadequate appreciation of facts.

The Review Committee itself noted that the part which the Institute was playing related to investigations in respect of efficiency of various agencies in transmitting family planning information, discovering motives underlying acceptance and rejection of family planning, attitudes relating to factors affecting family size, etc. The Institute is particularly well-equipped to use statistical methods and techniques including sample surveys for the above studies.

The Family Planning Research Unit is one of a series of projects which are sponsored and financed by the Ministry of Health and are located in different universities, medical institutions, social welfare and other organisations to provide a wide variety of experience and conditions for studies on family planning, as a part of an external research programme outside the Ministry. The grant from the Ministry of Health for the Family Planning Research Unit can be terminated but the Unit cannot be transferred to the Ministry. (Deshmukh Report 8.1.)

11. *Planning Division* : The Review Committee has stated that "it is difficult for the Planning Division [of the Institute] as at present constituted to make an independent evaluation of the work of the Planning Commission or of the Plans formulated by it." This, the Committee states, is a serious defect, arising out of what the Committee has considered "a lack of clarity in the Division's relationship with the Government." (4.9).

These statements have proceeded from an incorrect appreciation of the position of the Planning Division. Studies on planning had been inaugurated by the late Prime Minister Jawaharlal Nehru in November 1954 in the Indian Statistical Institute in Calcutta. A small unit for planning was established by the Institute in New Delhi in 1955 and worked in close collaboration with the Perspective Planning Unit which was started in the Planning Commission in September 1955. Accommodation was later provided for this Unit in the building in Yojana Bhavan where the Planning Commission and the Central Statistical Organisation were located which had the

physical advantage of easy communication. The Institute staff was never considered as staff of the Planning Commission and was not required to carry out work in accordance with any instructions of the Planning Commission. The Unit could take up for study or research any problem in which the Planning Commission was interested but there was no bar to its expressing views differing from those of the Planning Commission or making independent evaluation of the work of the Planning Commission.

12. *Fisher Committee* : *The Review Committee has mentioned that no action had been taken to implement the recommendations which had been made by the Committee under the chairmanship of Sir Ronald A. Fisher in 1956 in respect of the National Sample Survey although 10 years have passed.* (5.4).

The Review Committee did not, however, explain that the report of the Fisher Committee was concerned essentially with what action Government should take in respect of the National Sample Survey, and that responsibility for non-implementation of the recommendations rested with Government and not the Institute.

One most important recommendation of the Fisher Committee was that the Institute should be provided with a powerful electronic computer. The first electronic computer in India had been designed and built in the Institute in 1953. The Institute had also installed and was operating a British and a Soviet electronic computer, the two earliest computers in India, and had an expert staff for computer maintenance and computer programming. The Institute sent repeated reminders to Government but no high power electronic computer has yet been provided by Government for the Institute, although a large number of modern computers have been installed in both public and private sectors.

The Review Committee has not explained that if the Institute had been provided with a high power computer not only there would not have been any delay in the processing of the National Sample Survey data, but the Institute could have proceeded with sophisticated research on the design of sample surveys for which the NSS data offered unique opportunities.

13. *Coverage of National Sample Survey* : *The Review Committee has stated that before establishment of the National Sample Survey a large volume of statistics was being collected through normal administrative machinery by user organisations like the Ministry of Food and Agriculture, the Ministry of Labour and Employment, the Department of Economic Affairs, the Reserve Bank, etc., that a good deal of data collected by the National Sample Survey involves duplication and hence waste of resources ; that conflicting figures of agricultural production published by the Ministry of Food and Agriculture and the National Sample Survey have given rise to severe criticism in the vital field affecting planning in respect of both production and supply of food.* (5.6).

The Institute is not directly concerned with the above criticisms because the programme of the National Sample Survey is settled by Government. However, as a scientific institution, it is pertinent to mention two points. Administration believes that the collection of data through the normal administrative machinery of different Ministries has not been reduced or discontinued but has been increased after the NSS was started. Secondly, it cannot be assumed that statistical data are valid and

reliable simply because such data have been collected through an official agency. On the contrary, great importance is attached in modern scientific statistics to independent estimates as checks and cross-checks for testing the reliability of the primary data which is the only way to improve their quality. To extinguish independent checks on the reliability of data of national importance can have disastrous consequences.

14. *Effect of National Sample Survey work on research in sampling: The Review Committee has stated that "earlier the Institute had done excellent work in the theory and applied technique of large scale sample surveys and had conducted high level research in the field of sampling. After its involvement with the National Sample Survey this work which gave such high reputation has been neglected and has now become its weakest spot."* (5.7).

The above observation is not correct and is based on an inadequate appreciation of facts. Research in the theory and applications of large scale sample surveys had increased considerably along with the large scale operations of the National Sample Survey project.

When the Institute was entrusted with the responsibility of technical direction of the National Sample Survey in 1950 the scheme was only a bare outline of an idea. The Institute built up a full-fledged organisation. This task involved a great deal of thinking and research in the development of survey plans, sample designs, survey questionnaires, standardisation of concepts and definitions, procedures of data collection and techniques of data processing. New situations continually arose involving fresh problems of sampling, data collection and processing. Such problems had to be solved continually through suitable modifications suggested by results of experimentation. New techniques were incorporated into the system itself without always finding expression in research papers. Such activities led to important advances in the technique of large scale sample surveys. Multi-subject surveys, integrated household enquiries with built-in controls, the use of interpenetrating net work of samples, fractile graphical analysis etc. are some of the major contributions which have won international recognition.

A considerable volume of methodological studies were undertaken. The number of papers based on such studies compares very well with the number of papers produced by the Institute on large scale sample surveys in the pre-NSS period. The Institute's contributions in this field has been substantial in recent years.

At the same time, the lack of a high power electronic computer has been a very serious handicap, and has made it impossible to undertake promising lines of research in the design of sample surveys and of estimation and analysis of survey errors. It is also true that the actual amount of research work which could be done was very small in comparison with the unique opportunities for fruitful research which had been opened up by the large volume and wide range of the NSS data. This weakness has been due mainly to the lack of computer facilities for the NSS work. The Review Committee did not refer in this connexion to the fact that for more than ten years Government did not take any action to provide an electronic computer for the Institute, although this was the most urgent and important recommendation of the Fisher Committee in January 1957.

15. *Construction at Baranagar : The Review Committee stated that in Baranagar, Calcutta, where most of the construction has taken place, buildings have been put up with no coordination and no master plan for present needs or future requirements. (8.3).*

The statement is not quite correct and does not give an adequate appreciation of the situation. The eastern portion of the oldest (main) building was erected in 1950-1951 and was later extended on a plot which was the only piece of land the Institute possessed at that time, and which it had purchased out of its own funds. The alignment of the building, east to west, on the north of a big pond, was carefully planned for the maximum utilization of land. Also, only four storeys were constructed near the pond, rising gradually to seven storeys further and further away from the pond to the west, to give stability. Other constructions were temporary hutments which were put in such a way that (when funds became available) steel structures, hollow bricks, doors, windows, etc. could be used for more permanent buildings. In several cases, big trees were left undisturbed, by making special enclosures, within the hutments in order to preserve the artistic possibilities of the lay-out in future.

The new buildings were put up after careful planning of the layout as approved by Shri Surendra Nath Kar, Consulting Architect.

16. *Labour Cooperative : The Review Committee was informed that most of the buildings put up by the Institute (at a cost of Rs. 58.79 lakhs) had been constructed through an organisation called the Baranagar Labour Cooperative Society. (8.4.).*

The statement is not correct. The Cooperative Society was only given the labour work for a number of buildings for which the total earning of the Cooperative was less than Rs. 7 lakhs.

17. *Rent paid to Secretary : The Review Committee stated that a sum of Rs. 3,270 plus tax per month is paid to the Secretary of the Institute for the buildings 204 and 204/1, B. T. Road, Calcutta. (8.5).*

The above statement is not correct.

(a) Premises No. 204/1 belongs to the Statistical Publishing Society (a non-profit distributing society which publishes the Institute's official organ *Sankhyā* : The Indian Journal of Statistics). The entire accommodation was occupied by the Institute in 1942-43 when the Institute was asked by Government to vacate the accommodation in the Presidency College and in the city after the bombing of Calcutta at the end of 1941. Rent of Rs. 1270 per month is paid to the Statistical Publishing Society by the Institute for 3600 sq. feet of accommodation occupied in buildings and 7200 sq. feet in sheds; the rent works out roughly to 18 paise per sq. feet per month, calculated on the basis of rent for shed at half rate. This is much lower than the market rate in Baranagar.

(b) One part of premises in 204 B. T. Road was made over to the Sadharan Brahma Samaj by a Trust Deed in 1961. Messrs. Talbot & Co. made a valuation of Rs. 2400 as reasonable rent for the whole of the premises No. 204 B. T. Road in

1961-62, of which Rs. 900 is being paid to the Brahma Samaj since 1961; and Rs. 1100 (instead of Rs. 1500) to the Secretary of the Institute. The Committee itself mentioned elsewhere [para 10.6(c)(2), page 40] that at an earlier stage the Secretary of the Institute had permitted the Institute to use his premises without paying any rent for several years. It may be added that the Secretary had been working as both Secretary and Director most of the time in an honorary capacity since 1931, and has not been drawing any pay since July 1963.

18. *Guest House, New Delhi* : The Review Committee stated that a sum of Rs. 2,500 per month is paid for the Guest House in New Delhi and an equal amount is spent on its maintenance. (8.5).

These observations are based on an inadequate appreciation of facts. About 60 per cent of the space in the rented premises is occupied by the Guest House and the remaining portion by Institute offices, garages, etc. The adjusted annual rent for the Guest House is, therefore, Rs. 18,000; adding charges for staff, food, etc. of Rs. 22,000, the total annual cost is Rs. 40,000 (and not Rs. 60,000 per year as stated by the Review Committee). With this expenditure the Institute provided accommodation at an average cost of Rs. 20 per day for its senior officers and at Rs. 33 per day for visiting scientists and the Chairman. If accommodation had been provided in hotels the cost would have been much higher.

19. *Rent in Calcutta and Delhi* : The Review Committee has observed that the rent paid in Calcutta and Delhi is excessive and can be substantially brought down. (8.5).

Administration is of the view that rents paid by the Institute are not excessive. In Baranagar, for instance, the Institute pays per month Rs. 675 for 4000 sft., (or 17 paise per sft.) and Rs. 1180 plus tax for 6625 sft. of buildings and over 3000 sft. of sheds (16 paise). In Calcutta it pays Rs. 160 for 600 sft. (27 paise), Rs. 450 plus tax for 2257 sft. (23 paise), Rs. 400 for 3000 sft. (13 paise) and Rs. 1063 for 3500 sft. (30 paise per sft.) as monthly rent. For Guptoo Niwas in Baranagar the Institute was paying Rs. 419 per month for 6500 sft. (6.4 paise) but on appeal the rent has been increased to Rs. 2275 per month (or 33 paise per sft.) In Delhi, the Institute pays Rs. 1200 per month as rent in one case for 2551 sft., and in another for 2538 sft. (41 paise per sft.) and at about 50 paise per sft. in the case of six other buildings. In the case of the Guest House-cum-office the rent is about 40 paise per sft. According to Institute's information these rates compare favourably with current rates of rent in Delhi.

20. *Additions and alternations in rented buildings* : The Review Committee has stated that the practice of carrying out additions and alterations to rented buildings at the cost of the Institute and recovering the cost by increasing the quantum of rent is likely to be misunderstood and should be given up in future. (8.5).

The statement seems to have been based on inaccurate or incomplete information and is misleading because there is no regular practice of the type mentioned above and the question of continuation of the practice in future does not arise. As regards previous arrangements the correct facts are given below.

After the bombing of Calcutta in December 1941 the Institute was informed by the Bengal Government that the Institute might have to vacate, at three days' notice, its rooms in the Presidency College, Calcutta, for use by military authorities. The position was carefully considered at a meeting of the Council held in Baroda on the 3rd January 1942, and it was unanimously decided that the Institute should be removed to Professor Mahalanobis's premises 'Amrapali' at Baranagar and Mrs. Mahalanobis's premises 'Mahua' at Giridih, Bihar. This plan was approved by the Government of Bengal and also by the Government of India (in letter No. F. 41-7/41E dated, New Delhi, 20 February 1942); and these two Governments sanctioned Rs. 16,000 to meet the cost of evacuation. A part of the Institute was removed to premises 'Amrapali' and to the premises of the Statistical Publishing Society at Baranagar; and another part to premises 'Mahua' and other hired houses in Giridih. Professor and Mrs. Mahalanobis placed their premises 'Amrapali' and 'Mahua' respectively, free of rent, at the disposal of the Institute for the duration of the war and one year there after. Leases for this purpose, which were approved by the Government of India in letter No. F.41-7/41 E dated New Delhi March 14, 1942 and by the Council on April 9, 1942, were executed on April 15, 1942, and gave the Institute the right to make alterations, additions and constructions in the premises at its own cost without acquiring any interest in the property.

The volume of project work increased in 1942 and 1943. Under war conditions it was impossible to secure additional hired accommodation at Baranagar or Giridih. The Institute, therefore, made extensions and undertook construction work in the premises 'Amrapali' and on the land belonging to the Statistical Publishing Society at Baranagar, and also in premises 'Mahua' at Giridih. There was continuing financial uncertainty as grants for crop survey and other projects were being renewed from year to year. Professor Mahalanobis had to make cash advances to the Institute of Rs. 3769-4-0 in March 1942 and Rs. 10,005-11-6 in March 1943 to meet current liabilities. On February 3, 1944, Professor Mahalanobis offered the Institute the option of terminating the housing arrangements and agreed unconditionally to accept the liability for the amount of about Rs. 43,000 spent by the Institute for construction, repairs and maintenance up to that time. On February 13, 1944, the Finance Committee, with Mr. B. Das Gupta (later Finance Secretary, West Bengal) in the chair, recommended continuation of existing arrangements. The Finance Committee decided to credit to the construction account all rents realised from earmarked grants for projects (unspent balances of which otherwise had to be surrendered); and recommended that contributions on account of supervision fees for projects, which Professor Mahalanobis had been receiving for some time but which he had handed over to the Institute because of its financial difficulties, should be credited to a special fund (later called Director's Contribution Fund) expenditure out of which would be incurred in consultation with Professor Mahalanobis. The Council accepted the above recommendations on February 21, 1944. The Finance Committee made detailed recommendations on April 25, 1945 about the procedure for final settlement of the amount payable by the owners on account of construction, repair and maintenance of the premises by the Institute.

In his letter dated February 20, 1946, Professor Mahalanobis again requested settlement of housing arrangements, making it clear that the decision of the Council would be unconditionally acceptable to him. A Sub-committee was appointed consisting of Messrs. S. N. Roy, I.C.S. (later Chief Secretary of West Bengal), B. B. Das Gupta (at that time Deputy Secretary, and later Secretary, Finance Department, Bengal) and N. Chakravarti, which recommended in its report dated April 12, 1946 that an adjustment of Rs. 20,000 should be made as a reasonable value of Professor Mahalanobis's scientific library which the Institute had been using for a long time and which the Institute could take over, and that after such adjustment the total amount due from the owners would be Rs. 24,015 on March 31, 1946, according to the principles laid down earlier by the Finance Committee. The Finance Committee and the Council decided on April 17, 1946 that it would be of advantage for the Institute to continue to occupy these premises till the 31st March 1947 (when the original agreements would be automatically terminated after the lapse of one year from the official termination of the war on the 1st April 1946). Professor Mahalanobis stated in his letter of the 21st April 1947 that the Institute could continue to occupy 'Amrapali' free of rent or on such rent as the Institute could afford to pay, on conditions to be settled by mutual agreement. Another Sub-committee, which was appointed by the Council on December 4, 1948, headed by Professor K. P. Chattopadhyaya of the University of Calcutta, submitted its report on February 9, 1949 in which it was estimated that Rs. 551 would be due from the owners as on December 31, 1948 in accordance with the principles laid down by the Finance Committee on 25 April 1945. The same Sub-committee also recorded "*that it has been found that practically the whole of the funds used in constructions in these premises came from the fund created by contributions from Professor Mahalanobis and fees received in lieu of his services,*" and recommended that the Director's Contribution Fund should be placed under an independent board of administrators. The Council (with Shri C. D. Deshmukh, President, in the chair) accepted the above recommendations of the Sub-committee on the 10th February 1949.

To sum up, before and during the early years of the second world war, Professor Mahalanobis was receiving, with Government permission, certain fees for supervising statistical surveys and projects. He voluntarily transferred these fees to the Institute to help it at a time of financial difficulty and uncertainty. If he had retained the supervision fees he could have met, out of such fees, the cost of construction of additional accommodation for the Institute in premises 'Amrapali' at Baranagar and 'Mahua' at Giridih; and could have also obtained rent from the Institute for such accommodation. By transferring the supervision fees to the Institute it became possible to create the Director's Contribution Fund to be used for the purposes of the Institute.

21. *Giridih Offices : The Review Committee has observed that Institute buildings at Giridih are scattered at different places which make coordination and supervision difficult. (8.6).*

The above observation does not seem to be based on an adequate appreciation of relevant facts. After the bombing of Calcutta and the fall of Singapore at the

end of December 1941 there was great panic in Calcutta and a large exodus of people from the city. One part of the Institute was evacuated to premises 'Mahua' and several hired houses in Giridih. There was no choice in the matter; whatever accommodation was available had to be accepted. The Institute was asked by the Government of Bihar to undertake a crop survey from 1943; and the Bihar Government requisitioned one building 'May Lodge' for the Institute. With the approval of the Council, land acquisition proceedings were started in February 1944 and a piece of land was acquired by the Bihar Government for the Institute on the understanding that a Branch of the Institute would be maintained at Giridih. For lack of funds it has not been possible so far to put up buildings (except small temporary sheds) at Giridih. Hired houses were given up and offices were removed from time to time to other houses within more compact areas but some of the offices still remain scattered for reasons beyond the control of the Institute.

22. *Building in Giridih: The Review Committee observed "in the case of owned building (at Giridih) the construction is unplanned and poor in quality". (8.6).*

The only owned building at Giridih, which was purchased by the Institute, is a very old one which had been constructed more than 70 years ago for altogether different purposes. When funds become available these premises can be remodelled and the premises can be used for the construction of other buildings within a compact area.

23. *Health Home, Giridih: The Review Committee stated that one particular building at Giridih constructed by the Institute was intended to be used as a Health Centre. The Review Committee was told that it was hardly used. (8.6).*

About two acres of land had been given as a free gift for this purpose by Mrs. P. C. Mahalanobis. A part of the building was constructed out of private donations. The Health Home has been used for convalescent members of the staff. Administration agrees that it should be used more intensively for this purpose; and is convinced that it would be possible to arrange better utilisation in future.

24. *Acquisition of lands and construction: The Review Committee has observed that the Institute acquired lands in different places when it was passing through a financial crisis and that acquisition and construction should be related to resources. The Review Committee further stated that it is regrettable that land has been acquired without any definite plan and by borrowing from sources that must remain inviolate (8.7).*

The above observations are based on incomplete information, and inaccurate and inadequate appreciation of facts. The Institute is engaged in activities in 11 different places in India and has purchased land in 7 places. The land acquired by the Institute is, it is believed, very much smaller in area, than that purchased by many or most of the comparable government or government-supported research or higher educational institutions.

During the period between 1951-52 and 1965-66 the number of Institute staff increased roughly from 600 to 2300 as a result of expanded activities of the Institute in different centres. But unfortunately, the construction programme could not keep pace with the rate of development; in many places the Institute could not

take up construction on the acquired lands for paucity of funds. During this period of development the total amount of Government grants used for building was about Rs. 54 lakhs which was less than 4 per cent of the total recurring expenditure of 14 crores incurred during the same period. It is believed that proportionately very much larger grants were sanctioned for building in the case of comparable scientific institutions during the first phase of rapid development.

The contention of the Review Committee that the land had been acquired by borrowing from sources that must remain inviolate is not correct. The Institute never purchased any land by borrowing from the provident fund, gratuity fund or from any other fund of this type. Purchases were made from the development grant to the Institute and from its supervision fee fund or from capital grants sanctioned by Government for purchase of land.

25. *President : The Review Committee has stated that the President has no specific function. (9.1).*

The above observation is not correct. The constitution provides that the President shall have the right to attend and preside over all meetings of the Council, Governing Body and of any Committees or Sub-committees of the Institute. The President has also some emergency powers under the Constitution. In actual fact, successive Presidents have taken active interest in the work of the Institute and helped it in many ways. (Deshmukh Committee, 7.6.)

26. *Council : The Review Committee has observed that the Council is responsible for management of the Institute only in theory ; and that the President, Chairman and members of the Council, etc. have often been persons too busy with numerous other responsibilities to devote necessary time and attention to the affairs of the Institute. (9.4).*

The above statement is not correct. The Institute Council has taken a continuing and active interest in the affairs of the Institute. The first Chairman who was a resident of Calcutta used to give a good deal of his time for the Institute. The present Chairman, although residing out of Calcutta, makes frequent visits to Delhi and Calcutta and has been available when his help was required.

27. *High salaried appointments : The Review Committee has observed that high salaried appointments have been made without employing normal selection processes and jumps in salaries have been given without conforming to any set rules. (9.5).*

This statement is misleading and, in substance, incorrect. In certain special cases like Professor J. B. S. Haldane or senior Administrative Officers on retirement from Government posts like Shri S. Basu (Director General of Observatories), Shri T. K. Roy Chaudhuri (Chief Accountant, Calcutta Improvement Trust), Shri S. P. Sinha (Commissioner of a Division, Bihar), Shri N. N. Majumdar (I.A.A.S., ex-officio Secretary, Finance Department, West Bengal), Shri, S. K. Chaudhuri (Manager, Eastern Zone of the Life Insurance Corporation), and Shri M. S. Bhatnagar (Deputy Auditor General) were appointed directly by the Council, usually for one year or less at a time, without the formalities of a selection committee.

For normal appointments and promotions the procedures laid down in the Standing Service Orders or Regulations of the Research and Training School have been followed; in two or three cases exceptionally competent employees, who had accepted posts elsewhere, were re-employed without a selection committee when they wanted to come back to the Institute.

28. *Incurring expenditure in anticipation of sanction: The Review Committee has commented on the system of spending up to the limit of one month's salary by any employee using his own discretion for the purpose of the Institute. (9.7).*

The system is unusual but perhaps not undesirable. Conditions were (a) that it was permissible to incur such expenditure in an emergency or for purposes which were considered justifiable in the interests of the Institute, (b) the limit was one month's salary, and (c) reasons for incurring the expenditure together with supporting vouchers have to be submitted immediately to the Institute for proper scrutiny and sanction. No regular employee was likely to risk discharge by misusing one month's salary. Also, if it was found that the expenditure was malafide the amount could be recovered from salary, where necessary, by instalments. There was practically no financial risk.

On the other hand, the system, in principle, has definite advantages. Urgent or important work would not be held up for lack of some small essential supplies or contingency expenditure. It would give opportunities to discover employees with initiative and a sense of responsibility who would use this special power in the interests of the Institute. In actual fact, this power has been exercised only for small amounts, and has never been misused.

29. *Financial control: The Review Committee stated that the Institute has been reluctant to submit to financial control of the Government. The result has been that at the end of 1964-65, the Institute's debts mounted to Rs. 140.54 lakhs. (10.2).*

The observation seems to be based on an inadequate appreciation of the situation and is therefore likely to create a wrong impression. Administration does not know of any type of financial control which the Institute showed reluctance to accept.

The Review Committee itself stated (para 10.6(b), page 40) that out of the total debts of Rs. 140.54 lakhs, Rs. 106.00 lakhs represent the claim from Government for work already done by the Institute in connexion with the National Sample Survey during the 4-year period 1960-61 to 1963-64. A Government Committee was set up for settlement of this claim in May 1964, and "on account" payments to the extent of Rs. 65 lakhs, and an adjustment of Rs. 5 lakhs, were made between 25 March 1966 and 23 March 1967. Statutory (Budget) Committees, each year from 1963-64, recommended early settlement of this claim but no decision has yet been communicated to the Institute.

Deducting Rs. 106 lakhs from Rs. 140.54 lakhs the balance comes to about Rs. 34.54 lakhs, of which (a) Rs. 1.31 lakhs represent payments made on behalf of Government waiting reimbursement, (b) Rs. 6 lakhs are on suspense account for

different types of recoverable outlays; and (c) Rs. 5 lakhs represent claims of the Institute from Government for leave salary and gratuity funds which had been admitted by Government in principle but are awaiting adjustment by submission of individual accounts.

Deducting the above amounts, the total residual "debt" comes to about Rs. 23 lakhs. This amount includes (a) about Rs. 7 lakhs of unreimbursed capital expenditure, and (b) about Rs. 15 lakhs of accumulated deficits of recurring expenditure over a period in which the Institute had spent about Rs. 1200 lakhs. This deficit was due almost entirely to Government not giving practically any consideration to the Institute's revised budgets, which had been regularly submitted, in addition to a preliminary budget sent to Government four or five months before the beginning of the financial year.

It may be pertinent to mention that mainly because of the delay in the settlement of claims from Government, and unsatisfactory arrangements for working capital for the National Sample Survey project the Institute was obliged to borrow heavily from funds and the State Bank of India for which the Institute has already paid nearly Rs. 20 (twenty) lakhs of rupees as interest or an amount, it may be pointed out, is much greater than the total accumulated deficit of Rs. 15 lakhs over a long period. If "on account" payments, which were made in March 1966 and March 1967, had been made earlier much of this interest would have been saved. In fact, "on account" payments in good time could have saved not only the interest but would have left all funds unaffected and eliminated continuing financial worry to the Institute. There was no risk in making such "on account" payments because Government have statutory powers to take over the control of the Institute. Grants to the extent of nearly Rs. 20 (twenty) lakhs of rupees have been completely infructuous for the purposes of the Institute.

30. *Form of Budget : The Review Committee stated that the Institute's system of budget making and financial control has not been in accordance with accepted procedures. (10.3).*

The above statement is misleading and not meaningful. Budgets of Government offices, research institutes or universities are prepared in different ways. There is no generally "accepted procedure". For two decades or more the Institute had been preparing its budget in a particular manner which was accepted by Government as the basis for financial sanction.

In 1963-64 the Statutory (Budget) Committee suggested that the Institute's budget should be prepared on the lines of the budget of the Indian Institute of Technology (I.I.T.) Kharagpur. The Institute accordingly furnished detailed statements on the lines of the I.I.T. budget, to the extent possible, along with the budget proposals. Difficulties of conforming to the I.I.T. budget were explained to the Statutory (Budget) Committee for the next year (1965-66), of which the Director of I.I.T., Kharagpur, was a member. This Committee in its report for 1965-66

observed that "the form of budget should naturally reflect the specific nature of the activities of the Institute and should not be made to follow the pattern of another institution which has different emphasis on activities".

Administration agrees that the form of the budget should be improved to suit the present needs of the Institute. Action is being taken in this regard.

31. *Budget sanction : The Review Committee has stated that passing of the budget by the Council of the Institute is considered sufficient authority for incurring expenditure without waiting for sanction of funds by the Government. (10.3).*

The Review Committee apparently did not have adequate information about relevant facts in this matter.

The Institute submitted to Government in October or November every year, four or five months before the beginning of a financial year, the budget estimates as approved by the Council. Government representatives attended all meetings of the Council at which the budget was passed but did not object on any occasion to the approval of the budget except on rare occasions in respect of individual items. Government did not communicate any views on the budget on any occasion but made only "on account" payments.

Government sanction of grants was issued in most cases very late in the financial year as shown below; the number of months of delay in the issue of sanction is shown within brackets in each case.

DELAY IN SANCTIONING ANNUAL GRANTS

<i>financial year</i>	<i>date of sanction of grant</i>
April 1955 to March 1956	15 February 1956 (11)
April 1956 to March 1957	22 March 1957 (12)
April 1957 to March 1958	24 March 1958 (12)
April 1958 to March 1959	20 March 1959 (12)
April 1959 to March 1960	24 March 1960 (12)
April 1960 to March 1961	25 July 1962 (16)
April 1961 to March 1962	4 May 1961 (2)
April 1962 to March 1963	19 July 1962 (4)
April 1963 to March 1964	26 September 1963 (6)
April 1964 to March 1965	20 March 1965 (12)

It would be seen that on one occasion sanction was issued 16 (sixteen) months after the beginning of the financial year; and on 6 (six) other occasions at the end of the financial year. If the activities of the Institute were to continue in the mean time, expenditure had to be incurred, inescapably, on the basis of the budget approved by the Council.

The Institute had submitted every year a revised budget approved by the Council, as is the practice everywhere, but Government views were not communicated to the Institute.

32. *Provident Fund and Gratuity Fund* : *The Review Committee has observed that the Institute has at times diverted monies provided for salaries, contribution to Provident Fund and Gratuity Fund, etc. to capital and other avoidable expenditure (10.3).*

The above statement is misleading and is, in substance, not correct. In some cases loans had to be taken from funds to meet ways and means difficulties (always because of delays in receiving payments from Government on various accounts) for meeting current expenditure or occasionally for some capital expenditure (but never for purchase of land). Such borrowings were sanctioned by the Council, and were also proved to the satisfaction of Government to have been in accordance with relevant rules of the concerned funds.

33. *Fresh programmes* : *The Review Committee has stated that the Institute did not pay any heed to the advice of the Statutory Committee about not undertaking any expansion of fresh programme until it was assured of receiving necessary fund from Government (10.4).*

The above statement is not correct. Administration has not been able to trace any expansion of fresh programmes requiring additional funds, which have been undertaken in contravention of the advice of the Statutory (Budget) Committee.

34. *Common services* : *The Review Committee observed that the incidence of common services to direct expenditure is nearly 36 per cent which is much too high (10.6).*

The salary and allowance part of the cost of common services represents about 25 per cent of the total expenditure for the whole of the staff salary and allowances, which seems to be more or less the same as the percentage of salaries and allowances for common services staff in I.I.T.; the non-salary part is not readily ascertainable from the published account of I.I.T.

35. *Development Fund* : *The Review Committee observed in respect of Development Fund No. II, that Government held the view that this fund should have been utilised only for new experiments or new lines of research (10.6(3)).*

This description is misleading and partly incorrect. Government gave a development grant of Rs. 2.5 lakhs per year for three years 1955 to 1958. According to Government's own decision, this grant was unconditional; and the Institute could, by the terms of the grant, fund the amount or spend it in any way it liked. This grant was given in lieu of supervision fees which the Institute used to charge for projects which had been carried out on behalf of many Government authorities and other organisations since 1941. The sanction was for three years because the amount was fixed with reference to the value of the project work assigned to the Institute at the time. At the end of three years, however, the Government did not renew the grant for subsequent years either at the same, or as was expected, at a higher rate. Still later, when the matter was placed before the Statutory (Budget) Committee, Government started offering conditional grants.

36. *Provident Fund : The Review Committee stated that the Institute has utilised Provident Fund to meet its current liabilities (10.6(c)6).*

The statement is not correct and may create a wrong impression. The Institute was obliged to borrow a small portion of the fund to meet temporary ways and means difficulties. The Institute paid interest on such loans at rates which were higher than the rate which the fund could have earned by investment in Government securities.

Such loans were in accordance with the rules of the Institute General Provident Fund. The Institute's legal advisers and auditors, and also Government were agreed that taking such loans did not infringe any law. The Institute has always considered it undesirable to take loans from the Provident Fund but was forced to do so because of the delay in the settlement of outstanding claims from Government.

37. *Director's Contribution Trust Fund : The Review Committee has recommended that this fund along with other funds other than the provident fund and the gratuity fund should be merged in the general receipts (10.9.vii).*

The Director's Contribution Trust Fund was constituted out of honorarium, travelling allowance and fees for supervision of statistical surveys and projects which Professor Mahalanobis, when he was Professor of Physics in the Presidency College, Calcutta, was permitted to accept by the Government of Bengal, and which he (did accept for some time but later) decided to hand over to the Institute, and out of cash donation given to the Institute by Professor and Mrs. Mahalanobis from 1932-33 to 1948-49.

The Council in its meeting dated 21 February 1944 resolved that the expenditure out of this fund was to be used "for the advancement of statistics and allied subjects and for the benefit of statistical workers.....in consultation with Professor Mahalanobis." Later, by Council resolution dated 1 April 1949, the fund was converted into a Trust Fund by an instrument of trust executed on 18 April 1949.

This fund or any other earmarked donation, therefore, can not be merged in the general receipts as recommended by the Review Committee.

38. *Expenditure in anticipation of sanctions : The Review Committee has observed that the Institute embarked on new projects, purchased land, and constructed buildings when it did not have money even to meet its normal commitments (10.7).*

The above statement seems to be based on incorrect information and an inadequate appreciation of the situation. In paragraph 10.8 of its report the Review Committee has itself mentioned a number of reasons which forced the Institute at times to spend in anticipation of Government sanction. In a large number of cases such expenditure was sanctioned by Government subsequently but the Institute was kept in the position of a debtor for many lakhs of rupees for a considerable period of time at each stage.

INDIAN STATISTICAL INSTITUTE

EXTRACTS FROM THE PROCEEDINGS OF THE MEETINGS OF THE COUNCIL OF THE INDIAN STATISTICAL INSTITUTE HELD ON THE 19TH AND THE 20TH AUGUST 1967.*

A meeting of the Council of the Indian Statistical Institute was held on Saturday 19 August 1967 at 3.30 p.m. at the City Office of the Institute at 9B Esplanade East, Calcutta-1.

Present : Shri K. P. S. Menon, Chairman of the Institute (in the chair).

Dr. B. P. Adhikari; Shri R. Banerjee; Shri P. K. Bhowmik (Secretary, I.S.I. Bombay Branch); Dr. D. K. Bose; Dr. N. Das; Professor H. C. Ghosh; Shri S. P. Jain (on behalf of the Cabinet Secretary); Professor D. B. Lahiri; Sm. Nirmal Kumari Mahalanobis; Dr. N. T. Mathew; Dr. B. S. Minhas; Dr. K. R. Nair; Dr. C. R. Rao; Dr. N. S. R. Sastry; Dr. Amartya Sen; Professor Srinagabhushana; Professor P. C. Mahalanobis, *Secretary*; Shri Pitambar Pant, Shri P. Ray and Shri N. C. Chakravarti, *Joint Secretaries*.

17.1. *Report of the Deshmukh Committee* : Attention of members was invited to the appointment on 14 January 1967, of a Committee consisting of Dr. C. D. Deshmukh, Professor P. C. Mahalanobis, Shri Pitambar Pant, Dr. C. R. Rao and Professor B. R. Seshachar, for advising the Chairman and the Council of the Institute on the report and recommendations of the Review Committee, set up by Government under Section 9(1) of the I.S.I. Act. It was recalled that the Report of the Review Committee submitted to Government in December 1966, was sent by Government to the Chairman of the Institute with a letter No. 16/1/67-Estt. III dated 18 April 1967 and received by the Institute on the 24th April 1967. The Government letter was in the following terms :

"In pursuance of section 9(3) of the Indian Statistical Institute Act, 1959, I send herewith a copy (with 5 spare copies) of the Report submitted to the Government by the Indian Statistical Institute Review Committee set up under section 9(1) of the aforesaid Act. The action taken on the Report may kindly be intimated to the Government within two months."

17.2. A meeting of the Council was called on the 3rd of May 1967. Papers and notes were also submitted to the Deshmukh Committee by the Institute Administration. The Deshmukh Committee met on the 18th and 19th May 1967, 13th June and 24th July 1967, and signed its report on the 25th July 1967. This report, together with notes prepared by the Administration in three parts, had been circulated to members. The report of the Review Committee was for consideration of the Council together with the report of the Deshmukh Committee with the Notes by the Administration (given in Appendix).**

* As confirmed by the Council in Meeting on 9 October 1967.

** Already circulated.

17.3. Shri S. P. Jain (Deputy Secretary, Department of Statistics, Government of India) mentioned that while attending the meeting on behalf of the Cabinet Secretary, he and the other Government member (Dr. K. R. Nair) intended to be observers in this matter.

17(A) *General.*

17(A.1) *General :* Dr. N. S. R. Sastry invited attention to paragraph 2.2 of the report of the Deshmukh Committee, and expressed surprise that the Review Committee had made many adverse comments and criticisms without giving an opportunity to the Institute to place its point of view on relevant matters.

17(A.2). Professor H. C. Ghosh said that it was most unfortunate that the person who was authorised "to act as Liaison Officer for representing the Institute before the Committee" was not sent for by the Review Committee at any stage to obtain the views and comments of the Institute in respect of any matter which the Committee considered, *prima facie*, to be unsatisfactory. He mentioned that, when he was called as a witness, he was surprised that no one from the Institute was present to note the evidence he was giving. He thought at that time that the recorded evidence would presumably be sent to the Institute for its comments. But it appeared that evidence collected by the Committee from different sources was not made available to the Institute. The result was the report of the Review Committee contained many avoidably inaccurate statements and an inadequate appreciation of the situation. He deplored the fact that the issue of the report to the public, without giving the Institute an opportunity of stating facts correctly and offering explanations, had caused adverse criticism to appear in the press. This had caused great damage to the Institute's reputation, and many distinguished persons had spoken to him expressing sorrow and surprise. This was extremely unfair to Professor Mahalanobis, who had spent over 40 years of his life in creating for Indian statistics and the Institute the high scientific reputation which it enjoys. There was also the wider danger that such treatment would dishearten the younger scientists, damp their enthusiasm and discourage their initiative. Professor Ghosh desired that his views in the matter should be recorded and that widest possible publicity should be given to the Institute's point of view, especially as contained in the report of the Deshmukh Committee and part 3 of the Administration Note, to remove the wrong impressions which had been created in the public mind by the views expressed in the Review Committee's report which were based on incomplete and incorrect information.

Several members of the Council expressed their agreement with the observations of Professor Ghosh.

17(A.3). There was some discussion about the responsibility for lack of proper representation of the Institute. Shri Pitambar Pant stated that the Deshmukh Committee acknowledged that there was default on the part of the Institute but there was also failure on the side of the Review Committee.

17(A.4) In reply to a query from the Chairman, Shri S. P. Jain (representing the Cabinet Secretary) said that the position in this respect had been explained by the Cabinet Secretary in a letter addressed to Dr. C. D. Deshmukh. As required

under section 9(2) of the Indian Statistical Institute Act, 1959, the Institute had been duly given notice of the intention of the Government to appoint a Review Committee with a request to appoint a representative in terms of section 9(2) of the Act. The Institute had appointed a high level officer for the purpose. Subsequently, the Institute informed the Government that this particular officer will not be able to represent it and nominated another officer as liaison officer for representing the Institute. This liaison officer unfortunately did not discharge the functions contemplated in section 9(2) of the Act. There was thus omission on the part of the Institute in not providing or insisting upon this representation and on the part of the Review Committee in not asking for effective functioning of the representative of the Institute in terms of section 9(2) of the Act.

It was reported to the Council that the Institute's liaison officer had been informed only about dates of meetings held in Calcutta, but had never been asked to attend the Review Committee's meetings, reviews, inspections, etc. in Calcutta or outside Calcutta.

17(A.5). Shri Pitambar Pant pointed out that it was most unfortunate that the report of the Review Committee was released to the press and widely circulated without giving any opportunity to the Institute to state what it had to say in respect of points where adverse opinion had been expressed by the Review Committee. Other members of the Council agreed with this view.

17(A.6). Dr. N. Das and other members felt very strongly that the procedure adopted by Government had seriously affected the reputation of the Institute, and that it was necessary to give wide publicity to the report of the Deshmukh Committee together with the Notes by the Institute Administration, and to send copies to all parties to whom the report of the Review Committee had been sent by Government. Shri Pitambar Pant and Dr. C. R. Rao explained that the Notes by the Institute Administration had been prepared at the request of the Deshmukh Committee as mentioned in the concluding paragraphs of the report.

17(A.7). The Council agreed that the Report of the Deshmukh Committee together with Notes by the Institute Administration (with such additions and alterations as may be considered necessary) in the form of an appendix to the Report should be given wide publicity.

17(A.8). Several members invited the attention of Council to the fact, mentioned in paragraph 2.4 of the report of the Deshmukh Committee, that in many cases the Review Committee did not mention the reasons or evidence on the basis of which comments or recommendations were being made which made it extremely difficult to appreciate the value of such comments or the validity of such recommendations. It was suggested that the attention of Government should be invited to this point.

17(A.9). Professor H. C. Ghosh also drew attention to the observation in paragraph 2.5 of the report of the Deshmukh Committee that the Review Committee had possibly gone beyond its terms of reference in respect of recommendations relating to the basic constitution of the Institute. Professor Ghosh personally thought there

could not be any doubt that the Review Committee had exceeded its terms of reference in this regard. He quoted Section 9 of the Indian Statistical Institute Act which did not contemplate that a Review Committee would consider questions relating to the constitution of the Institute. Government also had invited the advice of the Review Committee mostly on the lines laid down in Section 9 of the Act. These points did not include any reference to the main constitution of the Society and could not attract recommendations about changes in the composition of the Council or change in the objects of the Institute, on the basis of which the Parliament had declared the Institute to be an institution of national importance. He felt that the organisers of the Indian Statistical Institute had created the Institute with certain objects and intentions and it was obviously not open to the Review Committee to make recommendations for changes in such objects or the structure of the Society. Several other members associated themselves with these views.

17(A.10). Some members also invited attention to paragraph 3.6 of the report of the Deshmukh Committee where the question has been raised whether the Review Committee could question the legitimacy of activities which had been taken up by the Institute in accordance with its Memorandum of Association, were approved by its Council, and were supported by funds either from Government or other sources. Legitimacy was in essence a legal matter and the Review Committee had not disclosed whether it had obtained legal advice before giving its view on legitimacy.

17(A.11). As it was getting late, it was decided that the discussion on general issues should be taken up again at the adjourned meeting next day and the specific recommendations of the Deshmukh Committee should be considered at this meeting.

17(A.12). Professor P. C. Mahalanobis observed that it was necessary to record very carefully the views and decisions of the Council on the general issues and suggested that this should be done after the discussions on general issues were concluded on the following day.

17(A.13). The Chairman mentioned that the general observations in the report of the Deshmukh Committee could be taken into account in considering the specific recommendations of the Deshmukh Committee.

17(A.14). *Objects* : The Council agreed with the Deshmukh Committee (paras 3.4 and 3.5) that in case sub-clause (iii) of the Objects of the Institute was to be changed to read "to undertake any other ancillary activity in fulfilment of the first two sub-clauses" then, subject to the approval of the General Body of Members of the Institute as laid down in the Rules, the first sub-clause should be amended to read as follows :

"(i) to promote the improvement of the knowledge of statistical theory and methods and their use in research and practical applications generally with special relevance to problems of planning of national development and social welfare."

17(B). *Research and Training School.*

17(B.1). *Training facilities* : Agreeing with the Deshmukh Committee (para 4.1) the Council welcomed the recommendations of the Review Committee that training facilities of the Research and Training School should be strengthened and the Institute should provide training and research facilities in the subject of economic development and planning to trainees from India and abroad; and that present premises be remodelled and more accommodation provided for research workers; and urged on Government to sanction adequate funds for the above purposes.

17(B.2). *Academic Council* : The Council, agreeing with the observations of the Deshmukh Committee (paragraph 4.2) accepted the recommendations of the Review Committee (para 9.8 vii) (i) that the Research and Training School should have an Academic Council; and (ii) that the existing Governing body should be abolished.

17(B.3) *Library* : The Council agreed with the Deshmukh Committee (para 4.25) that the Library should continue to be a part of the Research and Training School as at present, instead of being treated as a separate department or under administration as recommended by Review Committee, but that there should be a Library Committee with representatives of different divisions as recommended by the Review Committee (9.8 viii).

17(B.4). *Planning Division* : There was a full discussion on the observations of the Review Committee and of the Deshmukh Committee (paragraph 4.3-4.7) regarding the Planning Division in Calcutta and the Planning Unit in Delhi in which Dr. B. P. Adhikari, Dr. D. K. Bose, Dr. N. Das, Professor H. C. Ghosh, Professor P. C. Mahalanobis, Dr. B. Minhas, Shri Pitambar Pant, Dr. N. S. R. Sastry, Dr. Amartya Sen and others took part.

17(B.5). The Council agreed with the Review Committee and the Deshmukh Committee that the activities of the Planning Division in Calcutta and the Planning Unit in New Delhi should be made integral parts of the Research and Training School, and separate centres with such specialised research units as may be necessary should be organised for this purpose in both Delhi and Calcutta, each having a certain measure of autonomy to develop as a distinct entity within the overall control of the Research and Training School. The nature of academic and administrative coordination should be settled by the Director, Research and Training School, in consultation with members of the staff concerned and the Governing Body where necessary, and later in consultation with the Academic Council when one is set up. As recommended by the Deshmukh Committee, the Council decided that provision should be made in the capital budget for a building programme to provide necessary accommodation in New Delhi beginning with 1967-68 to the extent possible and to be completed within a period of three years.

17(B.6) In view of the close connexion of the Planning Commission for a long time with the advanced studies and research on planning in the Institute, the Council fully agreed with the Review Committee and the Deshmukh Committee that the Institute should continue to be in a position to study and participate in the process of thinking in the formulation of plans, and strongly endorsed the Review Committee's

suggestion that it was necessary to ensure that relevant information was made available to the Institute by the Planning Commission and other Government agencies. The Council also agreed with the Deshmukh Committee that the Institute centres and research units for economic planning should be free to accept consultancy work and assignments from the Planning Commission, Government departments and private agencies, and to permit individual members of the staff to take up assignments on deputation to the Planning Commission or other Government agencies.

17(B.7) *Science Teaching Units* : Accepting the recommendation of the Deshmukh Committee (para 4.8) the Council and the Governing Body decided that expenditure of teaching units in natural sciences should be considered a part of the normal expenditure of the Research and Training School, and if a teacher of a compulsory science subject happened to be interested in research he should be encouraged to proceed with such research and should be provided with necessary facilities, expenses for which should also be considered a part of the normal expenditure of the Research and Training School.

17(B.8) *Research Units in Natural Sciences* : The Council was glad to note that the Review Committee and the Deshmukh Committee had supported the Institute policy of starting and maintaining small units of research in natural sciences. The Council accepted the recommendation of the Deshmukh Committee (para 4.12) that there should be periodic assessment and evaluation of the science research units, on the basis of the three criteria laid down by Professor P. C. Mahalanobis which had been endorsed by the Review Committee and the Deshmukh Committee (para 4.9), normally at intervals of about five years or earlier if necessary, and that eminent scientists in India and also from outside India should be associated with such assignment and evaluation, and that the continuation or starting of such science research units should have the approval of the Academic Council of the Research and Training School when one is set up.

17(B.9). The Council agreed with the Deshmukh Committee (para 4.13) that the encouragement of high quality research, where such activity can be organised, was a definite responsibility of higher research and educational institutions, and was a special responsibility of the Indian Statistical Institute, because pioneering research was almost certain, in time, to offer scope for new applications of known statistical methods or to open new fields for statistical research.

17(B.10). The Council accepted the recommendation of the Deshmukh Committee (para 4.11) that science research units which satisfied any one or more of the three specified criteria should be continued, and that there should not be any rigidity in restricting the expenditure of the specialised research units in natural sciences to 20 per cent of the budget of the Research and Training School.

17(B.11). *Documentation Research and Training Centre (D.R.T.C.)* : The Council agreed with the Deshmukh Committee (para 4.14) that effective links should be established between the Research and Training School and the Documentation Research and Training Centre at Bangalore, and efforts should be made to develop effective statistical tools for the work of the D.R.T.C.

17(B.12). *Appraisal Division* : The Council accepted the recommendation of the Review Committee and the Deshmukh Committee (para 4.15) that the Appraisal Division should be made a part of the Research and Training School, and the research programme should be developed as an important field for the application of statistical methods.

17(B.13) *Crop Museum* : The Council agreed with the Deshmukh Committee (para 4.17) that the recommendation of the Review Committee for the transfer of the crop museum to the Ministry of Agriculture was not meaningful and could not be accepted because the crop museum was a small piece of land of a little more than half an acre located within the Institute premises on which annual seasonal crops were grown for teaching purposes.

17(B.14) *Chemistry* : The Council agreed with the Deshmukh Committee (para 4.18) that the question of the transfer of the unit for agricultural chemistry to the Ministry of Agriculture, suggested by the Review Committee, did not arise because it was in fact a part of the teaching unit for chemistry, and a former professor, who was doing some research on agricultural crops on a personal basis, had retired in early 1966.

17(B.15). *Agricultural Farm* : For reasons stated in the report of the Deshmukh Committee (para 4.19), the Council was of the view that it was not possible to accept the recommendation of the Review Committee that the agricultural farm at Giridih should be transferred to the Central Ministry of Food and Agriculture, because the work on agricultural group satisfied all the three specified criteria for the continuance of science research units, and because the land was acquired through the Bihar Government on condition that the Institute would maintain a branch at Giridih, and also because the land would revert to Bihar Government if the Institute released it.

17(B.16). *Electronics Computer Division* : The Council agreed with the Deshmukh Committee (paras 4.22, 4.23, 4.24) that the Computing and Electronics Laboratory should form part of a larger Electronics Computer Division or Unit of the Research and Training School, and training and research programmes in electronic computers should be expanded, and also that fabrication work, on a laboratory scale, was a necessary and a legitimate activity of the Institute to bring to fruition the results of research and development of electronic computers, and that possibilities of extension of activities to the design and development of computers for use in other scientific institutions or for commercial exploration should be examined in due course by a committee of experts.

17(B.17). *M. Stat. Courses* : The Council agreed with the Deshmukh Committee (para 4.26) that as the B. Stat. degree of the Institute is awarded after a four-year course while the Bachelor's degree in universities is awarded after a three-year course, the M. Stat. course would continue to be a full two-year course for persons with a Bachelor's degree from other universities and a one-year course for persons who have taken the B. Stat. degree of the Institute, as the total period of study for both these categories of students would be five years after the pre-university examination.

17(B.18) *Staff Committee* : Taking note of the views of the Deshmukh Committee (para 4.28) about staff committees comprised of non-academic staff of the Research and Training School, the Council decided that this question should be considered in due course after ascertaining from academic bodies, government institutions, etc. the nature of staff committees of this type, if any, that they may have.

17(B.19) *Other matters relating to R.T.S.* : The Council agreed with the views expressed and suggestions made in the Notes by Administration in respect of the Research and Training School as given in Appendix A.

The discussion continued till 7.30 P.M. and then the meeting was adjourned to 10.30 A.M. on Sunday, the 20th August 1967 at the Baranagar Office of the Institute, Calcutta-35.

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The adjourned meeting of the Council of the Institute, was held at 10.30 A.M. on Sunday, the 20th August 1967, at "Amrapali", in the office of the Institute at 204 Barrackpore Trunk Road, Calcutta-35.

Present : Shri K. P. S. Menon, Chairman of the Institute (in the chair).

Dr. B. P. Adhikari; Shri P. K. Bhowmik (Secretary, I.S.I. Bombay Branch); Dr. D. K. Bose; Professor H. C. Ghosh; Shri S. P. Jain (on behalf of the Cabinet Secretary); Sm. Nirmal Kumari Mahalanobis; Dr. N. T. Mathew; Dr. B. S. Minhas; Dr. K. R. Nair; Dr. C. R. Rao; Dr. N. S. R. Sastry; Dr. Amartya Sen; Professor Srinagabhushana; Professor P. C. Mahalanobis (*Secretary*); Shri Pitambar Pant and Shri P. Ray (*Joint Secretaries*).

The meeting continued till 7 P.M. with a break for lunch from 1.30 P.M. to 3 P.M.

17.0. *Report of the Deshmukh Committee* : Consideration of the report of the Deshmukh Committee and the report of the Review Committee (set up by Government under Section 9 of the Indian Statistical Institute Act) which had commenced at the meeting of the Council on the 19th August 1967, was continued.

17(C). *Statistical Quality Control*.

17(C.1). The Council, agreeing with the recommendations of the Review Committee regarding Statistical Quality Control (paras 6.1 to 6.6), expressed the hope that Government would take appropriate action and provide more funds at an early date; and accepted the Deshmukh Committee's recommendations (paras 5.1 and 5.2) that the SQC Division should have closer collaboration with the Research and Training School especially in the research and training aspects of its activities.

17(C.2). The Council agreed with the Deshmukh Committee's observations that the question of SQC Division being made an integral part of the Research and Training School, while retaining a good measure of autonomy in its functioning, might be considered at an opportune moment.

17(C.3) Dr. N. S. R. Sastry raised the question whether the meeting should accept the Review Committee's recommendation that the consultancy service of the SQC should aim at self-sufficiency. A detailed discussion took place in which Shri Pitambar Pant, Shri S. P. Jain, Shri Srinagabhushana and others took part. Many members felt it would be difficult to make the consultancy service self-sufficient at this stage. It was also pointed out that in actual plant work by the SQC units the elements of Consultancy service, training and promotions were integrated and indivisible and it was not possible to separate them individually. Shri S. P. Jain stated that the idea behind the Review Committee's recommendation might be a future possibility of separation of consultancy service from research, training and promotional activities of the SQC units, and development of consultancy services on business-like lines. After some discussion it was agreed that it would be advisable for the consultancy services of SQC units to aim at self-sufficiency to the extent it may be possible.

17(D). *National Sample Survey.*

17(D.1). Recommendations of the Review Committee on National Sample Survey (para 5.8) together with the Deshmukh Committee's observations and suggestions (paras 6.1 to 6.9) were taken up for consideration. A note prepared by Dr. B. P. Adhikari in this connexion was placed before the meeting.

17(D.2). The Council agreed in principle with the recommendations of the Deshmukh Committee.

17(D.3). *Survey Research and Project Wing in the Institute* : In view of the fact that the Institute has made significant contributions to the theory of design of large scale sample surveys the Council was strongly of the view that in the event of Government deciding to set up a separate organisation for National Sample Survey work as proposed by the Review Committee, the Institute must maintain an adequate project wing, as suggested by the Deshmukh Committee, to take up a variety of *ad hoc* or continuing surveys in different parts of the country with emphasis on improving the design and efficiency of surveys and developing new methods and techniques. The Council also agreed with the Deshmukh Committee's observations that the above purpose would not be served by restricted participation in NSS work in West Bengal alone as proposed by the Review Committee.

17(D.4). In the event of the transfer of NSS work from the Institute, the Council considered it imperative to organise quickly a survey, research and project wing of its own with a competent staff for design, analysis, field and processing work in order that research training in sample surveys could be continued without any interruption.

17(D.5). As the organisation of such a project wing would depend on funds which Government might make available, and as it would be necessary to set up the wing before any new organisation takes up the NSS work, to avoid creation of a gap, the Council was firmly of opinion that it was necessary to start negotiation with

Government as early as possible to ascertain the size of funds which would be made available by Government for this purpose to enable the Institute to prepare its programme and set up its own organisation in time.

17(D.6). *Guarantee of employment to staff* : The Council endorsed the recommendations of the Review Committee and also of the Deshmukh Committee that no employee of the Institute should be thrown out of employment as a result of any reorganisation of the NSS. The Council agreed with the Deshmukh Committee that the steps suggested by the Review Committee to achieve this objective were unlikely to be adequate or satisfactory. The Council also emphasised that the principle about no employee being thrown out of employment should apply not only to the staff who were exclusively engaged in the NSS work but also to the related staff of the common services who might be found surplus because of the reorganisation of the NSS work.

17(D.7). *Deployment of staff* : Regarding deployment of staff, one view was that in the event of the NSS work being taken over by Government or by a new organisation, the most convenient procedure would be for Government or the proposed new organisation to take over the entire NSS staff and an appropriate part of the common services staff. One suggestion made was that, as the Institute must have a survey, research and project wing of its own, the Institute could offer employment to some of the staff whose services were likely to be useful in the proposed project wing. The other view expressed was that the Institute should retain such staff as are required by the Institute and are willing to continue in the proposed project wing of the Institute, and Government or the new organisation should take over responsibility for the remaining staff of the NSS and an appropriate part of the common services staff. After discussion, the general view was that Government must take the responsibility for providing employment to all staff rendered surplus owing to the transfer of NSS work from the Institute to Government or the proposed new organisation but that there should not be any bar to the Institute offering employment to any of its staff in the project wing which might be organised in the Institute.

17(D.8). The Council was very firmly of opinion that, whatever may be the procedural arrangements for the division of the staff, it was absolutely essential that Government (or the proposed new organisation) should have a clear responsibility for the staff which would not be retained in the Institute.

17(D.9). The Council desired that the above principles should be kept in view during negotiations with Government.

17(D.10). The Council felt that the service condition of employees who were taken over by Government or a new organisation as a result of reorganisation of the NSS work should not deteriorate in any way for reasons of such transfer.

17(D.11). *Location of NSS Headquarters* : Regarding the location of the headquarters of the agency (Government or the proposed new organisation) which would take over the transferred NSS work, Shri Pitambar Pant pointed out that the field workers could automatically remain in the respective regions in which they were located at present. To avoid hardship to the technical and other operational and

associated common services staff, who were now mostly located in Calcutta, he added, it would be extremely desirable to have the headquarters of the new agency (Government or the proposed new organisation) in Calcutta. The Council accepted this view and strongly recommended that the headquarters of the new agency, if established, should be located in Calcutta.

17(D.12). *Government Working Group for NSS Reorganisation*: One member mentioned that he had heard that a Working Group had been set up by Government to consider the recommendations of the Review Committee relating to the reorganisation of the National Sample Survey. He said that, if this information was correct, it was possible that Government had already taken decision in this matter before receiving the views of the Institute.

17(D.13). Shri S. P. Jain (representing the Cabinet Secretary) informed the Council that Working Group had been set up by Government to examine the recommendations of the Review Committee relating to the National Sample Survey.

17(D.14). Dr. B. P. Adhikari expressed surprise that Government had considered it necessary to set up such a Working Group even before receipt of the Institute's reply to Government letter of April 1967 forwarding the report of the Review Committee. It was also surprising that Government had not informed the Institute that such a Working Group was being set up or had been set up, and had not invited the Institute to help in the deliberations of the Working Group. The Institute had been serving as the Technical Wing of the National Sample Survey for 17 years since the NSS was started in 1950 and had wide and unique experience of design and technical aspects of large scale sample surveys. It was necessary, in his view, that the Council should firmly claim that the Institute should have the opportunity of participating, at all stages, in any thinking about the reorganisation of the National Sample Survey work. Shri S. P. Jain promised to convey these views both to the Government and to the Chairman of the Working Group.

17(D.15). *Institute Cooperation in NSS Reorganisation*: Several members spoke in support of the above views. In the course of the subsequent discussion it was pointed out that the Institute had been virtually responsible for the setting up of the National Sample Survey and developing different aspects of the project since its inception. The Institute also had wide experience of large scale sample surveys in (undivided) Bengal and Bihar before and during the second world war and before the National Sample Survey was set up in 1950 after independence. The Council felt it would be in the best interests of the country if the unique scientific and technical experience of the Institute was fully utilised in the reorganisation of the work of the National Sample Survey.

17(D.16). At the suggestion of Professor P.C. Mahalanobis the Council decided that Government should be informed of the desire of the Institute to cooperate in every possible way in the reorganisation of the work of the National Sample Survey generally, and in setting up of a new agency in particular.

17(D.17). *Microfilm copies of primary data* : The Council agreed with the recommendations of the Review Committee and the Deshmukh Committee (para 6.8) that the primary information of the National Sample Survey should be reduced to microfilm of which one copy should be made available to the Institute, as this material would be indispensable for research and training in large scale sample survey and for economic analysis.

17(D.18). *Large-scale projects* : The Council agreed with the recommendation of the Deshmukh Committee (para 6.9) that the Institute, being basically a scientific organisation, should not become involved in large-scale routine operations if these were detrimental to its important activities in the field of teaching and of fundamental and applied research, but that it should be open to the Institute to take up large-scale projects which would have a scientific interest or would be of benefit to the nation, and also that there should be no objection, in principle, to the Institute making, through efficient conduct of projects and assignments, some profit which could be utilised to acquire useful assets.

17(D.19). *Need of independent statistics as checks* : Dr. Adhikari drew the attention of the Council to the observations made by the Review Committee (i) that according to the Ministry of Food and Agriculture, its own data collection work had been hampered by the establishment of the NSS Directorate, and that (ii) the Ministry considered this to be a retrograde step, and (iii) that the conflicting figures of agricultural production published by the Ministry of Food and Agriculture and the NSS have given rise to severe criticisms and affected planning in respect of both production and supply of food (Review Committee, paras 5-6). He pointed out that although the report of the Review Committee did not make any critical examination of the above statements, it had nevertheless discouraged regular crop estimation work by the National Sample Survey. The Review Committee had gone further and recommended that no statistics which were compiled by any of the Ministries should be undertaken by the National Sample Survey. Dr. Adhikari added that, in his views, it would be completely unscientific and most inadvisable to abolish checks and independent estimates in the case of statistics of national importance.

17(D.20). Dr. Amartya Sen was strongly of the view that in no case should the parallel series of crop estimates by the National Sample Survey be discontinued. By citing specific cases, he urged, on the contrary, that such parallel and independent series of statistics should be established in the case of other important series of official statistics to serve as a check. Professor H. C. Ghosh agreed and added that any serious mistake in one set of figures may result in a national calamity. Dr. N. S. R. Sastry was of the same opinion, and spoke of specific cases from his own experience.

17(D.21). After some further discussion the Council resolved that the Indian Statistical Institute, as a responsible scientific institution, was completely unable to agree with the views of the Review Committee that the National Sample Survey should discontinue the collection of information on crop out-turn and also of information for which statistics were compiled by other Ministries, as there were no scientific or operational grounds for such discontinuance. The Council would, on the contrary, urge

that it was necessary to encourage parallel collection of important socio-economic data, when the use of the sample survey method was feasible and appropriate, by an agency like the National Sample Survey, to supply independent estimates as checks on official statistics prepared by different Ministries, this being the only scientific method for the improvement of the validity and reliability of socio-economic information and statistics of national importance.

17(E). *Organisation and Management.*

17(E.1). Having considered the recommendations of the Review Committee on organisational structure and management the Council agreed generally with the suggestions and recommendations of the Deshmukh Committee in paragraphs 7.1 to 7.13 of its report.

17(E.2). *Society-type activities* : The Council was of the view that it was important that the Institute should continue its combined society-type and operational (research, training and project) activities which have given the Institute its special character since its foundation, and also agreed that such activities should be strengthened and extended, and earmarked grants should be provided by Government for this purpose. Because of such needs the Council did not agree with the Review Committee's recommendation to abolish the office of the Secretary, and accepted the Deshmukh Committee's recommendation that the office of the Secretary should be continued for carrying on the society-type activities.

17(E.3). *Existing structure to continue* : Agreeing with the views of the Deshmukh Committee (para 7.5) the Council decided that the existing structure of the Institute should be maintained, and the General Body of members should continue to elect the President, Vice-Presidents, the Chairman, the Treasurer and the Secretary.

17(E.4). *President and Vice-Presidents* : As recommended by the Deshmukh Committee (paras 7.8, 7.9) the President should be the Head of the Institute and should have the same functions and powers as at present and as are inherent in an office of this kind. It should be open for the Institute to have more than two Vice-Presidents and the actual number may be settled from time to time by the Council as at present; a Vice-President may preside over meetings of the General Body and of the Council in the absence of the President.

17(E.5). *Secretary* : Agreeing with the views of the Deshmukh Committee (paras 7.12, 7.13), the Council was of the view that the Secretary should be responsible for the society-type activities of the Institute and should have the present powers of the Secretary in respect of such activities, and that the Director of the Research and Training School should be the Director of the Institute and should have the present powers of the Secretary in respect of operational activities in connexion with research, training and projects.

17(E.6). *Executive Committee* : The Council agreed with the view of the Deshmukh Committee (para 7.14) that there should be an Executive Committee as is provided in the present constitution of the Institute and that this rule should be brought into operation. The composition of the Executive Committee and procedural matters should be prescribed by appropriate Regulations or *Bye-laws*.

17(E.7). Agreeing with the views of the Deshmukh Committee (paras 7.18, 7.19) the Council decided that there was no need of having four Directors as recommended by the Review Committee, and that the Director of the Research and Training School should also be the Director of the Institute.

17(E.8). Agreeing with the suggestions of the Deshmukh Committee (para 7.21) the Council was of the view that the size of the Executive Committee should be smaller than that proposed by the Review Committee, and should consist of the Director of the Research and Training School who should preside over its meetings, the Administrator, two heads of departments, two representatives of the Council, and two nominees of the Government of India to be selected, for reasons explained by the Deshmukh Committee, from amongst statisticians, scientists, educationists, technologists, or industrialists of repute and not from a Department or Ministry of Government.

17(E.9). The Council agreed with the views of the Deshmukh Committee (para 7.20) that the Head of the Administration should be designated as Administrator and should function as the Secretary of the Executive Committee and should represent the Institute in all business and legal transactions and that all suits instituted by or on behalf of the Institute should be instituted in the name of the Administrator, and in all suits brought against the Institute the Administrator should represent the Institute.

17(E.10). *Chairman* : The Council fully agreed with the views of the Deshmukh Committee (para 7.16) that, after the proposed reorganisation of the work of the Institute the problem of coordination would be much simpler; and that, even after such reorganisation, the Research and Training School would be a much smaller body than universities and would have only 200 or 250 professional students from the undergraduate to the Ph.D. level, and that guidance and coordination by the Director would be the most effective way of maintaining the high level of scientific and educational activities of the Institute. For reasons explained by the Deshmukh Committee (paras 7.15, 7.16, 7.17, 7.23) the Council was of the firm view that a paid, whole-time administrative Chairman (as recommended by the Review Committee) was not required.

17(E.11). The Council agreed with the Deshmukh Committee (para 7.23) that the present provision in the I.S.I. constitution should be retained for the election of an honorary Chairman who would preside at meetings of the Council.

17(E.12). *Council* : The Council agreed with the views of the Deshmukh Committee (para 7.22) that the Review Committee's recommendation for a drastic reduction in the proportion of members of the Council elected by the General Body would change the character of the Council, and was not likely to be acceptable to the General Body, and decided that there was no need of any change in the existing rules regarding the composition of the Council except to the extent considered necessary in connexion with the setting up of an Executive Committee and an Academic Council and the reorganisation of the activities of the Institute on the lines approved by the Council.

17(F). *Miscellaneous.*

17(F.1). *Family Planning Unit* : The Council was of the view that the proposal of the Review Committee for the transfer of the Family Planning Unit to the Ministry of Health could not be accepted because this project was one of a series of research projects located at different universities, medical institutions and other organisations, which were being financed by the Ministry of Health itself, for studying various aspects of the effectiveness of promotional programmes for family planning. The Council agrees with the observations of the Deshmukh Committee (paras 8.1, 8.2) that the Institute was particularly well-equipped for such studies through sample surveys, and also that the grant could be surrendered by the Institute, but the project could not be transferred, to the Ministry of Health.

17(F.2). *Kalyanashree* : The Council agreed with the Deshmukh Committee (para 8.3) that in the early stages of the Second Plan there was need of studying economic possibilities of cottage industries, and one of the aims of the Kalyanashree was to provide opportunities for such studies, and also that some valuable studies, for example, of the economics of Ambar Charkha had been prepared, and noted that as the possibility of continuing further significant studies appeared to be limited, direct subsidy from the Institute budget had been discontinued on the basis of a decision of the Board of Management taken in 1966, and also noted that Administration had already written to the West Bengal State Government to take over this Unit as recommended by the Review Committee.

17(F.3). *Hired premises* : Regarding the recommendation of the Review Committee that the practice of using hired premises for the combined purpose of official use and residential staff should be discontinued, the Council agreed with the recommendation of the Deshmukh Committee (para 8.5) that the system should be continued or discontinued not on the ground of any general principle but on the merit of each case.

17(F.4). *Lands* : The Council, agreeing with the Deshmukh Committee (para 8.4) was unable to accept the Review Committee's recommendation that lands not required should be disposed of as such a step would create difficulties for future expansion because it would be impossible to secure compact pieces of land at reasonable prices in future in suitable areas; but the question of selling a part of the land purchased at Hyderabad might be examined by Administration.

17(F.5). *Test Audit* : The Council accepted the Review Committee's recommendation about a test audit once in five years, provided the Auditor General does the test audit not on the basis of Government rules and procedures, but on the basis of rules, conventions and procedures prevalent in the Institute, as recommended by the Deshmukh Committee (para 8.7).

17(G.1). *Administration's Note on Recommendations of the Review Committee* : The Council thereafter went through, serially, the notes submitted by the Institute Administration on recommendations and observations of the Review Committee.

17(G.2). *Recommendations acceptable in principle* : The Council considered Notes circulated by the Administration (given in a revised form in Appendix A) and dealt with the recommendations of the Review Committee which seemed to the Administration to be acceptable in principle, with some minor changes in some cases and subject to relevant decisions taken earlier. The Council agreed with the views expressed and suggestions given by Administration in this part of the note (Appendix A) and resolved that steps should be taken to implement the recommendations or initiate action for implementation where feasible.

17(G.3). *Other recommendations* : The Council then considered the Notes by the Administration dealing with observations or recommendations of the Review Committee, about which the Deshmukh Committee or the Administration had different views or points which required consideration in connexion with the report of the Review Committee.

17(G.4). *Budget for NSS work* : Attention was drawn to the fact that the present budget provision for the National Sample Survey project would terminate on 31 March 1968; and if this project was to be taken over from the Institute from 1 April 1968, it would be necessary to serve notice of termination by 31 December 1967 to all staff who were likely to become surplus to the requirements of the Institute. The Council was of the view that it would be premature to consider this question at this stage because the Council had earlier resolved that Government and/or the proposed new organisation must take the responsibility of the staff not required by the Institute.

17(G.5). *New Delhi Guest House* : On the basis of Administration's Notes (Appendix A) the Council did not accept the Review Committee's recommendation that the Guest House in Delhi should be immediately closed, but desired that the Administration should ensure fuller utilisation of the Guest House, scope for which had been pointed out by some of the members.

17(G.6). *Allocation of charges for Common Services* : The Council felt that the view of the Administration on the system of allocating common services charges to various units, did not differ, in principle, from what had been recommended by the Review Committee, and desired that the recommendation of the Review Committee should be accepted that each department of the Institute should frame its own budget proposals and that the allocation of common services to various units should be discontinued to the extent possible.

17(G.7). *Merging of funds* : Regarding the recommendations of the Review Committee for merging all funds, other than the provident fund and gratuity funds, in the general receipts, the Council accepted the Administration's views (Appendix A) that such merging was not possible, and that the Institute should continue to have the right of funding and spending out of (a) free or ear-marked donations received by it and ear-marked funds received or created by it and (b) its own earning from projects, and should maintain separate accounts of funds for (a) and (b). The Council was also of the view that the Institute should be given some development funds by Government as had been the practice so far.

17(G.8). *Gratuity fund* : The Council agreed with the Review Committee's recommendation that borrowings from the gratuity fund should be repaid but regarding the registration of the fund the Council agreed with the Administration's views (Appendix A) that clarification from Government would be necessary.

17(G.9). *Leave rules* : The Council noted (Appendix A) that the system of encashment of leave on refusal of leave earned or for special purposes as contained in the Standing Service Orders had been discontinued in all cases including the staff of the Research and Training School. In the course of the discussion in which several members participated some of the advantages of the Institute system of leave rules were pointed out. Dr. Amartya Sen stated that the system of crediting the value of leave earned but not enjoyed as leave salary in the account of individual staff members was followed in most of the advanced countries, and there was no reason why it should not be continued in the Institute in the case of the staff of the Research and Training School as suggested by the Administration. Most of the members agreed. The Council decided that the present arrangements should be continued.

17(H.1). *Incorrect or incomplete statements in the Report of the Review Committee*: The Council then considered part 3 of the Administration Note on observations and recommendations of the Review Committee which seemed to have been based on incorrect or incomplete information or inadequate appreciation of facts. Shri Pitambar Pant suggested and other members agreed that attempts should be made to fill up gaps in this part of the note and make it as complete as possible.

17(H.2). Professor H. C. Ghosh, drawing the attention of the Chairman to the last paragraph of part 3 of Administration's Note as circulated stated that the Review Committee did not seem to have given adequate attention to two important items of the terms of reference, viz. (i) reviewing the work done by the Institute and the progress made by it, and (ii) evaluating the work of the Institute. To substantiate his point, Professor Ghosh referred to paragraph 5.7 of the Review Committee's report, in which it was stated that "after its involvement with the National Sample Survey, this work (in the theory and applications of large-scale sample surveys) which gave such high reputation to the Institute has been neglected and has now become its weakest spot". Professor Ghosh ventured to think that if the Review Committee had made a careful examination it would have come to a different conclusion, because, according to his information, research in the theory and applications of large-scale sample surveys had increased considerably along with the large-scale operations of the National Sample Survey project. He requested the Administration to collect relevant facts; and if his contention was correct, he urged that Administration should incorporate such facts in this part of its note. Professor Ghosh added that it would have been of great interest if the Review Committee had even briefly referred to the opinion given by outside experts on the value of the scientific research of the Institute. The Council agreed that widest publicity should be

given to this part of the note, in a revised form, to give a proper and adequate picture of the relevant facts to all concerned and to remove misunderstandings which might have been caused by the report of the Review Committee.

17(I). *General observations* : The Council expressed its appreciation of the desire of the Review Committee and its many helpful recommendations to strengthen and develop the future programme of work and organisation of the Indian Statistical Institute; and, on the basis of the discussions on general issues on the 19th and the 20th August 1967, the Council recorded its views as follows :

17(I.1). The Council noted that, although a review of the progress, and evaluation, of the work done by the Institute had been included specifically in the terms of reference of the Review Committee, very little was mentioned in its report, at a concrete level, of the quality and value of the scientific research and educational activities of the Institute. The Council regretted that adequate attention was not given in the report of the Review Committee to those terms of references which were of paramount importance for a scientific institution like the Indian Statistical Institute.

17(I.2). The Council was of the view that the Review Committee had gone beyond its terms of reference in recommending changes in the Constitution (Memorandum, Rules) of the Indian Statistical Institute. The Council noted that, even if it was accepted that the Review Committee had acted within its terms of reference, the recommendations involved major changes in the constitution and structure of the Institute, on the basis of which the Institute had been functioning before the Indian Statistical Institute Act had been passed, and which had been given statutory recognition in Section 2 of the I.S.I. Act itself. The Council was firmly of the view that there was no present need of making any major changes in the constitution of the Institute.

17(I.3). The Council also felt that, as in most cases the Review Committee did not mention the reasons, or evidence, or facts, on the basis of which comments or recommendations had been made, it was difficult to appreciate the significance of such comments or the validity of such recommendations.

17(I.4). The Council noted that according to Section 9(2) of the Indian Statistical Institute Act "the Institute shall be entitled to appoint a representative who shall have the right to be present and be heard at such review, inspection or evaluation", and that, although the name of a member of the staff had been sent to Government to act as liaison officer for representing the Institute, he was never asked to be present at any review, inspection or evaluation, and did not therefore represent the Institute as required by the Act. The Council felt that, although from a strictly legal point of view the Institute might be considered to have been in default in not having formally pressed for representation, there was also failure on the part of the Review Committee in not ensuring proper representation of the Institute at each review, inspection or evaluation.

17(I.5). The Council regretted that such lack of representation had led to expression of views and recommendations by the Review Committee which were based in many cases on inaccurate information and inadequate appreciation of the real position by the Review Committee. Agreeing with the Deshmukh Committee that the review of an important scientific institution is of public interest, the Council would draw the attention of Government to this aspect of the matter, and would urge that the views, comments and recommendations of the Deshmukh Committee and of the Council now receive full consideration.

17(I.6). The Council felt that, even at the stage of the writing of the report, if the Institute had been informed of the adverse observations and criticisms intended to be included in the report, it would have been possible for the Institute to supply correct facts and full and relevant information. The Council noted with regret that the wide publicity given to the report of the Review Committee, without providing any opportunity to the Institute to submit its observations on adverse comments and criticisms, has done great damage to the reputation of the Institute.

17(J). *Negotiations with Government* : It was resolved that a Negotiation Committee comprising Professor P. C. Mahalanobis, Shri Pitambar Pant, Dr. C. R. Rao and Shri P. Ray, with powers to co-opt, be formed for negotiations with Government in respect of all matters which would require discussion with Government.

17(K.1). *Correct presentation of facts* : In continuation of the previous day's discussions the Council considered what action should be taken to present the Institute's case before the general public. It was decided that Administration should see that all relevant points are included in its note on incorrect and incomplete statements in the report of the Review Committee.

17(K.2). The Council decided that the report of the Deshmukh Committee, Administration's Note on incorrect and incomplete statements in the report of the Review Committee in a revised form as an appendix, and relevant extracts from the proceedings of the present meeting of the Council, together with a foreword or introduction by the Chairman, should be given wide publicity in the form of a publication with a suitable title, such as "The Indian Statistical Institute : Review and Reappraisal".

17(L). The Council placed on record its great appreciation of the guidance given by Dr. C. D. Deshmukh and the services rendered by other members in the preparation of the most valuable and helpful report of the Deshmukh Committee.

INDIAN STATISTICAL INSTITUTE

APPENDIX A : NOTES BY THE INSTITUTE ADMINISTRATION ON RECOMMENDATION OF THE REVIEW COMMITTEE

0.1. Notes by the Institute Administration on the recommendations of the Review Committee were placed before the Deshmukh Committee in May 1967; and, as desired by the Deshmukh Committee, were placed, in a consolidated form in three parts, before the Council on the 19th and 20th August 1967.

0.2. In accordance with the direction of the Council those items of parts 1 and 2 of the consolidated note which had not been mentioned separately in the Council proceedings of the 19th and 20th August, 1967, have been included in a revised form in the present Appendix A.*

1.1. *Scholarships may be awarded to all post-graduate students and 50 per cent of B. Stat. students as recommended by the Statutory Committee. The Institute may, however, award scholarships to a larger number of students by raising money from other sources.*

Acceptable.

1.2. *One Honeywell Electronic Computer should be allotted to the Institute (R. 10).*

Acceptable, provided terms and conditions are suitable. It may be noted that the Fisher Committee (Report of the Sample Survey Committee, with Sir Ronald A. Fisher, F.R.S. as Chairman, 11 January 1957; pp. 29-30) had strongly recommended that the Institute should be given a modern electronic computer. Requests in this regard had been sent up to Government repeatedly during the last ten years without success.

1.3. *The SQC Policy Advisory Committee should be reactivated (R. 16).*

Acceptable. Action has been taken in this regard.

* Recommendations and observations of the Review Committee are given in italic types. The paragraph number (e.g., 4.5) and the recommendation number (e.g., R. 5) within brackets, have references to the report of the Review Committee. References to paragraphs in the report of the Deshmukh Committee are given in the text. Part 3 of the consolidated note has been given in a revised form as Annexure.

1.4. *The visits of foreign scientists apart from their scientific utility, have an obvious public relations value. Some of these visits also result in reciprocal invitation to the staff of the Institute to visit institutions of higher learning in other countries which in itself is no small advantage. Visit of the scientists should be carefully planned and the programme of invitations should be drawn up every year by the Director concerned and approved by the Executive Committee (R. 25).*

Acceptable. As an academic matter, the programme may be drawn up by the Director, R.T.S., and approved by the Academic Council, within the approved budget provision. It may also be noted that unforeseen changes in the programme may have to be made to suit the convenience of the visiting scientists; the Council therefore decided some time ago, the accumulation of unspent earmarked funds for visiting scientists up to a limit of Rs. 3 (three) lakhs.

1.5. *The equipment which has become obsolete and/or unsatisfactory should be discarded (8.8).*

Acceptable. Can be implemented provided Government's prior approval is given in the case of equipment purchased with Government grants.

1.6. *A comprehensive lay-out should be drawn up for the building activities of the Institute in this area (i.e., Baranagar) for the next five years (R. 26).*

Acceptable. Shri Surendranath Kar, who was the consulting architect of the Institute for about 3 years, had started making a master plan; in the absence of any idea regarding availability of funds, the exercise was given up as not likely to be of any practical value. Some further exercises may be undertaken in this regard.

1.7. *The Institute should make plans as to how it proposes to utilise lands owned by it at different places. Lands not required in the foreseeable future should be disposed of (R. 27).*

The first part is acceptable. Grants for construction and capital expenditure have been very limited. The area of land which can be utilized would depend on the amount of capital grants made available. If the lands are now given up, it would be practically impossible to have a compact area of land when funds become available. Also price of land would continually increase. (Deshmukh Committee, 8.4)

1.8. *There should be a properly planned and phased programme for providing housing for essential academic and non-academic staff. Various units located in different parts of Calcutta should be shifted to Baranagar (R. 29, R. 30).*

Acceptable. Can be implemented as funds become available.

1.9. *Before any new construction is taken in hand, the Executive Committee of the Institute should satisfy itself that extra accommodation is really needed (R. 31(a)).*

Acceptable. Requirements of accommodation have always been far in excess of availabilities. Also, the construction programme, as approved by the Council, is placed before the Works Committee which was set up in July 1962 with membership approved by Government and including qualified engineers, architect, two Government representatives on the Council, and others. Subsequently, Government informed the Institute that it was not necessary to have a Government representative on this Committee. The Works Committee is still functioning. Construction work is taken up according to plans etc. approved by the Works Committee.

1.10. *Proper procedure for scrutiny of plans, and grant of financial and technical sanctions should be observed (8.9 (vi)(b)),*

Acceptable. Action has been taken for strengthening the procedure.

1.11. *All new constructions should be entrusted to a reputed firm of architects on mutually agreed terms. For each construction open tenders should be invited and approved (R. 31(c) and (b)).*

Acceptable in principle. Experience has shown that sometimes departmental construction under proper supervision can be done at a cheaper rate, especially in the case of small and temporary constructions. It is advisable to arrange departmental construction in suitable cases.

1.12. *Construction should be supervised by fully qualified engineers attached to the Institute (R. 31(d)).*

Acceptable. In addition, it would also be advisable to have supervision by consulting engineers from outside.

1.13. *Separate accounts for building operations should be maintained and a system of internal audit introduced (R. 31(e)).*

Acceptable. Separate accounts for buildings and construction work are being maintained. Internal audit may be introduced.

1.14. *There should be no part time employment in the administrative staff (R. 42(2)).*

Acceptable in principle. There should not be any restriction to a whole-time employee of the Institute undertaking any part-time administrative duties.

1.15. *The age of super-annuation should be 60 years (R. 42(3)).*

Acceptable with modifications recommended by the Deshmukh Committee, 4.30.

1.16. *Each department of the Institute should frame its own budget proposals ; the present system of allocating common service charges to various units should stop. Each unit should include in its budget all items of expenditure pertaining to it. Only the residue, e.g., the Central Library, vehicles, etc. should be included in common services. Expenditure under this head should form a separate budget and should not be proportionately allocated to other units (R. 44 and 45).*

Acceptable to the extent possible. In the Institute the entire staff of Central Administration, accounts, budget, cash, provident fund, audit, estate office, security, maintenance, electricals, water supply, stores and stationery, telephone, despatch, public relations, conservancy etc., are included in the common services budget. Expenditure of such staff in Government directorates is directly charged because each directorate has its own establishment. In the Institute, the common services staff serve all sectors. Charges for electricity, postage and telephone, transport, maintenance, etc. are also included in the common services as there are practical difficulties in allotting these charges separately to concerned units.

1.17. *A system of internal audit should be introduced. Adequate procedures should be prescribed for periodical report of actual expenditure (R. 46).*

Acceptable.

1.18. *There should be a Finance Committee of the Executive Committee consisting of not more than 5 members (R. 47).*

Acceptable in principle. There is a Finance Committee for the Governing Body and one for the Council. The future constitution of the Finance Committee may be considered when the Executive Committee is set up.

1.19. *The Statutory Committee need not be appointed every year but should be appointed once every 5 years to help in the framing of the 5 year programme of the Institute (R. 48).*

Acceptable.

1.20. *Provident Fund should be immediately registered and the amounts borrowed from the fund should be repaid (R. 51).*

Action has been taken to constitute the Board of Trustees as provided in the I.S.I. General Provident Fund Rules, and to get the fund recognised by the Commissioner of Income Tax. Consultation with legal advisers of the Institute shows that registration of the I.S.I. General Provident Fund is not necessary. Declarations required under Sections 5 and 6 of the Trust Act are already contained in the I.S.I. GPF rules. Outstanding dues would be repaid as funds are received from Government against pending claims.

1.21. (a) *In order to enable the Institute to meet its liabilities, all claims pending with Government in regard to completed rounds should be settled by expediting the Report of the Settlement Committee ; (b) the work in arrears relating to incomplete rounds should be transferred to the new National Sample Survey organisation and payment for the work so transferred should be made on the basis proposed by the Committee on the National Sample Survey contract work appointed by the Indian Statistical Institute in 1962 ; (c) the moneys which may be available as a result of the closure of Funds as recommended by the Committee may also be utilised for the purpose ; and (d) the balance, if any, after taking into account any possible sale of surplus land should be made up by an ad hoc grant by Government (R. 52).*

Generally acceptable, in principle. Settlement of claims for completed rounds of NSS work would be extremely welcome.

The second recommendation that payment should be made presumably means that payments on transfer of works in arrears relating to incomplete rounds of NSS would be made to the Institute for partly processed work in the pipeline; if so, this arrangement would be welcome. Otherwise clarification would be necessary.

It is not possible to meet the deficit by selling surplus land because lands were mostly acquired under the Land Acquisition Act which does not permit sales; also the value of land purchased from private parties which can be sold would be very small. (Deshmukh Committee, 8.4).

1.22. (a) *Government must immediately give to the Institute adequate funds to discharge its existing liabilities. (b) An amount equal to a quarter's expenditure should be paid in advance to meet the committed expenditure. (c) At the end of the financial year, the Institute must be given funds to enable it to meet its expenditure during the previous month (R. 55 to 57).*

Entirely acceptable. Implementation of these recommendation by Government would be most helpful.

**2.1. The Guest House in Delhi should be immediately closed (R. 32).*

Not acceptable as maintenance of the Guest House would be convenient and economic.

The premises consist of four flats each having three bed rooms with attached bath, one hall and one kitchen and of two garages and servants' quarters; the rent for the entire premises is Rs. 2500/- per month. Apart from being used for providing accommodation to (a) guest scientists from abroad, (b) the Chairman of the Institute during his stay in Delhi, (c) senior staff members (d) members of Council and Governing Body who require accommodation in Delhi when attending Institute meetings, the premises are also being used for offices of the Joint Secretary and Special Officer of the Institute; (f) Accounts Section, meeting room for Council, Governing Body, etc., (h) storage of NSS punched cards, and also garaging of Institute cars.

The allocated charge, at 60 per cent of the rent, for providing guest accommodation would be about Rs. 18,000/- per year. Other charges for staff, food etc. came to about Rs. 22,000/- per year on an average. The Institute thus spent about Rs. 80,000/- for the guest house proper in two years, or Rs. 40,000/- per year and not Rs. 60,000/- per year as stated by the Review Committee.

With the above expenditure accommodation was provided for 3100 guest days in two years. The imputed value of services given would be about Rs. 33,000/- at Rs. 20/- per day, for 1660 guest days for the Institute staff and Rs. 47,000/- at the rate of Rs. 33/- per day for 1440 days provided for the Chairman and visiting scientists. In Delhi, guests of the type of visiting scientists cannot be provided with decent hotel accommodation for less than Rs. 50/- per day. Furthermore, considering the difficulty in securing temporary accommodation at Delhi for the Institute staff, Administration submits that maintenance of the guest house has been both economic and beneficial to the Institute.

2.2. All funds other than the provident fund and the gratuity fund should be merged in the general receipts (R. 49).

Not acceptable, as Trust Funds or earmarked donations cannot be merged. Also, the Development Grant and the Supervision Fee Fund provide some non-earmarked funds for development. Acceptance of the recommendation of the Review Committee would make the Institute entirely dependent on Government grants which may not be advisable.

The Administration feels that the Institute should continue to have the right of funding and spending out of (a) free or earmarked donations received by it, (b) its own earnings from projects, and (c) should also be given some developmental fund from the Department of Statistics as has been the practice so far.

* Items 2.1 to 2.4 were originally included in Part 2 of the Note by Administration which was placed before the Council.

The suggestion of having a reserve fund which can be accumulated upto Rs. 2.5 lakhs does not seem to be adequate when it is remembered that, in the case of the development grant, on the recommendation of Statutory Budget Committee, Government had agreed to its accumulation upto Rs. 5 lakhs in Government of India letter No. 10/5/61- Est. III dated 25 September 1962.

2.3. Gratuity Fund should be registered or, alternatively, it should be abolished. All borrowings from it should be repaid (R. 50).

It is not clear what is meant by registration of Gratuity Fund. Borrowings would be repaid as outstanding dues are received from Government. It would seem advisable to fund payments for gratuity. Also, if and when the Institute has to employ staff on projects financed from sources other than the Department of Statistics it would be necessary to maintain a Gratuity Fund for such staff.

2.4. The system of encashment of leave should be discontinued in the RTS with immediate effect (R. 53).

The system of encashment of leave on refusal of leave earned or for special purposes as contained in the Standing Service Orders was discontinued both in cases of RTS and non-RTS workers. In respect of the non-RTS workers and of RTS workers who had opted for new leave rules, the system of crediting value of leave to their individual accounts was discontinued with effect from 1 April 1964; but in the case of the RTS staff who are still on the old leave rules, the value of the leave earned by them but not enjoyed is being credited as leave salary in their account. Such funding of leave salary was approved by the Council many years ago, and after careful and detailed discussions also by Government in letter No. 14(6)59 Estt(A) of 8 January 1960. We feel that the system should continue in the case of the RTS staff as under this system there are many more working days during the year, and the total money cost is much lower. Individual accounts of leave salary have been prepared for being placed before a Committee according to a decision of the Council.