CHAPTER: V

THE SECONDARY AND TERTIARY SECTOR:

(5)(1) THE SECONDARY SECTOR:

Although Nagaland's economy is basically traditionally agriculture based, the role of secondary and tertiary sector can not be under estimated in the transition of its economy. Though the economy of Nagaland does not posses any basic and key industries of Hirschmanian type to make a break through in initiating economic development it has a limited number of industries mostly medium and small scale to initiate the process of industrialisation.

(5)(1)(1) INDUSTRIES:

Nagaland has very few organised industries. For geographical and historical reasons the area has remained isolated and consequently undeveloped. As in the case of similar backward areas, sufficient reliable statistics are not available on resources potential and other economic indicators. The primitive method of agriculture, shifting cultivation has not left much forest resources for commercial exploitation.

Lack of infrastructure and entrepreneurial talents, limited physical resources, difficult terrain and restrictions on the entry of outsiders into Nagaland acted as constraints on industrial development. The main centre with some active industrial activity in the State is Dimapur (a railhead adjacent to the plains of Assam). As the Inner Line Regulations do not apply to Dimapur, a number of small industries have come up with active technical managerial and financial assistance from outside. Dimapur, being an entrepot centre for trade and commerce

with Manipur and the eastern parts of Assam enjoys a wider market for the locally produced goods. There are few small scale manufacturing units and repair shops at this centre. In most parts of Nagaland, industry is mainly confined to handicrafts. The villagers produce their requirement of cloth, baskets, furniture, implements etc. using traditional tools and techniques.

(5)(1)(2) COMPOSITION OF INDUSTRIES:

Now, a close examination of the industrial composition of Nagaland, reveals that Nagaland sadly lacks in engineering, chemical and other basic industries. This is a fundamental handicap to the growth of the industrial economy of the State. It is true that in view of the acute shortage of raw materials, power and fuel, the limited size of local market and difficulties of transportations, Nagaland cannot think of establishing large units of basic industries. But the technical and economic feasibility of the setting up of a few light engineering industries producing small machines, tools and equipments for small industries and agriculture and doing repairing and servicing work should be explored. Attention should also be paid to the development of industries providing other basic inputs of agriculture as the development of agriculture and industry are closely interdependent in an underdeveloped region like Nagaland.

The industrial development of Nagaland must form a coherent part of the overall development of industries in India. Consistently, with this basic principle Nagaland should develop all those industries for which its natural advantages surpass those of other regions in the country and correspondingly no major industry should be set up in the State for which the locational advantages on all India scale are not clear. However,
there is hardly any industry in Nagaland with such relative advantages. Therefore, she must establish certain light industries whose disposal is not only easy but supported by considerations of regional balance in development. It is probable that by their very nature, these industries do not constitute an acute inter-State problem of competing sales efforts and these are likely to be on small and medium scales.

(5)(1)(3) CLASSIFICATION OF INDUSTRIES:

At present, there are only a few medium scale industries in Nagaland, and all the other existing industries are small enterprises. But some of these industries partake the nature of modern factory industries in that they use power driven machines and employ hired labourers, while the majority of the industries are household enterprises carried on with traditional tools and equipments in the homes of the workers without the aid of hired labourers or power driven machines. Some of the units of the latter category of industries have been organised into Co-Operative Societies to take advantage of varied facilities provided by the State Co-Operative Department. However, organisation of Co-Operatives does not bring about material changes in the pattern of organisation of production. The workers who have become members of Co-Operative Societies continue to work at their own homes with the same tools and equipments (in a few cases with a slight improvement) which they used before and most of the Co-Operative Societies have no workshop where the workers are expected to work together. Therefore, on the basis of the nature of organisation of production, the existing industries in Nagaland
may be classified into two broad groups—viz. factory industries and non-factory enterprises. It is the latter that dominate the industrial picture of Nagaland because the former though a little more well organised constitute only a small sector of the industrial economy of the State. However, it will be better to start our study with the relatively well organised sector.

(5)(1)(4) STRATEGY FOR INDUSTRIAL DEVELOPMENT:

With a population of little over 7.73 lakhs (2) the State cannot sustain a large demand based industrial programme. Industries should, therefore, be thought of mostly on the basis of available resources. The industrial development has had necessarily to be based on the resources available from agriculture and forests. In 1970, a study on Nagaland initiated by the Industrial Development Bank of India (I.D.B.I.), jointly with other financial institutions like Industrial Finance Corporation, the Industrial Credit and Investment Corporation of India Limited, the Agricultural Refinance Corporation and the Reserve Bank of India, the State Bank of India and Lead Bank in Nagaland identified certain project ideas which could advantageously be developed for implementation during the next ten to five years.

The limited financial material, and human resources do not permit a large scale industrial programme at the present juncture. To meet the aspirations of the people of Nagaland, the Government has already undertaken two major projects — Sugar Mill and a

(2) 1981 Population Census.
paper mill based on local raw materials. These are really ambitious programmes, the State has had to organise a large scale cane cultivation and arrange for sufficient supply of pulpable materials at a reasonable cost. But it goes to the credit of the State Government which is striving its best to increase the supply of both these raw materials for which the State's land resources are eminently suited. There is also plenty of scope for small scale industries, especially in the Dimapur area, for producing light engineering goods. The study team mentioned above believes that the limited resources financial, physical and human do not justify the setting up of any more large or medium sized industries in the next few years except for the two units i.e. sugar mill and paper mill. The completion of the two units has given a fillip to the economy and work as an incentive for further industrial development of the State.

Dimapur presently has a number of small scale units such as rice and oil mills, furniture making units, tyre retreading units, automobile workshops etc. This place has the necessary infrastructure to develop into an industrial centre. The proximity of Dimapur to the plains of Assam is a great help in marketing the products. In addition, Dimapur is outside the Inner Line. Some of the items which are being imported into the State can be manufactured at Dimapur to meet the internal demand. Similarly, at Tuli a few small industrial units can come up around the paper mill. In other centres, the existing cottage industries may be consolidated and provided with technical know-how and marketing facilities.
In the absence of sufficient entrepreneurial talent within Nagaland and with the Inner Line Regulations restricting the entry of outsiders, the bulk of industrial activity will have to be initiated by the Government. In the small scale sector at least, the Government should remove the restrictions on outsiders setting up industries. In addition the Government should evolve an industrial policy offering incentives and facilities to attract entrepreneurs on the lines of incentives offered by several other States. The local people should be encouraged to closely associate themselves with industrial ventures. This could in course of time, help develop an entrepreneurial class within Nagaland.

The concessions offered by the Central Government and the all India Financial Institutions should be availed of to the maximum extent possible for the development of industries. The Central Government provides subsidy up to ten percent of the cost of industrial units to be set up in Kohima and Mokokchung Districts (which are the selected districts for this purpose). The subsidy would be generally available to all industrial units with a capital cost up to Rs. 50 lakhs. Concessions offered by the major term financing institutions include lower rates of interest and longer moratorium may prepare the feasibility report initially and will recover the cost of the report from the unit only when it reaches profitability stage. Concessions from the term financing institutions are available for industrial units in any of the districts of Nagaland, involving a capital cost up to Rs. 1 crore. In the case of relatively small units, the I.D.I provides cheap finance and other concessions through refinancing of loans granted by a Bank or a State
level financial institution: The Central Government gives 50% subsidy and transport cost for new industrial units to be set up in certain selected areas of the country which include Nagaland. The subsidy is to be given for five years in respect of industrial raw materials and furnished products. In case of Nagaland and other Eastern State/Union Territories, the subsidy is given on the transport cost between Siliguri and the site of an industrial unit. Fifty percent of the transport cost on the movement of steel from Guwahati stockyard to the site of an industrial unit has also been proposed to be subsidised. Existing industrial units in these areas would also be eligible for the proposed subsidy, provided they undertake expansion/diversification schemes aimed at increasing annual production by 25% higher than the average annual output during the last three years. The subsidy in this case would, however, be restricted to 50% of the additional raw materials required, and finished goods produced.

In short, the strategy of industrial development in the next few years should be:

(i) To consolidate the efforts begun in the sixties for setting up two large scale projects.

(ii) To create a favourable climate for the development of small industries through the enunciation of a clear industrial policy as was done in some other States, and by making maximum use of the financial facilities provided by commercial banks and other term lending institutions.

(iii) To modernise the traditional cottage industries by finding out lucrative markets outside the State and finally

(iv) To launch training programmes for developing the technical and managerial skills among the local population.
PROBLEMS OF INDUSTRIAL DEVELOPMENT:

(a) POWER PROBLEM:

Nagaland has a number of rivers and streams which, flowing through mountainous terrain, provide scope for generation of hydro electric power. However, except for a few cases these possibilities have not been investigated. Nagaland has been producing coal for sometime at a mine at Borjan in the north east. While the output at present is limited it is expected to increase in the future. The occurrence of coal at Lakhueni is not being exploited currently but is expected to be exploited in the near future. Power from coal would however, be more expensive than from hydro sources and therefore, it will be worthwhile to consider the latter possibility first. The neighbouring State of Assam has a large potential for hydro power. Nagaland is almost entirely dependent for its power requirement on the purchase of power from Assam. Due to the acute shortage of power prevailing in the entire North Eastern Region, the Assam State Electricity Board is not in a position to meet the power requirement of the State and thus shortage of power is prevailing in Nagaland too.

The Loktak lake in Manipur offers an excellent scheme for large scale power generation. The Loktak Scheme is nearing completion. Nagaland is to buy power from the Loktak Project and for this a 132/66KV Sub-Station has been set up at Dimapur for transmission of power.

However, work on activation of the Borjan coalmine is going on. When reactivated the coalmine is expected to meet the coal requirement of the following industries in its neighbourhood.
2. Nagaland Sugar Mill at Dimapur.
3. Nagaland Forest Products.
4. Nagaland Industrial Units, Steel Re-rolling Mills, Brick Kilns, Tea Gardens etc.
5. Domestic consumption.

In addition to the above, other new industries envisaged to be set up in Nagaland in the near future will be requiring coal too. The regional demand of coal for the entire North Eastern Region is expected to be around 17 lakh tonnes by 1983-87 against the envisaged production of 8.75 lakh tonnes from the North Eastern Coalfields. It is, therefore, evident that there will be a ready market for the Borjan Coal. The Planning Commission has approved an outlay of Rs.9.03 lakhs for the 5 years 1978-83 to grant subsidy in electricity for the small scale industrial units. As there is considerable growth of Small Scale Industrial (S.S.I.) units in the State, it is estimated that the requirement of fund for granting electrical subsidy will be about Rs.13 lakhs for the 6th Plan Period.

(b) TRANSPORT:

Most of Nagaland territory is situated in mountainous terrain. The only plain stretch is a narrow strip along the northern border. Transport is naturally difficult over the mountainous terrain. Recently a number of roads have been constructed and motorable linkage has been provided between the main centres of habitation in all parts of the State except the east. The existing plans for road construction aim to extend the road system further and also to improve the quality of the existing roads. Despite this, it is unlikely that Nagaland would become a good location for large

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(3) Draft 6th Five Year Plan and Annual Plan 1981-82 (Sectoral Plans), Page 4, Chapter 13, Planning & Co-ordination Department, Nagaland, Kohima, November, 1980

(4) Ibid, Page 14, Chapter 12.
scale industries, especially where these have to depend on raw materials transported over long distances and on markets which lie outside the State territory. The cost of transport alone will make the locations uneconomical. The narrow border plain country along the foothills located close to the rail link along the Brahmaputra valley offers the only suitable location for industrial venture in the State.

The Planning Commission has agreed to the 50% transport subsidy with a view that in a backward area like Nagaland where the infrastructural facilities are so poorly developed as to be almost non existant in most cases, certain special measures are to be adopted if programmes of industrialisation are to be successful.

The centrally sponsored scheme of 50% transport subsidy to and from Siliguri Junction to Dimapur, the railway head of Nagaland is under operation at present. There are only a few small scale units where raw materials and finished products are being brought and sent on this railway line and thus availing of the above incentives. But the other small scale industrial units which are situated far away from the railway head of Dimapur, has to have their raw materials as well as finished products transported through public carriers. The charges of the public carriers are very high and this is enough to discourage the poor units to open any industries in the State outside Dimapur. Therefore, the working group of the State Planning Board having thoroughly examined this issue recommended 50% transport subsidy inside the State for transportation of raw materials for the small scale industrial units from the State Plan Sector. However, the
procedure of such subsidy will be at par with the Government of India's rules and regulations.

(c) Manpower

There are very few among the Nagas who have acquired technical skills. While the literacy rate has been rapidly rising and schooling becoming very popular, there is no orientation towards technical training. Education remains mostly general. As a result the present supply of skilled manpower is extremely limited and would hardly meet the requirement of any programme of industrialisation. This applies to the technical personnel at all levels.

As the programme for the development of agriculture holds the centre of the stage and would require considerable manpower, it is unlikely that any large surplus of manpower would be available to be diverted to industry for unskilled jobs. The predilection of the people towards agriculture (perhaps because of tradition) and preference for habitation in the cooler hills would also act against their moving to the only possible locations of industries on the northern border. Further, the average Naga worker (excluding the few already engaged in handicraft) has so far shown little inclination towards work that requires finesse or care of detail. He has excelled in the heavy type of manual work to which he is accustomed and may, therefore, show little inclination for industrial work.

To start with, therefore, it may be difficult to man industries with Naga personnel either at the skilled or unskilled levels. As this is largely a question of training and education, it cannot be held as a serious long-term bottleneck to industrial development. What is needed is a special technical bias.
bias in the education programmes. It also requires, and this is a point of some significance, the development of some industries with imported manpower, for providing the facilities for apprenticeship without which a programme of technical training is likely be only half baked.

In recent years Naga people have shown some evidences of enterprise in business. Many young men have ventured out to new activities in the hope of making larger profits. However, in a very large number of cases, these ventures have taken the form of Government contracts for construction works. The gains made by the contractors have been so satisfactory that the field is progressively attracting more and more young men. While the experience gained is all to the good, it is limited. The attitude and the know-how required for planning or running industrial ventures has yet to be acquired. Here again the lack of opportunity may be a significant drawback. The profits accumulated (which in some cases have been fairly substantial) however, do provide a source of capital which can be tapped for industrial ventures.

With a view to improve the industrial condition of the State the State Government has sponsored various candidates undergoing training in different trades in order to fill up the vacancies in the large and Medium scale Industries, as well as in the Village and small scale industries. Certain courses like training in tailoring, Radio Mechanic, Stenography and Typewriting, shoe making, Weaving etc. are conducted within the State. While training courses in Textile, Knitting, Sericulture, Paper technology, Business management etc. are conducted outside the State.
Government's Role:

The character and functioning of the Government in Nagaland is somewhat different from that in other parts of the country. The transition of the Naga hills from certain loosely administered areas to its present statehood has taken time. The general backwardness of the State and its socio-economic and political implications have imposed on the Government the onerous responsibility of making quick strides. This, coupled with the absence of private entrepreneurship (which again, to some extent, is due to the Inner Line and licensing restrictions) has compelled the State Government to take the initiative in every matter. This has resulted in its taking a liberal attitude in respect of grants and subsidies for the development projects.

The State Government has not formulated its industrial policy. The need for such a policy would arise if outside entrepreneurial talents are to be induced for quickening the pace of industrialisation of the State. Financial assistance in the shape of industrial loans is available from the Government at effective rates of interest. The Government generally grants subsidy to the extent of 25% towards purchase of equipment and raw materials. Subsidy for raw materials is also given. The Government is at present more prone to giving grants-in-aid than industrial loans. This may be the result of past experience in loan recovery.

In order to protect tribal interests, the Government has a policy of giving licences only to the tribals, be it for setting up of industries, for running a shop or for constructing roads or buildings. Though this policy is supposedly in the interest of the tribal people, it is likely to boomerang.
for the simple reason that the tribal concerned transfers the benefit of the licence to an outsider and thus becomes an absentee owner. In fact, this has happened in most of the cases in Nagaland, and this policy has created a new tribal rentier class which would be very difficult to dislodge at a later stage. It would be far better to allow non-tribal businessmen to negotiate for the land rents directly with the tribals under the supervision of Government officials, if necessary. A still better policy would be to provide management assistance to tribals for running their own business or to allow partnership between non-tribals and tribals.

The State's industrial organisation consists of District Industries centres at each of the seven States with the Director of Industries and the Secretary (Industries) as the co-ordinating agency at Kohima. The Directorate of Industries was set up during the year 1965 with a view to speed up the process of industrialisation in the State. Since that time, commendable progress has been made. The present efforts of the Industries Department are mainly in the direction of supporting the existing handicrafts at the same level of technology. The Department has established a few sericulture demonstration farms where know how for silkworm and rearing equipment are supplied to the villagers willing to take up this subsidiary occupation. The people's response to this project is yet to be assessed.

The element of subsidy, grants-in-aid and low rate of interest have created an atmosphere of
soft loans in the minds of the people. Formulation of a clear industrial policy by the State Government would not only benefit the would-be entrepreneurs but also help the financial institutions in assessing the liability of new proposals.

In conformity with the national pattern of setting up District Industries centre in each district, all the seven District Industry Centres have now been established along with the requisite staff as per the approved pattern.

The objective of the District Industries Centres is to provide all the services and support required by village and small industries under a single roof. Assistance is given by the District Industries Centre in preparation and evaluation of reports in various small scale industries, helping the entrepreneurs procure machineries and equipments and in obtaining finance from the Bank etc. Besides these, the District Industry centres have also taken up various promotional activities like supply of tools at subsidised rates to deserving entrepreneurs, taking part in district level exhibitions and organising study tours.

(5)(1)(6) (a) ACTIVITIES OF THE DEPARTMENT:

The activities of the Industries and commerce department may be broadly classified under the following sectors:

(i) Large and Medium Industries.
(ii) Village and small scale industries including Khadi and village industries.
(iii) Rural Industries project.

Under the large and medium industries the Nagaland Sugar Mill continues to progress in its production of sugarcane and sugar. The Nagaland forest products limited at Tijit has been completed and started its production. The construction of civil works and machinery
erection etc. at the Nagaland Paper and Pulp Co. at Tuli is going on satisfactorily. The distillery which is an ancillary to the Sugar Mill has gone into production since 1977. Besides these, no new large industrial ventures have been taken up (brief review of each company is given in a later section).

During the five year plan 1978-83 on outlay of Rs.59,50 lakhs (5) was approved by the Planning Commission for strengthening the Directorate as well as the District Industry Centres. In the Directorate, there is one Director, one Joint Director, three Deputy Directors and four Assistance Directors, one Development Officer (Tasar), one District Industries Officer (Head Quarter), one Exhibition and Publicity Officer and one Accounts Officer. The seven District level Officers are headed by seven General Managers of the District Industries Centres (who are in the rank of Deputy Directors). This is much below the normal requirement to cope with the substantially increased workload as per the new programmes recommended by the working group of the State Planning Board for the Sixth Five Year Plan Period.

In order to keep co-ordination with the different development scheme, the Directorate of Industries have been divided into twelve cells, vizly — 1) Establishment, 2) District Industries Centres, 3) Planning and Budget, 4) Large and Medium scale Industries, Public undertaking and corporation, 5) Small scale Industries, Sericulture and Economic Plants, 6) Accounts and Audits, 7) Construction, 8) Licence, 9) Registration. 10) Central and State

Subsidy Schemes, 11) Rural Industries Project and 12) Industrial Raw materials and Industrial Estates etc. — with other various sub-schemes. Therefore, the strengthening of the Directorate is essentially needed in view of the accelerated pace of development proposed to be undertaken by the Department.

(5)(1)(6) (b) CREDIT INSTITUTIONS:

Nagaland is at present served by several offices of the State Bank of India and other Banks like the Allahabad Bank and the Vijaya Bank. The State Bank of India is the lead Bank in the State.

Very few advances have been reported except at Dimapur where there is some industrial and trading activity. Though details are not available, a significant amount has been advanced to small transport operators and other entrepreneurs by the two Banks at Dimapur. At other centres, lack of industries and entrepreneurship has primarily stood in the way of expansion of advance operations.

Another important factor which has blocked the flow of further advances to the existing industries, particularly at Dimapur, is the anomalous position about the ownership of the units. While a Naga is the legal owner of the unit, it is known to everybody that the industry is financed and managed by an outsider with the assistance of outside labour. In such a situation, it becomes difficult for a Bank to consider applications for enhancement of credit facilities particularly of a clean type.

There are other factors also which have stood in the way of greater flow of credit to small and cottage industries. The Officers of the State Bank
of India are busy with treasury work and other banking transactions and very little attention is paid to development work such as finding out prospective entrepreneurs. Ordinarily, the banks are content with the proposals that come in. Even here, there is generally a considerable time lag in taking decisions. This not only saps the energy of the entrepreneurs but also creates an adverse image about the commercial banks in the minds of the people.

In the context of conditions prevailing in Nagaland, the Banks particularly the State Bank of India with its net work of Branches in the State will necessarily have to play a leading role in the development of the State. First, they should try to mop up the extra money that is lying with the people. An intensive drive for deposit mobilisation will have to be launched.

Secondly, the Banks will have to take an active interest in the development of managerial talents within the State. They will have to develop a cadre of field officers trained in credit analysis, appraisal and supervision. The range of subjects to be covered would be wide enough, from local crafts to modern small industries and perhaps, even agriculture and horticulture in areas where the State Co-operative Bank is not functioning. The study team led by the I.D.B.I. in 1970 suggested a two pronged drive to solve this problem. First, the Government should allow outsiders to set up business units preferably with active collaboration of the educated tribal youth. This would give an opportunity to tribals of learning management at the grassroot level at low costs. Second, the banks should establish an entrepreneurial development cell.
The study Team of I.D.B.I. also recommended that the Government should cease its loan operations for agriculturists and small entreprenuers in areas where the Co-Operative and Commercial Banks are functioning. If the Government feels that the terms and conditions of loans offered by the Banks are too conservative in the context of Socio-Economic conditions of the concerned areas, it would be open to the Government to channelise its concessions through the Banks.

In the absence of a State Financial Corporation, the Nagaland Industrial Development Corporation (N.I.D.C.) was authorised by the I.D.B.I. from 1975-76 to operate as a State Financial Corporation. The N.I.D.C. was declared eligible to execute the refinancing Schemes of the I.D.B.I. in which capacity it is financing and assisting small scale industrial units.

(5)(1)(6)(c) INDUSTRIAL PROGRAMME:

As already mentioned earlier, the State Government has undertaken implementation of some industrial schemes. Till the end of the Fifth Plan Period, the Government could set up only four industrial public undertakings. These large and medium scale industries are the following:

1) Sugar Mill at Dimapur.
2) Distillery Project.
3) Plywood Factory, Tijit.

Besides these, the Government established a company in the name and style as Nagaland Industrial Raw Materials and supply Corporation in order to assist the small scale units with the supply of raw materials. The details of the above mentioned schemes together with a few other schemes having scope of development
in the near future are discussed below:

**AGRO-BASED INDUSTRIES:**

The soil and climatic conditions, especially near the foothills, are ideal for the development of horticulture and sugarcane plantations. These are areas which, if fully exploited, could provide raw materials for developing agro-based industries. Seizing these opportunities, the State Government decided to establish a sugarcane-based industrial complex at Dimapur and a fruit processing plant at Changki.

**SUGAR MILL COMPLEX: DIMAPUR:**

This is a State sector project with a daily crushing capacity of 1000 tonnes. It was constructed at a cost of Rs. 437.47 lakhs as against the original estimate of Rs. 370 lakhs. It was commissioned on 10.3.73. (6)

The capital cost of the first phase of the project (crushing capacity of 1000 tonnes per day with provision for expansion up to 1250 tonnes per day) has been estimated at Rs. 370 lakhs as detailed below: (7)

1. Sugar Cane Farm — Rs. 28.60 lakhs
2. Sugar Mill — Rs. 249.90 lakhs
3. Distillery — Rs. 20.00 lakhs
4. Project Service & facilities — Rs. 34.94 lakhs
5. Project Administration — Rs. 36.56 lakhs

The project includes the establishment of a distillery as an auxiliary unit of the Sugar Mill.

The management of the sugar project was originally under the Nagaland Government, but was handed over to the Nagaland Industrial Development Corporation w.e.f. 1st April, 1971. But later on, the Nagaland Sugar Mill Company was formed.

(6) Opp. Cit. Page 1, Chapter II.
Even after four successive crushing, the mill could not reach break even point and continue to incur loss. One of the main reasons for this is shortage of cane and low recovery. Due to this the mill has not been able to attain the rated capacity. In spite of these shortcomings, the table shown below shows the continued progress of the mill:

**TABLE 5.2**

<table>
<thead>
<tr>
<th>Progress of Sugar-mill QUARTERLY IN M.T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1. Cane crushed</td>
</tr>
<tr>
<td>2. Sugar Produced</td>
</tr>
<tr>
<td>(Trial)</td>
</tr>
<tr>
<td>3. Percentage Recovery</td>
</tr>
<tr>
<td>4. Net loss (Rs. in lakhs)</td>
</tr>
</tbody>
</table>


The Gundu Rao Committee appointed by the Central Government has suggested that the minimum economic size plant capacity required is 1250 tonnes to 1500 tonnes daily. Therefore, the plant has to be expanded to its minimum requirement of 1250 tonnes daily capacity with the provision for going up to 1500 tonnes daily capacity in due course of time.

The Planning Commission has approved an amount of Rs. 30 lakhs (g) on the basis of the above report submitted by the Gundu Rao Committee of the Planning Commission.

DISTILLERY PROJECT : DIMAPUR:

The distillery project, an ancillary of the Sugar Mill was constructed at a cost of Rs. 46.20 lakhs and commissioned in April, 1977. The rated capacity of the project is 1000 gallons per day.

The following chart will highlight the viability of the project. (9)

1. The rated capacity of the plant - 1000 gallons of alcohol per day.

2. Available molasses from the Factory - 6000 M.T. per year.

3. Total working days per year - 300 days.

4. Daily molasses required for producing 100 gallons of alcohol - 20 M.T.

5. Total alcohol produced per year - 3,00,000 gallons.


7. Cost of power per month - Rs. 10,000/-

8. Coal required @ Rs. 90/M.T. per day for 300 days - Rs. 250 M.T.

9. Total cost of production of 3 lakhs gallons - Rs. 5,34,000/-

10. Cost of production worked out - Rs. 2.72 per gallon.

11. Selling price of 3 lakhs gallons @ Rs. 1 per litre - Rs. 3,16,000/-

12. Profit:
   - Rs. 13,50,000/-
   - Rs. 8,16,000/-
   - Rs. 5,34,000/-

13. If blended as potable alcohol, likely extra profit @ Rs. 2.50 per gallon - Rs. 5,34,000/-

Therefore total profit = Rs. 750,000

FOREST BASED INDUSTRIES:

Although the climatic conditions are suitable for developing a good forest estate, shifting cultivation practised for centuries had made reconstruction a difficult and stupendous task. There are few virgin forests now left in the state and they too are confined mainly to the uninhabited and inaccessible high mountainous regions.

The distribution of geographical area of the forests of Nagaland computed on the basis of maps is as given below:

<table>
<thead>
<tr>
<th>Area of Forests in Nagaland</th>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Area under Government Control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Reserved forests</td>
<td>8358 ha</td>
<td>0.51</td>
</tr>
<tr>
<td>(b) Protected forests</td>
<td>50876 ha</td>
<td>3.08</td>
</tr>
<tr>
<td>(c) Proposed to be reserved</td>
<td>23,279 ha</td>
<td>1.41</td>
</tr>
<tr>
<td>(d) Wild life Sanctuary</td>
<td>21,125 ha</td>
<td>1.27</td>
</tr>
<tr>
<td>Total</td>
<td>1,03,638 ha</td>
<td>6.27</td>
</tr>
<tr>
<td>2. Area under private control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Village forests</td>
<td>1,83,919 ha</td>
<td>11.13</td>
</tr>
<tr>
<td>Total (1 + 2)</td>
<td>2,87,557 ha</td>
<td>17.40%</td>
</tr>
</tbody>
</table>


The forest Department has very little control over the village or community forests. The very small area under reserved and protected forests provides little scope for large scale planation work. The Government intends to take up a scheme under which it proposes to acquire as much private community forests, as may be available, to have more scope for increasing planation of saving economic species which would also have the effect of saving valuable virgin forests liable to be
destroyed by jhuming or by excessive felling.

The State Government of Nagaland, in the determination to meet the growing aspirations of the people to develop the state industrially, has taken steps to set up a few forest based industries. However, inadequate planning and lack of effective management have created problems resulting in slowing down the implementation of the projects.

**INTEGRATED WOOD SEASONING UNIT:**

As timber is liable to develop seasoning defects and is vulnerable to diseases and fungal damage, the Forest Department set up a seasoning and treating plant at Dimapur in 1965-66. It was proposed to establish a new mill and a joinery later to make it an integrated unit. However, the first step itself proved to be unsuccessful and the seasoning plant was closed down within a year of its establishment. The main reason given for its closure was that the Railways who were an important buyer of sleepers preferred the unseasoned logs, as they had facilities for treatment elsewhere in the country. Secondly, the local population was not inclined to use treated timber as it added to the costs. The result is that the plant is now lying idle.

**PLYWOOD UNIT: TIJIT:**

A plywood unit has been set up at Namsa-Tijit, Tekang area of Mon district. The forests in that area are private community forests. The landowners of the area consisting of 12 villages, handed over the management of the forests to the Forest Department for establishing a plywood unit in the area. A private firm by the name of 'Saharias' is associated with this venture. A limited company had been formed with an authorised share capital of Rs.50 lakhs and paid up capital of Rs.20 lakhs.
However, the plywood factory at Tijit, known as Nagaland Forest Products Ltd., has been taken over completely by the Government after issuing an ordinance recently. This was done to facilitate 'Proper Management' of the affairs of the company. As such it was the only earning public undertaking in Nagaland.

The forest Department had estimated that, in the present circumstances, supply of raw materials to the plywood factory would be around 2,00,000 cum of wood per annum on a sustained basis. The company is allowed to work in the area according to the working plan drawn up by the forest department. In order to fully utilise the timber resources of the area, it would be necessary to build a good network of roads in these areas.

The factory has gone into production since May, 1978. The cost of the plywood factory project is Rs.69.19 lakhs. The company at present employs 350 personnel. It produces plywood of all types including blackboard, flash doors etc. At present the project has an annual installed capacity of 1.8 million sq. metres of plywood. Moreover, due to shortage of power, it will not be able to produce in full capacity. With the installation of a diesel generator to augment the power supply, the firm will achieve about 80% capacity utilisation. The installed capacity was to be increased in 1981-82 from 1.8 million sq. meters to 2.4 million sq. meters of plywood. (9)

The total investment on increasing capacity utilisation of the plywood section, the installed capacity of the plywood section, and setting up of the

(9) Annual, administrative report 1979-80, Department of Industries & Commerce, Nagaland.
new particle board project is projected to be Rs.623.83 lakhs in the 6th five year plan period. After this the capital content is projected to Rs.593.83 lakhs. Of this, share contribution by the Government will be Rs.114.75 lakhs. The balance of the investment will be made from term loans and internal cash accrual. The investment of Rs.114.75 lakhs is phased over the five year period as follows:

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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory</td>
<td>11.75</td>
<td>20.00</td>
<td>33.00</td>
<td>42.50</td>
<td>7.50</td>
<td>114.75</td>
</tr>
</tbody>
</table>


PULP AND PAPER MILL PROJECT : TULI:

The state Government has undertaken a project for establishing a 100 tonnes per day capacity pulp and paper plant at Tuli in the Mokokchung district about 20 kms. away from Amguri in Assam, a railhead on the Gauhati Dibrugarh sector of the North Eastern Railway. For the management of this project a separate company has been formed under the name of Nagaland Pulp and Paper Corporation Ltd. The paid up share capital is Rs.8 crores of which the Hindustan Paper Corporation (H.P.C.) contributed Rs.7 crores and the balance of Rs.1 crore was paid by the state Government. The work on the project was started from 1969-70 and was completed in 1983.
The National Industrial Development Corporation Ltd. (NIDC), New Delhi, was commissioned by the Hindustan Paper Corporation Ltd. to prepare the revised project cost estimated for the proposed plant based on current costs and prices and taking into account the modifications in process parameters suggested by the appraisal Group.

The NIDC Report (March 1971) presented an analysis of the capital costs of production and the profitability of the venture so as to enable investment decision to be taken regarding implementation of the project. The NIDC estimated project cost at Rs. 19.72 crores is shown below:

<table>
<thead>
<tr>
<th>Investment in</th>
<th>Capital Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Land and civil works</td>
<td>Rs. 291.90 lakhs</td>
</tr>
<tr>
<td>b) Plant and equipment</td>
<td>Rs. 1,405.32 lakhs</td>
</tr>
<tr>
<td>c) Project costs</td>
<td>Rs. 174.50 lakhs</td>
</tr>
<tr>
<td>d) Working capital margin</td>
<td>Rs. 100.00 lakhs</td>
</tr>
<tr>
<td></td>
<td>Total: Rs. 1,971.72 lakhs.</td>
</tr>
</tbody>
</table>


In the estimated total costs, the foreign currency required was estimated at about Rs. 4.66 crores. The above estimates included the cost of a captive 6 tonnes per day chlorine and caustic soda plant at Rs. 1.30 crores. Incidentally, it may be mentioned that the total capital outlay of Rs. 19.72 crores as estimated above is exclusive of the cost of a housing colony which has been estimated by the NIDC to be around Rs. 1.03 crores.
This project with an estimated daily capacity of 100 tonnes of pulp and paper is a joint venture between the Hindusthan Paper Mill Corporation and the Government of Nagaland. The preliminary work of the project was taken up by the Government of Nagaland from 1.3.70. But since then the Nagaland Paper and Pulp Co. Ltd. has taken over its management. The latest estimate cost of the project is Rs. 62.13 crores. (10)

The work of the mills is progressing and it employs 457 personnel on a regular basis and after commissioning will provide additional employment to 7500 personnel through both direct and indirect employment.

The equity share capital of the company has been fixed between the H.P.C. and the state Government in the ratio of 7:1. The authorised share capital of the company has also been revised from Rs. 8 crores to Rs. 34.00 crores. The Government of Nagaland has already paid up Rs. 424.58 lakhs during the fifth five year plan, the amount being its share of investment. Hence, no provision is made for the 6th Plan.

(5)(1)(6)(d) NAGALAND INDUSTRIAL DEVELOPMENT CORPORATION (N.I.D.C.):

The Nagaland Industrial Development Corporation at Dimapur was set up in 1971. The primary object of the Corporation was to promote, execute and assist industrial units in the State. From 1975-76 the N.I.D.C. was authorised by the I.D.B.I. to function as a State Financial Corporation and was declared eligible to execute the refinance schemes of the I.D.B.I. in which capacity it is financing and assisting the small scale industrial units. Under this scheme, the Corporation can sanction loans up to Rs. 30 lakhs at a time to medium and small industries. It can also sanction loans to the extent of

of Rs. 60 lakhs with prior approval of the I.D.B.I. The N.I.D.C. has also been appointed as an agent as of the I.D.B.I. for implementation of seed capital assistance with effect from 1.1.1977. Besides, managing the Industrial Estates and the Nagaland Industrial Raw Materials and Supply Corporation, it has undertaken Hire purchase of machineries etc. - seed capital Scheme and various promotional activities. It is undertaking two hotel projects at Dimapur and Kohima. The State Government's investment in equity capital is Rs. 342.77 lakhs. During 1978-79, an amount of Rs. 7 lakhs was spent for the Corporation to implement promotional schemes of small scale industries and Refinance Scheme.

Some new schemes have been entrusted to the N.I.D.C. viz. Ginger Dehydration, Fractional Distillation Unit for Citronella, Mini Cement Plant, Starch and Glucose etc. - which were proposed in the Draft Five Year Plan 1978-83 to be sponsored by the State Government.

Therefore, the Planning Commission had approved a sum of Rs. 410 lakhs for the Five Year Plan period 1978-83. (11)

(1) CEMENT PLANT:

The mini Cement Plant at Wazeho has been taken over by the NID.C. at a project cost of Rs. 117 lakhs which will be commissioned by them and handed over to the Nagaland Government after 6 months of its successful running. Hence no provision has been made under this scheme during the 6th Five Year Plan.

(2) **STARCH AND GLUCOSE FACTORY:**

The N.I.D.C. has not yet submitted the detailed project report as required by the Planning Commission and as such no detailed provision could be kept except a lump sum amount of Rs. 133.76 lakhs. As there is little chance of implementation of this scheme in the near future, no provision has been made under this scheme during the 6th Plan period (1980-85). (12)

(3) **SMALL SCALE INDUSTRIES:**

Some projects with loan components of less than Rs. 0.20 lakhs where the refinance from the I.D.B.I. is not available are under consideration of the Corporation. Some of the units have been financed out of an amount of Rs. 2.50 lakhs sanctioned during 1979-80 under this scheme. As the N.I.D.C. is promoting small scale Industrial Units, under this scheme, a provision of Rs. 22 lakhs has been proposed during the 6th Five Year Plan period 1980-85. An amount of Rs. 3 lakhs has been proposed during 1981-82 Annual Plan. (13)

(4) **INDUSTRIAL ESTATE:**

Proposal for setting up of an Industrial Estate at Mokokchung has already been approved by the N.I.D.C. with a capital outlay of Rs. 7.50 lakhs and the project report has been prepared. The matter has been taken up with the I.D.B.I. for financing a part of the cost of construction. An amount of Rs. 2.50 lakhs was sanctioned for 1979-80 under this scheme, Rs. 2.50 lakhs for 1980-81 and Rs. 1.50 lakhs for 1981-82. There was altogether a provision of Rs. 5.50 lakhs for the 6th Five Year Plan. (14)

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(12) Ibid, Page 7
(5) REFINANCE SCHEME:
A total amount of ₹1,90,400/- had been sanctioned till the 30th of November, 1979, under Hire Purchase Scheme. Substantiated loans were sanctioned under pending applications. An amount of ₹4 lakhs was sanctioned under this scheme during 1979-80. A total amount of ₹75 lakhs has been proposed for the 6th Five Year Plan of which ₹23 lakhs has been provided for 1980-81 and ₹6 lakhs was proposed for 1981-83. The amount sanctioned for 1982-83 was ₹30 lakhs. (16)

(6) SUBSIDY FOR PREPARATION OF PROJECT REPORT AND OTHER SCHEMES:
The corporation has already disbursed an amount of ₹36,700/- in connection with the preparation of various projects and feasibility reports for different industrial units at subsidised rates. Considering the proposals pending with the Corporation the entire balance amount would be utilised by the end of 1979-80. An amount of ₹1.50 lakhs was sanctioned during 1979-80 for this scheme. The outlay for the 6th Plan is ₹2.50 lakhs. (17)

(7) TRAINING PROGRAMMES:
The total amount spent by the N.I.D.C. on training programmes so far is very little. During 1980-81 an amount of ₹2 lakhs had been provided under this scheme and ₹1 lakh had been provided for 1981-82. For the 6th Plan period an amount of ₹5 lakhs has been proposed. The amount sanctioned for 1982-83 is ₹2 lakhs. (18)

(8) GLASS FACTORY:

In absence of detailed report as required by the Planning Commission no provision could be made under this scheme.

(9) POTATO FLOUR MILL:

This is another enterprise proposed to be undertaken by the N.I.D.C. But the detailed project report submitted by the Corporation is incomplete as it does not indicate marketing ability of the products. Unless there is a clear indicator and practical assessment of the market, it is adviseable not to start the project now.

(10) GINGER DEHYDRATION:

The project report as required by the Planning Commission is to be made in consultation with C.F.T.R.I., Mysore. A token provision of ₹27.75 lakhs has been proposed for the 6th Five Year Plan out of which an amount of ₹7 lakhs has been alloted for 1981-82. (19)

(11) FIBRE OUT OF WILD BANANAS:

On the basis of the principle for utilising local resources this project was conceived by the Corporation and was approved at the cost of ₹13.50 lakhs including civil construction and other infrastructural facilities during 1979-80. An amount of ₹12.50 lakhs has been proposed for the Sixth Five Year Plan. (20)


(20) Ibid. Page 11, Chapter II.
(12) **HIRE PURCHASE SCHEME:**

The National small Industries Corporation has ceased to operate in Nagaland. In order to meet the demand of machineries under the Hire Purchase Scheme by the S.S.I. Units in Nagaland, the N.I.D.C. has taken up this scheme to grant machineries up to the extent of Rs. 1 lakh for each unit. An amount of Rs. 20 lakhs has been proposed for the Sixth Five Year Plan period. The amount sanctioned during 1980-81 was Rs. 3 lakhs and the amount sanctioned for 1981-82 was Rs. 3 lakhs and the amount sanctioned for 1982-83 is Rs. 5 lakhs. (21)

(13) **SEED CAPITAL ASSISTANCE:**

The seed capital assistance is a dire necessity for a State like Nagaland. This will be refinanced by the I.D.B.I. but as a matter of procedure the Corporation should disburse the amount first and then get reimbursement from the I.D.B.I. An amount of Rs. 20 lakhs has been proposed for the 6th Five Year Plan to meet the requirement of the applicants. (22)

(14) **WATCH ASSEMBLY:**

In collaboration with the H.I.T., the N.I.D.C. is expected to set up a watch assembly project. The negotiations are nearly complete. Hence an amount of Rs. 10 lakhs has been proposed for the 6th Plan period. The amount proposed for 1981-82 was Rs. 1 lakhs for the scheme. For 1982-83 the amount sanctioned is Rs. 3 lakhs. (23)


(22) Ibid. Page 54

(23) Ibid. Page 54
NEW SCHEME UNDER THE STATE GOVERNMENT: KHANDSARI MILL:

On the recommendation of the State Planning Board, a Khandsari Mill in the State is proposed. As there is scope and available infrastructure like Road, Water supply and Electricity in areas like (i) Tine Valley in Mon District (ii) Baghty Valley in Wokha District (iii) Tzurang Valley in Mokokchung District and (iv) Diamsiri-par and Juluke in the Kohima District (v) and Yampha foothills in the Wokha District, the viability of a Khandsari Mill in those areas cannot be ruled out. There will be approximately 7,000 to 10,000 acres of land available which are suitable for sugarcane Cultivation. This mill will have adequate raw materials and a large number of private growers will benefit out of this mill. The Directorate of Agriculture has already indicated the above mentioned Five places where sugarcane is expected to be grown in sufficient quantities.

Of all the places, the Jaluke bowl is being considered for the said project and the National Sugar Institute at Kanpur has been asked to prepare the detailed project report. An outlay of Rs. 30 lakhs has tentatively been approved for the 6th Five Year Plan period 1980–85. During 1981–82, an amount of Rs. 4 lakhs was earmarked for acquisition of land and preparation of project report only. An outlay of Rs. 10 lakhs is proposed for 1982–83 for construction of the Mill and for purchase of machinery. (24)

The following tables will highlight some of the important features of the Large and Medium Scale Industries of Nagaland:

**TABLE 64**

Outlays and Expenditures of Large and Medium Scale Industries:

(₹. in lakhs)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Nagaland Sugar Mill</td>
<td>-</td>
<td>30.00</td>
<td>50.00</td>
<td>-</td>
<td>-</td>
<td>80.00</td>
</tr>
<tr>
<td>2. Nagaland Pulp and Paper Mill</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>3. Distillery Project</td>
<td>10.00</td>
<td>11.75</td>
<td>20.00</td>
<td>33.00</td>
<td>42.50</td>
<td>114.75</td>
</tr>
<tr>
<td>4. Plywood Factory</td>
<td>-</td>
<td>11.75</td>
<td>20.00</td>
<td>33.00</td>
<td>42.50</td>
<td>7.50 114.75</td>
</tr>
<tr>
<td>5. N.I.D.C.</td>
<td>38.50</td>
<td>58.25</td>
<td>40.00</td>
<td>42.25</td>
<td>40.50</td>
<td>34.25 215.25</td>
</tr>
<tr>
<td>6. Khandsari Mill</td>
<td>-</td>
<td>-</td>
<td>5.00</td>
<td>10.00</td>
<td>10.00</td>
<td>5.00 30.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48.50</strong></td>
<td><strong>108.00</strong></td>
<td><strong>115.00</strong></td>
<td><strong>85.25</strong></td>
<td><strong>93.00</strong></td>
<td><strong>46.75</strong></td>
</tr>
</tbody>
</table>

*Source: Draft 6th Five Year Plan 1980-85 and Annual Plan 1981-82 (Sectoral Plans), Page 14, Chapter II, Planning and Co-ordination Department, Kohima, Nagaland, November, 1980*
### Important features of Large and Medium Scale Industries in Nagaland:

<table>
<thead>
<tr>
<th>Name of the Scheme</th>
<th>Status regarding approval etc.</th>
<th>Date of start of Project</th>
<th>Date of completion</th>
<th>Volume of output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nagaland Sugar Mill</td>
<td>Public undertaking.</td>
<td>1968-69</td>
<td>10.3.73</td>
<td>1000 - 1500 tonnes per day.</td>
</tr>
<tr>
<td>Distillery Project.</td>
<td>Ancillary of Nagaland Sugar Mill</td>
<td>1972</td>
<td>30.4.77</td>
<td>100 Gallons per day.</td>
</tr>
<tr>
<td>Plywood Factory</td>
<td>Joint venture till 1982, now State Government</td>
<td>1973</td>
<td>25.11.77</td>
<td>1.08 Million sq. meters per day.</td>
</tr>
<tr>
<td>N.I.D.C.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Khandsari Mill.</td>
<td>State Government</td>
<td>1981-82</td>
<td>1984-85</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Ibid. Page 15, Chapter II.
VILLAGE AND SMALL SCALE INDUSTRIES:

The overall picture of the existing small scale and cottage industries is not encouraging. Because of the locational advantages and the availability of power, only Dimapur town has made a break-through in industrial development. The industrial estate at Dimapur has small units of steel furniture, structural equipments, bottling, labelling of drugs and printing press etc. There are a few rice and oil mills and two engineering units of a fairly large size. The place holds promise of further development. The setting up of an industrial estate in Dimapur is a step in the right direction. However, its location at a considerable distance from the town is a major disadvantage in an area where transport facilities have not developed properly. Industrialists have to incur high costs of transporting the labour from the town to the industrial estate and back.

The Nagaland Government shares the national objectives to generate employment opportunity by revitalising and developing the existing traditional and other small scale industries, promoting intensive development of new village and small industries, to raise the economic level of rural artisans, handloom, weavers, craftsmen and other employment in these industries. Further, there has been an all along effort to promote the growth of these industries in rural areas and small towns.

Small Industries play an important role in the economic growth of our country. They provide immense opportunities not only for employment but
also for exploitation of indigenous resources. Educated Young people should not depend only on salaried jobs and should try to create self employment. It is only when young engineers and other technical personnel are willing to take risks that our country can prosper. Small industries offer many opportunities. Besides adding to production they broaden the industrial base. They enable the process of modernisation as well as entrepreneurship to spread to more regions and layers of society.

The 4th Plan of the State envisaged an expenditure of Rs. 66 lakhs in respect of small scale and village industries. Emphasis was given to training in various crafts. The Government introduced powerlooms only in 1972-73. In order to promote the sale of handloom, handicrafts and village industries products and to find suitable marketing channels on all India basis, the Government opened an emporium in New Delhi.

In the absence of data on imports into Nagaland, it is not possible to recommend specific small industries based on local markets. But, prima facie, there is scope for establishing automobile repairing, tyre retreading, battery charging/assembling and other small scale engineering units for the manufacture of household goods. Apparently these units can be started only in Dimapur. The other centres are not developed as yet to sustain small industries.

To accelerate the development of small scale industries, the State Government has to formulate a policy of incentives to be given to these industries. As stated earlier, the central Government has already decided that transport of import of raw materials to, and export of finished products from the State would be subsidised to the extent of 50%. By another decision, the Central Government gives outright Grant to the extent of 15%
of the cost of projects. These incentives given by the Central Government and those given by the financial institutions for industries in the backward regions would reduce the locational disadvantage of the State. However, such measures should be supplemented by the State's own policy and attitudes to small scale industries. Many of the States, including some of the developed states have given concessions including price preferences, making available land, power and water at cheaper rates to small scale industries. The Nagaland Government too gives electricity subsidy to small scale entrepreneurs. It also has a policy of giving 10% capital outright grant and 50% transport subsidy to small scale industries.

In Nagaland, there exists a licensing system under which, unlike in the rest of the country, any small establishment including a shop has to obtain license from the State Government. This system has been adopted to safeguard the interests of the local tribals.

Under the licensing system outsiders are prevented from starting new units. There may be sound political reasons for the policy, but it has the effect of slowing down the rate of industrial development as one has to wait till the managerial talents are developed among the local people. The existing system does not prevent effectively the entry of outsiders, so they manage to get licenses in the name of the absentee owners. Perhaps, a better way would be to encourage joint ventures with the participation of local people and outside parties. This may pave the way for training the local people in management techniques.
The Five Year Plan 1978–83 was formulated with the objective of augmenting the income of the people and to create employment opportunities for the unemployed and partially employed people by rapid development of cottage and small scale industries in the State. Besides, it was another step in bringing about parity in income. Keeping in view the national objective, the effort has been made to generate employment opportunities by revitalising and developing the existing traditional and other small scale industries promoting intensive development of new village and small industries, to raise the economic status of rural artisans, weavers, craftsmen and others employed in these industries. Further efforts have been made to promote the growth of these industries in rural areas and small towns where the population is less than 50,000 (25) and also to reduce progressively the role of subsidies by providing these selectively for credit and development of skills, designs and marketing.

Special measures have been envisaged under the new industrial policy statement for ensuring an effective and co-ordinated approach for the development and wide-spread application of suitable small and simple machineries and devices for improving the productivity and earning capacity of those engaged in different small scale industries in the State. It has further been the endeavour of the Government to integrate fully such techniques of production with a broader programme for all round rural development.

Keeping in view the above objectives, the 6th Five Year Plan was formulated with further stress on the fundamental need and economic problems of the people of the State. All the schemes have been proposed on the basis of its economic viability and beneficial aspects which were closely examined.

**REVIEW OF THE PROGRESS DURING THE FIFTH PLAN PERIOD:**

All out efforts had been made to promote cottage, small and village industries - keeping in view the national objectives of promoting them. In the first phase, demonstration, training, supply of improved tools and implements, raw materials, on subsidised rates, industrial loans, grants and subsidies were extended as far as practicable in order to promote and popularise and expand activities under Sericulture, Economic Plants and other Agro-based industries to provide additional income to the seasonal cultivators during their off cultivation period.

Appreciable progress has been made during the Fifth Five Year Plan period within the limited resources and technical know-how. Seven demonstration farms for Citronella, one Pine apple Fibre unit with spinning mill, seven Marketing-cum-servicing Centres, one Handicraft museum, one hand made paper unit, one bee-keeping farm and six sericultural farms have been established during the period under review.

Besides, 595 small scale industrial units were granted 15% capital outright grant, 19 units were granted 50% transport subsidy, 77 units were granted electrical subsidy and 96 units were given industrial loans to assist entrepreneurs in setting up their industries as well as to boost up their production.\(^{(26)}\)

About 5 manufacturing units had received 15% price preference in selling their products to the State Government offices. (27)

It has been mentioned that while the ratio of actual expenditure to the approved outlay during the fourth plan was 83%, the ratio of actual expenditure during the Fifth Plan was to the tune of 96%. This is quite encouraging and development activities are progressively increasing particularly in the small scale sector.

During the Five Year Plan period 1978-83, more promotional works in the field of small scale industries were taken up for providing additional infrastructural facilities to enable entrepreneurs to select such lines as are technically and economically viable to boost up the State economy on a sound footing. An outlay of Rs.300 lakhs had been approved for the Five Year Plan period 1978-83. For the Sixth Five Year Plan (1980-85) an outlay of Rs.500 lakhs has been provided. (29)

(5)(1)(6)(f) PROGRAMME FOR SIXTH FIVE YEAR PLAN (1980-85):
(1) COMMERCIAL DISTILLATION UNIT FOR CITRONELLA/MEDICINAL PLANT:

Cultivation of Citronella has been found favourable in most parts of the State. Many private industrials have started citronella cultivation all over the State. The Planning Commission had approved an outlay of Rs.31.90 lakhs for the Five Year Plan 1978-83 for citronella grass in the State. This scheme has proved to be a very effective one in bringing about a change in the Socio-Economic complex in the State.

The scheme had been launched during the fourth five year plan period and upto now 14 full fledged farms have been established by the Directorate. There are a total number of 130 private growers and 35 distillation units established by private enter-
preneurs giving employment to more than 600 persons. The oil produced by the end of 1980-81 was to the tune of 5700 kgs. and an amount of Rs.3.60 lakhs received as sale proceeds. Direct employment has been generated up to 130 persons. It was estimated that production of oil was to be to the tune of 4,200 kgs. during 1981-82. (30)

During the 6th Plan period 1980-85, an amount of Rs.30 lakhs has been approved by the Planning Commission under this scheme. Two farms during 1979-80 were established at Keruphima (Kohima) Liengu (Mon), T Sungiki (Wokha) and Chingmei (Tuensang). For the ongoing expenditure of the newly established 4 farms, an amount of Rs. 6 lakhs has been approved for 1981-82. During 1982-83 an outlay of Rs.6 lakhs is proposed for the expenditure of these farms. (31)

PROPOSED NEW WORKS:

(i) SPICE FACTORY:

On the recommendation of the Working Group of the State Planning Board it was decided that some new industrial units under small scale is to be set up on the basis of agricultural resources of the State. It has been revealed that Chilli is abundantly grown all over the State and about 1000 tonnes of Chilling is available besides local consumption which are being sold as


green chillies. Turmeric, black pepper, ginger, Garlic are also available to the tune of 200 to 250 tonnes annually which seems to be viable for the establishment of one 200 to 250 tonnes annual capacity spice factory in the State. An amount of Rs. 8 lakhs has been proposed for the period 1980–85 for this project. (32)

(ii) FRUIT CANING UNIT:

Oranges, Musambis, Pineapples, Plums and Pears are grown in abundance in Mokokchung, Wokha and Kohima Districts. These fruits being seasonal, the working Group of the State Planning Board is of the opinion that a fruit preservation and caning factory would be economically viable if it is set up either at Dimapur or at the Baghat Valley of the Wokha District, as these places are the focal points for such commercial enterprises.

Under this scheme, an outlay of Rs. 12 lakhs has been approved for the 6th Plan Period. (33)

Earlier, a fruit preservation and caning factory was established at Longnak of the Changki Valley of Mokokchung. It produces squash, canned fruit and canned juice and jams and jellies.

(iii) COTTON GINNING FACTORY:

Cotton is grown abundantly in the Wokha District. The rural people of Wokha have taken to intensive cultivation of cotton. It is, therefore, proposed to establish one Cotton spinning project with a daily capacity of 5 bales in Wokha during the 6th Plan. The working group of the Working Group of the State Planning Board has recommended an amount of Rs. 10 lakhs for Cotton ginning for the Five Year Plan Period 1980–85. (34)

(33) Ibid, Page 16.
(34) Ibid, Page 17.
(iv) **CEMENT PLANT:**

The proposed Cement Plant at Wazeho has since been taken up by the North Eastern Council at a project cost of Rs.117 lakhs. (35) The proposed Cement Plant after being commissioned and run by N.E.C. for six months will be handed over to the State Government.

(5)(1)(6)(g) **TRAINING FACILITIES FOR SKILL FORMATION:**

The Directorate has been importing training in various trades in Institutes situated both inside and outside the State. In a backward State like Nagaland where there is an acute dearth of trained man power, training programmes assume tremendous significance. The training programmes have been designed to cater to the needs of various industrial units requiring trained man power and also to provide on the job training. During the last plan discussion the Planning Commission had indicated that training entrepreneurs interested in setting up their own units should be done under TRYSEM Scheme (TRYSEM: Training of Rural Youth for self Employment). Under this scheme, an outlay of Rs.8.50 lakhs has been approved for the 6th Five Year Plan period (36) for sponsoring various candidates undergoing training in different trades in order to fill up the vacancies of Large and Medium Scale Industries as well as in village and small scale Industries.


On the recommendation of the working group of the State Planning Board, decentralisation of existing training centres of Mon and Tuensang Districts, and to divide them into 4 centres in the same Districts has been proposed in order to impart training in various crafts. The Trades that would be set up in each of the centres are carpentry, Masonery, Woodworks, Cane and Bamboo works, Head-gear and Paper making, Tailoring and Doll making.

During 1980–81, the following training courses had been conducted. (33)

(a) WITHIN THE STATE:

<table>
<thead>
<tr>
<th>Name of the Training Course</th>
<th>No. of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tailoring</td>
<td>30</td>
</tr>
<tr>
<td>2. Radio Mechanism</td>
<td>30</td>
</tr>
<tr>
<td>3. Stenography and Type Writing</td>
<td>15</td>
</tr>
<tr>
<td>4. Welding</td>
<td>15</td>
</tr>
<tr>
<td>5. Sheet Metal</td>
<td>15</td>
</tr>
<tr>
<td>6. Automobile Repairing</td>
<td>15</td>
</tr>
<tr>
<td>7. Shoe Making</td>
<td>15</td>
</tr>
<tr>
<td>8. Weaving and Other Crafts</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td><strong>210</strong></td>
</tr>
</tbody>
</table>

(On the basis of allotted seats)

(33) Annual Administrative Report 1980–81
Government of Nagaland, Directorate of Industries and Commerce.
(b) OUTSIDE THE STATE:

<table>
<thead>
<tr>
<th>Name of the Training Course</th>
<th>No. of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Textile (Diploma)</td>
<td>4</td>
</tr>
<tr>
<td>2. Knitting</td>
<td>8</td>
</tr>
<tr>
<td>3. Sericulture (Certificate)</td>
<td>6</td>
</tr>
<tr>
<td>4. Sericulture (Diploma)</td>
<td>2</td>
</tr>
<tr>
<td>5. Oak Tasar (Certificate)</td>
<td>4</td>
</tr>
<tr>
<td>6. Paper Technology</td>
<td>2</td>
</tr>
<tr>
<td>7. Bakery</td>
<td>2</td>
</tr>
<tr>
<td>8. Diploma in Business Management</td>
<td>1</td>
</tr>
</tbody>
</table>

29

(5)(1)(6)(h) SUBSIDIES:

SUBSIDY IN ELECTRICITY:

Subsidy in electricity is necessary in view of the very high tariff rates. Until these are reduced, it is desirable to continue this subsidy to mitigate the disadvantages inherent in areas where the infrastructural facilities are not fully developed.

The State Government has recently raised the rate of subsidy in electricity and under the new order all small scale industries irrespective of motors being used by them are entitled to get subsidies.

Accordingly, the Plan outlay is required to be increased. During 1980-81 an amount of Rs. 2 lakhs (38) was spent under this scheme and 26 units have benefited from it. As there is a considerable growth of small scale industrial units in the State, an amount of Rs. 10 lakhs has been proposed for the 6th Five Year Plan period (1980-85). (39)

(38) Draft Annual Plan 1982-83 (Sectoral Plans), Page 15, Chapter 12, Planning and Co-ordination Department, Kohima, Nagaland, November, 1981.
CENTRAL SUBSIDY ON CAPITAL OUTRIGHT GRANT:

At present 15% capital outright Grant, a centrally sponsored scheme is in operation in the State. Although this small financial help to the local small scale units is playing an effective role in establishing S.S.I. units in the State, the amount is so meagre that the present price hike and transport costs cannot cope with the cost of production. Therefore, the Working Group of the State Planning Board is of the opinion to substantiate this grant with further inducement of 15% capital outright grant in addition to the Central Grant of 15% so as to enable entrepreneurs in an industrially backward State like Nagaland to make up the initial cost for establishment of new industrial units.

An amount of Rs. 150 lakhs has been proposed for the 6th Five Year Plan (1980-85) to give subsidy and 15% capital outright grant to certain selected industries.

50% TRANSPORT SUBSIDY ON STATE POLICY:

The Centrally sponsored scheme of 50% Transport subsidy to and from Siliguri Junction to Dimapur, the Railway Head of Nagaland is under operation. At present, there are only a few small scale units, whose raw materials and finished products are being brought and sent on this railway line availing of the above incentive. But the S.S.I. units which are situated in the District Head Quarters and its vicinity are far away from the railway head of Dimapur,

(40) Ibid, Page 29.
their raw materials as well as finished products have to be transported through public carrier. The charges of public carriers are so exhorbitant that these poor units cannot afford them and thus get discouraged to open any industries in the State outside Dimapur. Therefore, the Working Group of the State Planning Board having thoroughly examined this issue recommended for 50% transport subsidy inside the State for transportation of raw materials for the small scale Industrial Units from the State Plan Sector. Moreover, the procedure of such subsidy will be at par with the Government of India's rules and regulations.

An amount of Rs. 45.00 lakhs is proposed for the 6th Five Year Plan 1980-85. (41)

(5)(1)(6)(1) HANDLOOM AND HANDICRAFT INDUSTRIES:

The Nagaland Handloom and Handicrafts Development Corporation had been set up at the fag end of the year 1978-79. The Corporation has taken up the following schemes which were handed over to it by the State Government.

(a) Development of designs for handloom and handicraft.
(b) Marketing cum service centres.
(c) Development of handloom industries.
(d) Development of handicrafts.
(e) Intensive handloom development project.

This Corporation was set up with a view to giving a new thrust to organise the State's handloom and handicrafts section which is considered an inseparable part of the State's economy.

(41) Ibid, Page 30.
The Corporation is steadily making its share capital base out of its business and is also trying its best to get other financial resources from financial institutions etc. During 1980–81, an amount of Rs. 22 lakhs (11 lakhs from State Plan Sector and 11 lakhs from the Government of India) had been paid to the Corporation to strengthen its share. An outlay of Rs. 100.00 lakhs has been approved under this scheme. (42) During 1979–80, the Corporation could produce goods worth Rs. 3.37 lakhs. During 1980–81, the Corporation had booked orders worth of Rs. 10 to Rs. 15 lakhs, and it was expected that at the end of 1981–82 it would exceed Rs. 20 lakhs. The State Government hopes that the Nagaland Handloom and Handicrafts Development Corporation would reach break even point by the end of 1984–85. (43)

During the 6th Plan period, the Corporation is diversifying the production programmes keeping in view of the modern market. The traditional handloom items of Nagaland such as shawl, mekhela etc. which has its own heritage has a good market. The market research also reveals that certain other items like table mats, woolen dressing gown, wall hanging, tray, waste paper basket, cane furniture etc. can be produced by making variation in design and by giving them a modern touch.


(43) Ibid.
With the formation of the State statutory Board for Khadi and Village Industries Commission in 1978-79, it has been proposed to implement about 12 numbers of schemes in collaboration with the Khadi and Village Industries Commission. Therefore, the State Government has proposed to contribute to the State Statutory Board in order to meet the establishment cost of the Khadi and Village Industries Board.

During the 6th Plan period 1980-85, the Planning Commission had approved an outlay of Rs. 14.50 lakhs. However, the Nagaland Khadi and Village Industries Board has now submitted a revised budget for the 6th Five Year Plan period amounting to Rs. 37.99 lakhs. (44)

Some of the schemes taken up by the Khadi and Village Industries Board are cottage industries, gobar gas plants, bee-keeping, oil ghani, cottage match industries at Dimapur etc.

There are at present three bee-keeping farms at Kohima, Zunheboto and Mangaki in Tuensang. The farms have produced more than 110 bottles of honey which have been sold through the emporia. Quite a number of local young boys are being trained under this board for organiser and supervisory course in different parts of the country. During 1980-81 the total amount of honey produced was 70 kgs. (45)


Under the Khadi and Village Industries one Hand made paper unit is being set up at Dimapur with an annual capacity of 300 tonnes. The estimated cost of the unit is Rs. 8 lakhs. This unit is facing difficulties due to an acute shortage of power, water supply and dearth of accommodation for additional machineries. Due to these problems it has not been possible to commission the unit as yet.

PINEAPPLE FIBRE UNITS AND SPINNING MILL:

One pineapple fibre Plant, the first of its kind in the State was installed at Baghty and was commissioned during August, 1976. However, due to shortage and irregular supply of power, the plant could not function properly, even till now. Efforts are being made to have proper power supply in the factory. The Government has also taken steps to introduce spinning in the factory itself. An additional factory shed has been constructed and all the machineries have been brought for installation and erection. Necessary staff has also been sent for training. By 1980, the unit had been able to extract about 956 kgs. of pineapple fibre. (46)

SERICULTURE INDUSTRIES:

The congenial climatic condition of Nagaland gives rise to immense possibilities for the development of sericulture viz. Mulberry, Eri, Oak tasar and Muga. Although these schemes have been continuing since the inception of the State and even prior to that, these industries could not be developed fully

(46) Ibid.
due to the absence of the basic infrastructure and organised system. However, the State Government has experienced that this particular industrial venture would certainly boost up the rural economy as well as it would bring a sizeable revenue to the State exchequer at the beginning of the 7th Five Year Plan, when the production of cocoons of different varieties would be of a large quantity and enough to set up a spun mill.

During the Fifth Five Year Plan period, an amount of Rs.10.92 lakhs was spent under this scheme, and six farms of Eri, Mulberry and Oak Tasar were established.

For the Sixth Five Year Plan period 1980-85, the Planning Commission had approved an amount of Rs.50 lakhs for the following schemes:

1. Oak Tasar Farms.
2. Eri Seed Drainage.
3. Subsidy Scheme.
4. Tasar Reeling Unit.
5. Purchase of cocoons from private rearers.
6. Farmer's training.

During the Sixth Five Year Plan period 1980-85, to the addition of the schemes already undertaken as mentioned above five new schemes are proposed on the basis of economic feasibility of the proposed schemes.

So far the Directorate has established 20 sericulture farms. One Central Research and Training Centre has also been set up. These are as follows:

1. Mulberry....4
2. Eri....7
3. Oak Tasar....7
4. Muga....2
5. Central Tasar Research and Training Institute Extension Centre....1

(47) Draft Annual Plan 1982-83 (Sectoral Plans), Page 24, Chapter 12, Planning & Co-ordination Department, Kohima, Nagaland, November, 1981.
During 1979–80, the sericulture farm at Chuchuyimlang and Samaguri went into production. 150,000 Tasar cocoons were produced and 10,000 D.F.L's looms were prepared and supplied to the farms as well as to private rearers. About 500 families benefited out of this scheme who has taken up direct rearing process. An amount of ₹ 3 lakhs were spent for maintenance of existing farms, staff, salaries etc. During 1979–80, two new farms were established at Akhetegow and Kubolong in Phek and Mokolchung Districts respectively. (48)

Under the North Eastern Council, programmes, four new farms have been established. They are the following:
1. Mulberry farm at Chuchuyimlang.
2. Mulberry farm at Samaguri.
3. Oak Tasar farm at Chisema.
4. Muga farm at Baghty.
5. Eri farm at Dhansiripar.

An amount of ₹ 10.00 lakhs has been approved during 1981–82 for establishment of new farms as well as continuing expenditure of the previous year 1980–81. (49)

During 1982–83, it is proposed to establish two more farms of Eri and Mulberry at Mon and Zunhebato Districts. Therefore, an outlay of ₹ 12 lakhs is proposed during 1982–83. (50)


An outlay of Rs. 49.54 lakhs is proposed by the North Eastern Council for the 6th Five Year Plan period for the following schemes. (51)

(a) Establishment of Mulberry nursery-cum-chowki Centres ... 3 numbers
(b) Establishment of Mulberry Reeling Units ... 1 number
(c) Preservation of oak tasar, seed cocoon ... 1 number
(d) Establishment of Eri seed grainage Centre ... 1 number.

(5)(1)(6)(k) INDUSTRIAL ESTATE:

The Planning Commission has approved an outlay of Rs. 35 lakhs for setting up of Industrial Estates during the 6th Five Year Plan period. Therefore it was proposed to set up two Mini Industrial Estates at Kiphire and Mon in the districts of Tuensang and Mon consisting of 8 and 10 sheds each, with adequate provision being kept for provision of electricity and water supply. (52)

During 1981-82, it was proposed to set up the first Mini Industrial estate at Kiphire in Tuensang District. An outlay of Rs. 4.50 lakhs had been approved for acquisition of land and construction of sheds. (53)

During 1982-83, an outlay of Rs. 8 lakhs was proposed for completion of the said Mini Industrial Estate at Kiphire. (54)

(5)(1)(7) MINERAL BASED INDUSTRIES:

The Directorate of Geology and Mining started functioning in the State only from 1968-69. Since its inception, this Directorate

(51) Ibid, Page 30.
(52) Ibid, Page 27.
had made significant achievement in the field of mineral exploration and has established an encouraging picture of the mineral potential of the State. The most important mineral known to occur in Nagaland is coal. Of the several occurrences recorded in the State, coal deposits of the Dorjan Coalfield, the Deboi Valley Lakhuni Coalfield in Mokokchung District, Tiru Valley Coalfield in Mon District and the Tuensang Coal-belt in the Tuensang District are the most important.

The Oil and Natural Gas Commission have recently established a commercially viable oil field in the State. Oil has been found in the Champang—Tsori area of Wokha District. Three boreholes drilled so far in the area have been found to be oil producers. The O.N.G.C. have carried out detailed geophysical surveys at various places in the outer hills of Nagaland and have drawn up an ambitious programme of oil exploration. A few boreholes are also expected to be taken up by the O.N.G.C. in the Dimapur—Dhansiri Valley area and also in the Galeki and Bandersulia areas of the State. As per indications available, production of crude oil from Nagaland was expected to commence from 1981-82. (55)

Another important mineral resource of Nagaland is limestone. Extensive deposits of limestone have been discovered by the State Department at a number of places in the 'Metamorphic Belt' of Tuensang and Phek District.

Therefore, the principal mineral deposits of proven potential in Nagaland are the following:
(a) Nazira Coal Field (Borjan).
(b) Limestone Deposits of Nimi and Wazeho.
(c) Magnetite Deposits of Pokphur.

Development can be planned for exploitation of these deposits on priority basis.

While considerable reserves of various mineral deposits have been found, hardly anything has been done to exploit these resources for commercial and industrial use. For want of vital raw materials like coal and iron ore and construction materials like cement, the pace of industrialisation of Nagaland has been very slow and many existing industries are on the verge of closure.

The sphere of activity of the Directorate of Geology and Mining is limited to the discovery and exploration of mineral resources only. In the
absence of entrepreneurial initiative to commercially exploit these resources, the State has necessarily to step in to provide the stimulus for setting up industries based on its mineral resources.

In this context, the Nagaland State Mineral Development Corporation is proposed to be set up by the Nagaland State Government. Its objectives inter alia, include:

(i) Searching for and commercial exploitation of limestone, Coal and other minerals in the State of Nagaland.

(ii) Promoting, establishing, improving and developing mines and mineral based industries in Nagaland.

With regard to the considerable demand of coal, limestone and China Clay and the already established reserves of these products the corporate is to initially undertake the following projects within the State.

(i) Opening of Coal Mines at Borjan.

(ii) Mini Cement Plant near Wazeho.

(iii) Ceramic Unit near Dimapur.

In addition to the above projects, the corporation will also have to take up development of certain
infrastructures to a limited extent, mainly providing of road links from main roads, power transmission from the main grid to the project sites and storage space and godowns for heavy equipments and minerals at Rail heads etc.

1. Borjan Coal Mine - The Borjan Coal Mine is situated in Borjan (Nazira) Coalfield, Nagaland.

The coal reserve of the coal mine is approximately 4.65 million tonnes. (56)

Two separate sub-stations of 500 KVA and 1000 KVA are proposed to cater the power supply to the North and South Block of the Coal mine. An overhead feeder from running 33 KVA overhead shall have to be brought by the State Electricity Board. (57)

The opening up of the Borjan coal mine will generate employment up to the extent of 579 personnels which is the minimum requirement of manpower which include thirteen officers.

Coal from the Borjan mine is linked for meeting the requirements of the Cement Plant at Bokajan, Paper and Pulp Mill at Tuli, Nagaland Forest products Limited at Tijit, Nagaland Sugar Mill at Dimapur and Brickfields etc. In the future a power plant may also come up. Presently, the Coal supply is being met by mines at Margherita. This is envisaged to be replaced by Coal from the Borjan Mines. The quantum of non-coking coal requirement has to be partly met by the Borjan Mine.

The opening up of the Borjan Coal mine and its operation including exploratory mining will cost around Rs.5.40 crores. At 60:40 equity loan ratio,
equity and loan capital requirements for the project are as follows: (58)

Equity ... Rs. 3.24 crores.
Loan ... Rs. 2.16 crores.

The proposed Nagaland State Mineral Development Corporation has to finance these equity and loan capital requirements. At the current ruling prices of coal and the estimated output during successive years, the operations at the Borjjan coal mine will yield a surplus of Rs. 2 lakhs during the 3rd year and Rs. 8 lakhs, Rs. 10 lakhs, Rs. 20 lakhs and Rs. 30 lakhs during the 4th, 5th and 7th years respectively. The surplus will be available for repayment of loans etc. The North Eastern Council has assured the finance of training the entire technical personnel required. The Borjjan Coal Mine which would yield more than 1,50,000 tonnes of coal per annum after its full development by the year 1987 would substantially meet the demand for coal in Nagaland which is estimated to be around 2,20,000 tonnes per annum.

2. Wazeho Mini Cement Plant:

Based on Wazeho Limestone deposits, a 50 tonnes per day mini cement plant is proposed to be set up under the North Eastern Council Plan. A project report was prepared by the Cement Research Institute of India visited in 1978. Subsequently, a site selection Committee visited the area and selected a new site. A revised Techno-Economic Feasibility Report is being proposed by N.E.I.T.C.O. (The North Eastern Industrial and Technical Consultancy Organisation). The installation of the plant was programmed to commence from 1982

(58) Ibid, Page 42.
and commissioned sometime during 1974. After successful commissioning, the N.E.C. will hand over the plant to the State Government for operation and management.

According to arrangements agreed to by the Planning Commission, 50% of the cost of installation by N.E.C. would be outright grant, and the balance will be treated as loan. The Nagaland Government would in turn hand over this plant to the proposed Mineral Development Corporation. The total cost of installation is estimated at Rs.1.20 crores. (59) The total manpower requirement is assessed as 77, including skilled, semi skilled and unskilled but excluding casual labour. Besides these, about 40 people excluding casual labour will be engaged in limestone quarrying.

The entire output of the plant would be consumed with the State of Nagaland itself. Nagaland receives only about 50% of its cement requirements from outside. The proposed plant at Wazeho would hardly meet 30% of the demand. There would still be an enormous gap between demand and supply. For this purpose, a large plant is currently under consideration and a feasibility study is in progress.

There are two cement plants operating in the North Eastern Region at present. They are the Bokajan unit of the Cement Corporation of India and the Mawnmuluh Cherra Plant in Meghalaya. These two plants together cannot produce more than 1.5 lakh tonnes per annum. Despatches of cement from outside the region are limited due to bottlenecks in railway transport.

(59) Ibid, Page 43.
Road transport is prohibitive.

Considering the requirement of cement in Nagaland the setting up of a 50 tonne per day mini cement plant is feasible from the demand/marketing point of view. The total annual production from the plant will be about 14,500 tonnes per annum at 90% capacity utilisation (considering 330 working days per year) and the total production will be consumed within Nagaland.

(3) Ceramic Unit:

A pottery ware project is proposed to be set up near Dimapur utilising the local clay deposits with a 1500 tonnes per annum capacity. The construction began during the first quarter of 1982-83 and the project is to be commissioned by the end of 1983-84. The proposed investment is Rs. 25 lakhs which is to be financed by the State Mineral Development Corporation. (60) The project is expected to yield a surplus of about Rs. 12 lakhs per annum from 1984-85 onwards and would provide employment to about 200 people. The entire demands of pottery and ceramic products in the N.E. Region which is estimated to be around 2000 M.T. is being met by the manufacturers from other parts of the country. The proposed ceramic Unit will not only meet the demand of Nagaland State but also substantially the entire demand of the N.E. Region.

Conclusion:

Paucity of reliable data on the material resources of the State makes the task of delimiting major industrial programmes a difficult one. At the same time, steps taken by the State Government in

(60) Ibid.
identifying key areas in the resource base, in initiating feasibility studies of several potentially viable projects and in preparing the ground work for establishing these units have made the task less difficult.

The State Government has very rightly assumed the role of promoter entrepreneur in an area where entrepreneurial talents are hard to find. Additionally, the area is unlikely to develop industrially, on the initiative of outside entrepreneurs for obvious reasons. The Government's efforts are all the more laudable as the State suffers from many handicaps to which references have been made including the paucity of skilled and unskilled labour.

The study team sponsored by the I.D.B.I. feels that the successful completion, execution and management of the large and medium scale projects like the Dimapur Sugar Mill and the Tuli paper Mill will fully the financial, managerial and labour force capabilities of the State and hence it is inadvisable to think of any other major projects at this stage. For Nagaland the strategy of industrial development at present lies in the consolidation of the efforts already started. Looking to the social and cultural attributes of the population it will take a long time to man the jobs that are generated through these projects by the local population. In this context, the forward looking policy of the state Government initiating
relevant training programmes deserves to be commenced. Training a tradition bound population for industrial skills is an uphill task. It is hoped that the State Government can overcome this problem soon.

While the scope for large industries is limited, the possibilities for promoting small and cottage industries do exist, though in a small measure. Keeping this in view the State's Five Year Plans are being formulated with the objective of augmenting the income of the people and to create employment opportunities for the unemployed and the partially employed people by rapid development of cottage and small scale industries. Another objective was to bring about party in income.

Keeping in view the national objective, efforts have been made to generate employment opportunities by revitalising and developing the existing traditional and other small scale industries, promoting intensive development of new village and small industries, to raise the economic status of rural artisans, weavers, craftsmen and others employed in these industries. Further, there has been all along efforts to promote the growth of these industries in rural areas and small towns and also to reduce progressively the role of subsidies by providing these selectively for credit and development of skills, design and marketing.

A rigid adherence to the policy of issuing licences only to the local people may slow down the growth of industrial development. Unfortunately the All India Agencies charged with the responsibility
of allocating scarce raw materials to the small units make a distinction between a licence and a registration certificate. The State Government does not have a registration system understandably because of the existence of the licensing system. However, these subtle distinctions made by the officialdom have adverse efforts on the units. The matter should be looked into immediately. Moreover, the policy should be such as to develop the enterpreneurial ability of the local people in collaboration with outside elements.

Commercial Banks will have to play an important role in the State's development. There is considerable deposit potential that could be tapped. Innovative methods need to be devised to make the people banking minded. Tribals do not have to pay income tax under the constitutional provisions. So one of the minor reasons which sometimes hamper the deposit growth is absent in the State. The Banks may have to identify viable projects in Agriculture, Cottage and small industries sector and give financial guidance to the would be enterpreneurs.
(5)(2) THE TERTIARY SECTOR:

The tertiary sector as defined earlier is that sector which produced services, that is, somethings that do not contain any physical material element in them. It covers transport and communication, commerce, organised banking and insurance, professions, construction, Government and allied services and domestic services etc. An attempt is made here to portray a picture of the tertiary sector of Nagaland.

(5)(2)(1) PUBLIC SERVICE:

The tertiary sector of the economy of Nagaland has been growing over the years. In the service sector in 1991, the total number of Government employees were 26,234 out of a total number of 2,62,298 workers in the State. According to the 1971 census the population of Nagaland was 5,16,449, and out of this 2,54,151 people were non-workers which means that nearly 50% of the population were non-workers. (61)

The total number of Government employees in Nagaland in 1971 was 26,234 out of which 704 were Gazetted officers. Out of the 704 Gazetted Officers, 208 were Class I Officers and 496 were Class II Officers. By 1976, the number of Gazetted Officers rose to 962. The following Table shows

the distribution of Government employees as on 31st March, 1976 according to status and percentage of increase over the preceding year.

**TABLE 562**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gazetted</th>
<th>Class III</th>
<th>Class IV</th>
<th>Total</th>
<th>Percentage Increase</th>
</tr>
</thead>
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<tr>
<td>1965-66</td>
<td>447</td>
<td>7465</td>
<td>5057</td>
<td>12971</td>
<td>14.73</td>
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<tr>
<td>1970-71</td>
<td>704</td>
<td>12116</td>
<td>13414</td>
<td>26234</td>
<td>12.85</td>
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<tr>
<td>1973-74</td>
<td>847</td>
<td>15431</td>
<td>14476</td>
<td>30754</td>
<td>-</td>
</tr>
<tr>
<td>1974-75</td>
<td>915</td>
<td>15979</td>
<td>14779</td>
<td>31673</td>
<td>2.99</td>
</tr>
<tr>
<td>1975-76</td>
<td>962</td>
<td>17653</td>
<td>16200</td>
<td>34815</td>
<td>9.92</td>
</tr>
</tbody>
</table>


The Government of Nagaland has imposed restrictions on its employment policies for non-Nagas. It is the policy of the Government of Nagaland to reserve 80% of the vacant posts in any department for the Nagas. Only 20% of the vacant posts are reserved for other tribes and scheduled castes. But even the latter must be indigenous inhabitants of Nagaland. The policy was taken up with the objective of uplifting the economic and social conditions of the local Nagas. This policy has helped a lot to better the lot of the local people, but nevertheless it has also proved to be a deterrent towards the economic condition of the State. If for example, there
are two candidates for one jobs, the person who is a Naga will get the job, even if the other candidate who is a non-Naga is more qualified and more efficient. This policy has also led to discrimination between the people of Nagaland.

The following table shows the Distribution of State Government employees according to status, caste and tribe in 1970-71.

**TABLE:**

<table>
<thead>
<tr>
<th>Caste/Tribe</th>
<th>Gazetted Class I</th>
<th>Gazetted Class II</th>
<th>Non-Gazetted Class III</th>
<th>Grade IV</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Scheduled Caste</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Scheduled Tribe</td>
<td>125 (60.10)</td>
<td>237 (47.78)</td>
<td>8612 (71.08)</td>
<td>10628 (79.23)</td>
<td>19602 (74.72)</td>
</tr>
<tr>
<td>Others</td>
<td>83 (39.90)</td>
<td>259 (52.22)</td>
<td>3504 (28.92)</td>
<td>2784 (20.75)</td>
<td>6630 (25.27)</td>
</tr>
<tr>
<td>Total</td>
<td>208 (100)</td>
<td>496 (100)</td>
<td>12116 (100)</td>
<td>13414 (100)</td>
<td>26234 (100)</td>
</tr>
</tbody>
</table>

**N.B.** Figures in Bracket indicate percentages to total.

**Source:** Statistical Handbook of Nagaland, 1974, Department of Economics and Statistics, Government of Nagaland, Kohima.

From the table given above, it can be seen that Scheduled Tribes make up for 74.72% of the Government employees.
in 1971, whereas the percentage of non Tribal employees is only 25.28% of the total.

Another aspect of public services that deserves attention is the department wise distribution of sanctioned posts. The following Table gives the department wise distribution of posts and vacancies in the different departments of the Nagaland Administration.
TABLE NO.- 58

DISTRIBUTION OF GOVT. EMPLOYEES IN VARIOUS DEPARTMENT AS ON 31ST. MARCH 1976 BY STATUS AND TENURE OF SERVICE.

<table>
<thead>
<tr>
<th>Si. No.</th>
<th>Name of Department</th>
<th>Class-I State service</th>
<th>Class-II State service</th>
<th>Class-III State service</th>
<th>Class-IV State service</th>
<th>Total (7+12)</th>
<th>Grand Total (17+23)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>P</td>
<td>T</td>
<td>Total (3+4)</td>
<td>D</td>
<td>Total (5+6)</td>
<td>P</td>
</tr>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>15</td>
<td>1</td>
<td>16</td>
<td>9</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>Animal Husbandry &amp; Veterinary</td>
<td>7</td>
<td>4</td>
<td>11</td>
<td>6</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>3</td>
<td>Arts &amp; Culture</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>4</td>
<td>Assembly Secretariat</td>
<td>7</td>
<td>-</td>
<td>7</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Civil Secretariat</td>
<td>39</td>
<td>9</td>
<td>48</td>
<td>3</td>
<td>51</td>
<td>23</td>
</tr>
<tr>
<td>6</td>
<td>Co-Operation</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Community Development</td>
<td>7</td>
<td>-</td>
<td>7</td>
<td>9</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>Education</td>
<td>16</td>
<td>7</td>
<td>23</td>
<td>2</td>
<td>24</td>
<td>76</td>
</tr>
<tr>
<td>9</td>
<td>Electricity</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>2</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>10</td>
<td>Election</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Evaluation</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Eise</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>rest</td>
<td>6</td>
<td>3</td>
<td>9</td>
<td>-</td>
<td>9</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>General Administration</td>
<td>26</td>
<td>30</td>
<td>56</td>
<td>-</td>
<td>56</td>
<td>37</td>
<td>46</td>
</tr>
<tr>
<td>Geography &amp; Mining</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Press</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Arnon's Secretariat</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ministry</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Recovery &amp; Revenue</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Local &amp; Public Health</td>
<td>20</td>
<td>12</td>
<td>32</td>
<td>1</td>
<td>33</td>
<td>32</td>
<td>42</td>
</tr>
<tr>
<td>nce</td>
<td>8</td>
<td>7</td>
<td>15</td>
<td>3</td>
<td>18</td>
<td>5</td>
<td>32</td>
</tr>
<tr>
<td>lic Health Engineering</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>licity</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>lic Service Commission</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
### Table 58 continued.

|   | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
|---|---|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|
| 27. Social Welfare | - | 1 | 1 | - | 1 | 1 | - | 1 | - | 1 | 6 | 41 | 47 | - | 47 | - | 13 | 13 | - | 13 | 6 |
| 28. Soil Conservation | 1 | 3 | 4 | - | 4 | 3 | 5 | 8 | - | 8 | 14 | 111 | 125 | - | 125 | 4 | 83 | 87 | - | 87 | 22 |
| 29. Statistics | - | 3 | 3 | - | 3 | 9 | 9 | - | 9 | - | 6 | 88 | 94 | - | 94 | 2 | 21 | 23 | - | 23 | 12 |
| 30. Supply | - | 1 | 1 | 1 | - | 2 | 5 | 1 | 6 | 1 | 7 | 85 | 179 | 264 | 3 | 267 | 17 | 142 | 159 | - | 159 | 43 |
| 31. Taxes | - | - | - | - | - | 4 | 1 | 5 | - | 14 | 28 | 42 | - | 42 | - | 19 | 19 | - | 19 | 6 |
| 32. Town Planning | 2 | 1 | 3 | - | 3 | 2 | 2 | - | 2 | 16 | 23 | 39 | - | 39 | 2 | 15 | 17 | - | 17 | 6 |
| 33. Transport | 2 | 2 | 4 | - | 4 | 14 | 2 | 16 | - | 16 | 244 | 142 | 386 | - | 386 | 63 | 83 | 146 | - | 146 | 55 |
| 34. Weight & Measures | - | - | 1 | 1 | - | 1 | - | 1 | - | 6 | 23 | 29 | - | 29 | - | 15 | 15 | - | 15 | 4 |
| 35. Workshop Organisation | - | 1 | 1 | - | 1 | 3 | 3 | - | 3 | 97 | 14 | 111 | - | 111 | 29 | 9 | 38 | - | 38 | 15 |
| **Total** | 309 | 653 | 17653 | 16200 | 3481 |

(100.00) | (100.00) | (100.00) | (100.00) |

**Note:** P - Permanent, T - Temporary, D - Deputation. (Figures within brackets indicate percentage to total.)

**Source:** Government of Nagaland

A Report on Census of State Government Employees in Nagaland
The above table shows that the maximum number of sanctioned posts (10,839) was in the Police Department and the least number i.e. (16) was in the Evaluation Department, besides the Home Secretary to the Governor. The Department of Education, P.W.D., General Administration, Medical and Electricity had 7836, 2600, 2044, 3205 and 1093 employees respectively. It is clear from the above study that there have been improvements in the structure of public services in Nagaland in several aspects:

(i) There has been a reduction in the percentage of employees in the contingency paid and work-charged staff and corresponding increase in that of employees in regular posts.

(ii) There has been an improvement in the emolument structure of the employees.

(iii) There has been a reduction in the number of vacancies in the departments that are closely connected with the economic development of the State.

TRANSPORT & COMMUNICATION:

The different aspects of Transport and Communication in Nagaland as a component of the infrastructure of the economy of the State have been discussed in detail in Chapter II. Very little is known of the Trade and Commerce and construction components of the tertiary sector of Nagaland as up-to-date statistics are not available.

Investment in the tertiary sector accounts for 46% of the total investment in the State of Nagaland and within the sector, Transport and Communication account for 61% of the Investment (63). Though

transportation by itself will not bring about any development, no development is conceivable without it. It is undoubtedly the most single need of the State. Unless the remote hill-top villages scattered far and wide in the State can be linked with each other and with the commercial centres, the economy which has remained stagnant for centuries is likely to remain so.

In his speech at the meeting of the National Development Council at New Delhi on 30th/31st August, 1980, the Chief Minister of Nagaland, Shri J.B. Jasokie made the following statements. The problem of transport and communication is acute in the North Eastern Zone as a whole and it is still worse in Nagaland. Some of the administrative Head Quarters are still to be fed by air-dropping, especially during rainy months. The length of railway lines in Nagaland is merely 35 k.ms. Cost of construction and maintenance of roads is very high due to difficult hilly terrain and heavy monsoon. For every 100 sq.k.ms. of area Nagaland has only 26 k.ms. of roads out of which only 7 k.ms. are all weather, as against the National average of 37.(64)

(5)(2)(2)(a) NAGALAND STATE TRANSPORT:

At present the Nagaland State Transport operates on all the main roads covering a distance of 6702 k.ms. (65) It covers 85 routes

(64) Speeches of the Chief Minister M.T. J.B. Jasokie (June, 1980 to June 1981), Page 7, Addressed at the National Development Council, Published by the Directorate of Information and Publicity, Nagaland.

(65) "Nagaland 1982", Page 88, Published by Directorate of Information and Publicity, Government of Nagaland.
including 6 Inter-State routes which alone cover 1224 kms. Considering the almost exclusive dependency on road transport, the Nagaland State Transport was created in the year 1965, covering a distance of 359 kms. Starting from a modest beginning of 15 buses and 8 trucks in the year 1965, the organisation has now raised its fleet to 174 buses, 21 trucks, 1 mobile van and 2 break-down vans. (66)

In 1947 the length of roads in Nagaland was 176 kms. It increased to 5126 kms. at the end of 1980-81. Upto 1963 there was no nationalised bus route. However, at the end of 1973-74, the number of nationalised bus routes was 14 with a coverage of 1327 kms. By the end of 1979-80, the number of routes increased to 149 with a coverage of about 4338 kms. (67)

The following table shows the number of routes and Kilometers operated by the Nagaland State Transport by the end of 1981-82.

| TABLE: 659 |
|-----------------|-----------------|
|                 | 1980-81 | 1981-82 |
| (a) No. of routes at the end of the year | 66 | 72 |
| (b) Total route length in Kilometers | 6066 | 6702 |
| (c) Average route length in Kilometers | 91.9 | 93.6 |


(5)(2)(2)(b) POST AND TELEGRAPH AND TELEPHONES:

In the sphere of communications, the State of Nagaland is lagging far behind the other States. The Head Post Office is at Kohima. The post and Telegraph Authorities have plans for opening a post office in every village of the State in a phased manner, thereby linking all the villages with the rest of the country in so far as postal facility is concerned.

As shown in Table 12 of Chapter II of this thesis, the total number of post offices in Nagaland was 210 in 1980, and the total number of letter boxes 528 in 1980. The number of Post Offices in the Districts of Kohima, Mokokchung and Tuensang in 1980 were 131, 47 and 32 respectively. And the number of letter boxes in the Districts of Kohima, Mokokchung and Tuensang were 257, 174 and 95 respectively.
The telecommunication facilities in the State have not yet been properly developed. Most of the people in remote areas of Nagaland have never seen or heard of telephones.

The following table shows the number of telephone connections in Nagaland:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>KOHIMA</th>
<th>MOKOKCHUNG</th>
<th>ZUNHEBOTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977-78</td>
<td>1,219</td>
<td>332</td>
<td>487</td>
</tr>
<tr>
<td>1978-79</td>
<td>1,482</td>
<td>953</td>
<td>529</td>
</tr>
</tbody>
</table>

Table Continued:

<table>
<thead>
<tr>
<th>PHEK</th>
<th>TUENSANG</th>
<th>WOKHA</th>
<th>MON</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>43</td>
<td>41</td>
<td>2</td>
</tr>
</tbody>
</table>

Education which accounts for about 23% of the investment in the tertiary sector is also crucial to the future development of the economy. Nagas have taken to education with a great deal of enthusiasm and are far ahead of other tribal groups. But the existing education system is an implantation from other parts of India and not very suited to the needs of the State's economic development. The emphasis in Education, therefore, is not only on its expansion but more so on its re-orientation to meet the specific requirements of the economy. The task of Education has to be conceived as an integral part of the wider task of bringing the people of the State to accept progressive changes in their social and economic life and to promote this change by imparting the knowledge necessary for it. The human factor in the process of development is now rightly recognised as important and the fact that the human factor itself needs more development in Nagaland than in other parts of India makes the role of education extremely important.

Several elements constitute the human factor: attitudes, social institutions within which human efforts take shape, general knowledge, literacy, skills and character and health. The role of Education in Nagaland should not be confined merely to imparting general knowledge and literacy (as unfortunately it has been so far) but to encompass all other aspects. It is only in this sense that Education is essential and can become the most dynamic force behind the process of growth.
The Educational scene in Nagaland has shown remarkable progress since the formation of the State in 1963. There has been enormous progress in the development of Government and Government assisted schools and decline of private education. This process has been greatly accelerated since the 3rd Five Year Plan. Percentage of literacy in the State was 27.40% as against the national figure of 29.46% (1971 Census). By 1981, the rate of literacy in Nagaland rose to 41.99%.

The progress of Education facilities in Nagaland is shown below:

<table>
<thead>
<tr>
<th>EDUCATION FACILITIES IN NAGALAND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Primary School</td>
</tr>
<tr>
<td>Middle School</td>
</tr>
<tr>
<td>High School</td>
</tr>
<tr>
<td>College</td>
</tr>
</tbody>
</table>


Health is another important element in human factor. Unhealthy people cannot give their best to whatever task is allotted to them. Epidemic diseases such as malaria, dysentry, tuberculosis sap the strength as well as the will to work. Measures to reduce the incidence of such diseases are essential for improving the quality of the working force. The present rate of infant mortality is
high and life expectation is low. As more and more is being invested in the development of the human resources, it would be necessary to ensure that the life span increases so that a full use is made of the development achieved.

The following statement shows the progress of health facilities in Nagaland.

<table>
<thead>
<tr>
<th></th>
<th>1947</th>
<th>1980–81</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hospital</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>2. Beds</td>
<td>40</td>
<td>1280</td>
</tr>
<tr>
<td>3. Primary Health Centres</td>
<td>Nil</td>
<td>17</td>
</tr>
<tr>
<td>4. Dispensaries</td>
<td>6</td>
<td>148</td>
</tr>
</tbody>
</table>


The amounts invested in Health, Education, Transport and Communication have increased in every five year plan. The amount invested in Health was Rs.160.00 lakhs, Rs.254.00 lakhs, Rs.800.00 lakhs in the Fourth, Fifth and Sixth Five Year Plans respectively. Amount invested in Education have been Rs.520.00 lakhs, Rs.748.00 lakhs and Rs.1085.00 lakhs in the 4th, 5th and 6th Five Year Plans respectively. Amount invested in Transport and Communication have been Rs.461.60 lakhs, Rs.1203.00 lakhs and Rs.2203.00 lakhs in the Third, Fourth and Fifth Five Year Plans respectively. (68)

Nagaland has taken a positive step towards providing Social Security and Welfare. The Social Security and Welfare Department has come into being in recent years. The Department has started 13 Children's Welfare Centres and 10 Women's Welfare Centres. It has also set up a school for the blind children which started working since the 1st of July, 1977.

A Nutrition programme has been carried on as a part of the minimum needs programme. The intensive child development programme has been located in the Zeliang-Kuki Block and 50 Anganwadi Centres were set up. The Anganwadi workers were trained by the Bharatiya Adimjati Sewak Sang. For the 6th Five Year Plan, 1980-85, an amount of Rs.150.00 lakhs has been proposed for implementation of various schemes. It is proposed to set up 25 new Recreation Centres, a Home for destitute women to provide pigs and chickens for rearing.

Realising the needs of the people, the Art and Culture Department of Nagaland has been set up to undertake (1) A Tribal Research Institute and Cultural Centre, (2) Museum, (3) Archives, (4) Public Libraries, (5) Archeology, (6) District Gazetteer and (7) Antiquity Registration. It is also taking up modification of customary laws.
Art and culture constitute an important segment of the tertiary sector of an economy. Considerable emphasis is being given to art and culture in Nagaland.

With the opening of the Kohima District Library during 1981 the library services in the State has marked a significant progress. Side by side the Research Library and other District Libraries are also enriched with considerable number of books.

Three new cultural centres at Phek, Wokha and Zumheboto have been opened to intensify promotion and preservation of culture like other districts where such organisation were established earlier.

Five more rural libraries are in the process of registration. This would raise the total number of such libraries under the Directorate of Art and Culture to 40. Assistance in the form of books are being provided to all libraries.

The State Museum at Kohima has a great variety of specimens in its collection. New dioramas, show cases and display cabins have been added. The three cultural centres at Mokokchung, Tuensang and Mon continue to procure specimens of local value for display in portable cabins in the respective centres.

CO-OPERATIVE MOVEMENT:

The Co-operative movement in Nagaland began as early as 1946. However, no systematic measures could be taken for organisation of the movement. The real
effort for starting the Co-operative movement in the State was made only from the Third Five Year Plan onwards. The Co-operative structure of the State has been organised into large area multipurpose societies so as to make the societies economically viable. Even within their limited capacity, the Co-operative Societies have played a significant role in holding the price line. The newly set up super bazars at Kohima and Mokokchung have been maintaining a supply of essential consumer goods at a reasonable level. This has had a good impact on the market.

The flow of institutional finance to the farmers for agricultural development was almost nil, except what was extended by the State Co-operative Bank. This is due to (i) absence of any record of right of ownership of land and (i)) non-alienable status of land in the State. During the last two years, a new system has been adopted by the State Bank of India, the lead Bank of the area for extending short and medium term credit on group sureties.

The State Government envisaged strengthening of credit institutions and consumers and marketing societies by diversifying their activities as as to enable the Nagaland State Co-operative Bank, the Nagaland State Co-operative Marketing and consumers Federation Limited etc. to serve the purpose of improving the limited conditions of the people by ensuring provision for inputs, employment and other means of income through various activities of the co-operative movement.
In pursuance of the above objectives the main programmes are for improvement in the functioning of the Mini lamps and also to raise the number of Mini lamps from 26 to 30 by the end of the 6th Five Year Plan period, to increase the number of institutional co-operative societies, open more branches of Co-operative Banks to provide credit facilities etc. so that other subsidiary occupations like handloom weaving, poultry, piggery, dairy etc. may also be encouraged to be taken up in various parts of the State.

With a view to providing income-cum-employment opportunities for the weaker sections of the community, poultry, piggery and dairy co-operative have been set up since 1979-80.
### Working of Co-operative Societies as on 30.6.1979

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Society</th>
<th>No. of Societies</th>
<th>Functioning</th>
<th>DORMANT</th>
<th>Liquidated</th>
<th>TOTAL</th>
<th>No. of members</th>
<th>Total working capital (Rs. in lakh)</th>
<th>Loan advance (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Nagaland State Co-operative Bank</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1,222</td>
<td>403.42</td>
<td>49.62</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>State Marketing &amp; Consumers Federation</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>88</td>
<td>89.32</td>
<td>13.11</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>State Co-operative Union</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>240</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Cadre Managing Societies</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>DISTRICT LEVEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>District Wholesale stores</td>
<td>4</td>
<td>-</td>
<td>2</td>
<td>6</td>
<td>449</td>
<td>14.67</td>
<td>7.95</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PRIMARY LEVEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Mini Lamps</td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>6,532</td>
<td>27.39</td>
<td>4.50</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Consumer Co-operative Societies</td>
<td>36</td>
<td>33</td>
<td>20</td>
<td>104</td>
<td>3,620</td>
<td>4.61</td>
<td>0.47</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Service Co-operative Societies (including FSS)</td>
<td>31</td>
<td>34</td>
<td>15</td>
<td>80</td>
<td>2,955</td>
<td>57.60</td>
<td>11.85</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Multipurpose Co-operative Societies</td>
<td>65</td>
<td>48</td>
<td>24</td>
<td>137</td>
<td>4,795</td>
<td>74.33</td>
<td>38.24</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Marketing Co-operative Societies</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>567</td>
<td>N.R.</td>
<td>N.R.</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Weaving and Knitting Societies</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>680</td>
<td>9.34</td>
<td>N.R.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Dairy Co-operative Societies</td>
<td>12</td>
<td>1</td>
<td>10</td>
<td>23</td>
<td>546</td>
<td>3.29</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Industrial Co-operative Societies</td>
<td>6</td>
<td>13</td>
<td>10</td>
<td>29</td>
<td>448</td>
<td>0.76</td>
<td>N.R.</td>
<td></td>
</tr>
</tbody>
</table>

Table Continued.
<table>
<thead>
<tr>
<th>S1. No.</th>
<th>Name of Society</th>
<th>No. of Societies.</th>
<th>No. of Societies.</th>
<th>No. of Societies.</th>
<th>No. of Societies.</th>
<th>No. of Societies.</th>
<th>No. of Societies.</th>
<th>Total Loan</th>
<th>Total Working Capital</th>
<th>Loan Advance (Rs.in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Fishery Co-operative Societies</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>122</td>
<td></td>
<td>0.17</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Students Co-operative Societies (Institutional)</td>
<td>7</td>
<td>1</td>
<td>-</td>
<td>8</td>
<td>681</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Transport Co-operative Societies</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>180</td>
<td></td>
<td>2.40</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Cinema Co-operative Societies</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>25</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Farming Co-operative Societies</td>
<td>24</td>
<td>36</td>
<td>19</td>
<td>79</td>
<td>2,059</td>
<td></td>
<td>5.99</td>
<td>N.R.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Petrol Co-operative Societies</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>45</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Distillery Co-operative Societies</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>25</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Thrift &amp; Credit Co-operative Societies</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>410</td>
<td></td>
<td>0.10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Hotel Co-operative Societies</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>20</td>
<td></td>
<td>0.10</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Forest Co-operative Societies</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Labour Co-operative Societies</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>78</td>
<td></td>
<td>0.65</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Trading Co-operative Societies</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>25</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>183</td>
<td>127</td>
<td>536</td>
<td>25,852</td>
<td>685.30</td>
<td>125.74</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|          | Total for 1975-76                      | -                 | -                 | -                 | 503               | 19,401            | 274.50            | 7.90       |                        |                           |
|          | Total for 1976-76                      | -                 | -                 | -                 | 503               | 19,401            | 274.50            | 7.90       |                        |                           |
|          | Total for 1977-78                      | -                 | -                 | -                 | 517               | 23,965            | 404.80            | 59.62      |                        |                           |
|          | Total for 1978-79                      | -                 | -                 | -                 | 536               | 25,852            | 685.30            | 125.74     |                        |                           |

Note: Lamps: Large size Agricultural & Multipurpose Co-operative Societies  
FSS: Farmers Service Co-operative Societies  
N.R.: Not Recorded.  
Source: Statistical Hand Book of Nagaland, 1981.
Upto the end of 1980-81 the numbers of Mini lamps grew to 267. These have been organised in the State with a view to having a chain of well managed viable co-operative societies with full time trained Secretaries/Managers to provide credit facilities and other inputs to the Agriculturists on an extensive scale. Financial Assistance have been provided to these Mini lamps in the shape of share capital contribution, managerial subsidy, loan and subsidy for construction of Office—cum-Godown etc.

During the year 1979-80, a large sugarcane growers society was organised at Dimapur with the individual cultivators engaged in sugarcane cultivation in the sugar mill farm area so as to enable them to get finance from the Nagaland State Co-operative Bank Ltd. without any guarantee or difficulty. Financial Assistance in the shape of share capital contribution, managerial subsidy, loan and subsidy for construction of office—cum-godown. Purchase of transport has been made available to the Society.

The Nagaland State Co-operative Bank Ltd. which was established during the year 1966-67 with Head Quarters at Dimapur is involved in the task of ensuring the flow of credit for Agriculture and other productive purposes. It has been operating throughout the State through its 14 branches opened at different places.

(70) Draft Annual Plan 1982-83, Page 2, Chapter 8, (Sectoral plans)
Besides taking up the normal activities like arranging marketing of agricultural produces of the members and distribution of essential consumer goods, the Nagaland State Co-operative Marketing Consumers Federation Limited has involved itself more singly in the procurement of Agricultural produce from surplus areas and in the distribution of fertilisers. It has also taken over management of all the existing wholesale stores by the end of 1980–81. The institution has constructed a 1500 M.t. capacity Godown at Dimapur with financial assistance from the National Co-operative Development Corporation. Two more godowns were constructed at Peren and Kiphire.

(5)(2)(8) **TAXATION AND EXCISE:**

The Taxation Department administers the following Tax Laws:
2. The Nagaland (Sales of Petroleum etc.) Taxation Act, 1967.
5. The Central Sales Tax Act, 1965 (to the extent applicable in the State).

**EXCISE:**

The Excise Department administers the Nagaland Excise Act, 1967, the Indian Opium Act, 1978 and the Dangerous Drug Act, 1930. During 1981–82, the the Molasses Control order and the Sugar Cane control orders were also brought into force and the Excise Department has been entrusted with the
responsibilities of implementing these orders. Within the frame work of the Nagaland Excise Act and the Rules there under, the Excise Department controls and supervises the import, export, transport, profession and sale of intoxicants in the State. During 1981-82, the amended Nagaland Excise Act, 1980, bringing the local brew like 'Zu' and 'Rohi' under purview of the Nagaland Excise Act, 1967, was brought into force from 15th August, 1981.

During 1981-82, the Department had also set up a Mobile squad-cum-intelligence wing at the Directorate level headed by a Superintendent of Excise to maintain overall vigilance, collection of intelligence data and perform emergency duties of inspection raid and detection throughout the State.

Besides the District establishment and the Mobile squad as referred to above, the Department has positioned Excise personnel in the Nagaland Distillery, the Nagaland Bonded warehouse and the Beer Bonded warehouse.

(5)(2)(9) POLICE DEPARTMENT:

The Nagaland police consists of the District Executive Force and Nagaland Armed Battalions. There are six Battalions of Nagaland Armed Police. In 1981, the total strength of the District Executive forces was 2672. (71)

At present five fire stations are operating in the towns of Kohima, Dimapur, Wokha, Mokokchung and Tuensang.

The village guards assist the civil administration in the maintenance of law and order. The village guards are confined to the three districts of Tuensang, Mon and Phek only. Their total strength are as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>No. of village guards post</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuensang</td>
<td>111</td>
<td>3382</td>
</tr>
<tr>
<td>Mon</td>
<td>14</td>
<td>249</td>
</tr>
<tr>
<td>Phek</td>
<td>3</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>128</strong></td>
<td><strong>3791</strong></td>
</tr>
</tbody>
</table>

Source: "Nagaland 1981", Page 73, Published by Directorate of Information and Publicity, Government of Nagaland, Kohima.

**ORGANISED BANKING AND INSURANCE:**

The Banking facilities in the State are satisfactory. The lead Bank is the State Bank of India with branches at Kohima and Mokokchung. The State Bank of India has branches in all the District headquarters, Sub-divisional headquarters and in many of the Block headquarters in Nagaland. Besides, the State Bank of India other Banks like the Allahabad Bank, of India, the Vijaya Bank, the Bank of Baroda, the United Bank of India etc. are operating through various branches in the State.
Some branches and Agents of Insurance companies registered outside are doing business in Nagaland. Thus organised banking and insurance give employment to a considerable number of persons in the State.

The following table shows the position of Nagaland in the North Eastern Region in the State-wise distribution of Bank offices, deposits and credit in 1979-80.

**TABLE : 62.**

State wise distribution of Bank Offices, deposits and credit.

<table>
<thead>
<tr>
<th>State</th>
<th>No. of offices</th>
<th>Deposits (Crores)</th>
<th>Credits (Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assam</td>
<td>367</td>
<td>262.75</td>
<td>108.28</td>
</tr>
<tr>
<td>Manipur</td>
<td>30</td>
<td>8.81</td>
<td>3.65</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>48</td>
<td>30.68</td>
<td>6.09</td>
</tr>
<tr>
<td>Nagaland</td>
<td>27</td>
<td>10.81</td>
<td>3.48</td>
</tr>
<tr>
<td>Tripura</td>
<td>43</td>
<td>20.64</td>
<td>8.88</td>
</tr>
<tr>
<td>All India</td>
<td>21691</td>
<td>22,832.43</td>
<td>15,613.09</td>
</tr>
</tbody>
</table>

The following table shows the distribution of Bank offices and population per Bank in the States of North Eastern Region on 31.9.81.

<table>
<thead>
<tr>
<th>Table 63</th>
<th>No. of offices</th>
<th>Population per Bank office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arunachal Pradesh</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Assam</td>
<td>446</td>
<td>40</td>
</tr>
<tr>
<td>Manipur</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>53</td>
<td>22</td>
</tr>
<tr>
<td>Mizoram</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Nagaland</td>
<td>33</td>
<td>17</td>
</tr>
<tr>
<td>Tripura</td>
<td>69</td>
<td>26</td>
</tr>
<tr>
<td>All India</td>
<td>30202</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: Statistical Accounts of North Eastern India, Published by North Eastern Council, Shillong, 1982.

From the tables given above, we can see that although the banking facilities in Nagaland are quite satisfactory, the amount of deposits and credits in the Banks are very low in Nagaland.

(5)(2)(11) CONSTRUCTION: PUBLIC WORKS DEPARTMENT AND PUBLIC HEALTH ENGINEERING DEPARTMENT:
(a) PUBLIC WORKS:
During the past few years, the Administrative Machinery in Nagaland has expanded considerably, but the construction programmes could not keep pace to
provide accommodation for offices and other non-residential purposes. Unlike other states private houses for hire are not available even in the few Urban centres. The situation in the interior areas is still more precarious. Offices and other non-residential accommodation provided are of temporary nature and require constant repair/renovation. Even storage facilities for essential commodities are not available adequately. Most of the offices of the administrative headquarters have been housed in improvised accommodations as neither building are available on rent nor is it possible for the Government to provide suitable office accommodation. Even in the new District headquarters and in administrative centres, most of the offices are housed in buildings which are in a pitiable state of condition. Office accommodations even in the State capital and other District Headquarters are inadequate.

In view of the position explained above, a massive programme to overcome the prevailing difficulty has been taken up. All the construction activities have to be conducted by the Government Department like the Public Works Department since there are no private construction companies in Nagaland except for a few private contractors. The construction programmes undertaken by the Public Works Department includes provision for non-development Departments, organisation like Raj Bhavan Assembly Secretariat, Administration of Justice, District Administration, P.W.D., P.H.E., Supply, Excise and Taxes etc. Uptil now, it has been possible to achieve hardly 25% satisfaction in regard to office and other non-residential buildings.
The Public Works Department is entrusted with the works of construction and maintenance of all roads and buildings except some buildings constructed by Police Project Organisation, Electricity Department and some minor buildings constructed departmentally by certain departments. The P.W.D. has also undertaken certain schemes for roads and buildings financed by the North Eastern Council, Shillong. Besides it carries out the work required by certain Central Government Departments like All India Radio, Assam Rifles, S.I.B. and Post and Telegraphes etc.

Other constructional activities of the P.W.D. include Town Protection and Housing Schemes.

The outlay for the Sixth Five Year Plan for non-residential buildings has been fixed at ₹108.00 lakhs. (72)

The Fifth Plan outlay for Housing was ₹750 lakhs only, including ₹181 lakhs for Social Housing Schemes, thus leaving an amount of ₹569 lakhs for Government building both residential and non-residential. (72) Against this, the spill-over content from the non-plan was of the order of ₹720 lakhs. As a result, hardly any new works could be taken up and most of the amount was utilised for completing as many buildings as may be possible. The total expenditure during the 4 year period 1974-78 was ₹774 lakhs. Out of this ₹181 lakhs

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As mentioned earlier, the development of roads in Nagaland demands an over riding priority. Prior to the formation of Nagaland as a separate unit of administration, there were few jeepable roads. Thus construction and maintenance of roads form an important component of the development activities of the State P.W.D. The objective during the 6th Plan period is to construct new roads in Industrial, Mining and Rural areas and to improve the existing roads by widening and strengthening the pavements as well as by constructing the missing bridges and culverts thereon. The total length of roads by the end of the 5th Five Year Plan was 4467 k.ms. An outlay of Rs.8205.00 lakhs is proposed during the 6th Plan period 1980–85. The outlay proposed for the different schemes are as follows:

1. Missing Minor Bridges ... Rs. 642.57 lakhs
2. Improvement of Low Grade Sections ... Rs.1,244.84 lakhs
3. Expansion of existing weak pavement ... Rs. 593.77 lakhs
4. Expansion of existing road network ... Rs. 4,040.12 lakhs
5. Roads in mining areas ... Rs. 102.48 lakhs
6. Roads in Industrial areas ... Rs. 156.22 lakhs
7. Machinery and Equipment ... Rs. 400.00 lakhs
8. R.M.N.P. Roads ... Rs. 650.00 lakhs
9. Feeder Roads ... Rs. 350.00 lakhs
10. Agriculture Link Roads ... Rs. 125.00 lakhs

(R.M.N.P.: Revised Minimum Needs Programme)

(74) Ibid, Page 134.
(76) Ibid, Page 2.
PUBLIC HEALTH ENGINEERING DEPARTMENT (P.H.E.):

The P.H.E. Department looks after urban water supply, rural water supply, sewerage and sanitation programmes in the State. Hardly 30 percent of the population (51,394) in the urban areas have been provided with protected drinking water up to the end of 1977-78. Schemes for augmentation of urban water supply have been undertaken in phases.

Nagaland has 951 villages as per the 1971 census and 122 hamlets. So far as water supply is concerned, all these are 'Problem villages'. At the end of the fifth plan (1978-79) only 323 villages were having dependable water supply facilities. Therefore out of 1073 villages and hamlets, 750 did not have proper drinking water facilities. During 1979-80, 74 more villages were covered. (77)

Rural water supply is an important item under the Revised minimum needs program (R.M.N.P.) Both the Central and the State Government have been assigning highest priority to this basic need. Over and above the funds available under the State Plan, the Central Government have been providing additional funds under the "Accelerated Rural Water Supply Programme" (A.R.P.). Against the Fifth Plan provision of Rs.546 lakhs for rural water supply, an amount of Rs.537.31 lakhs was utilised during the first four years. (78)


The progress achieved up to 1979-80 and the programs for the Sixth Five Year plan are reflected in the table below:

**TABLE : 6\(\text{a}\)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of villages covered.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Under R.M.N.P.</td>
<td>281</td>
<td>318</td>
<td>389</td>
<td>496</td>
<td>814</td>
</tr>
<tr>
<td>(b) Under Accelerated water supply Programme</td>
<td>42</td>
<td>79</td>
<td>154</td>
<td>186</td>
<td>186</td>
</tr>
<tr>
<td>TOTAL</td>
<td>323</td>
<td>397</td>
<td>543</td>
<td>682</td>
<td>1000</td>
</tr>
<tr>
<td>No. of Villages that remained uncovered</td>
<td>750</td>
<td>676</td>
<td>539</td>
<td>391</td>
<td>73</td>
</tr>
<tr>
<td>Population covered</td>
<td>2,05,252</td>
<td>2,43,180</td>
<td>3,16,180</td>
<td>3,85,380</td>
<td>5,57,012</td>
</tr>
<tr>
<td>Financial outlays; (Rs. in lakhs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R.M.N.P.</td>
<td>-</td>
<td>-</td>
<td>200.00</td>
<td>480.00</td>
<td>1700.00</td>
</tr>
<tr>
<td>Accelerated</td>
<td>-</td>
<td>-</td>
<td>121.00</td>
<td>99.00</td>
<td>220.00</td>
</tr>
</tbody>
</table>


The Sanitation programme of the P.H.E. Department includes conversion of dry latrine into septic (wet) in Kohima and Mokokchung and Dimapur. In line with the aims of the 'International Decade for water supply and sanitation' it has been
proposed to launch a rural sanitation programme to cover about 25% of the population.

The programme-wise outlays are reflected in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>URBAN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Supply</td>
<td>110.40</td>
<td>139.25</td>
<td>626.62</td>
</tr>
<tr>
<td>Sanitation</td>
<td>10.60</td>
<td>23.25</td>
<td>173.38</td>
</tr>
<tr>
<td>Total (Urban)</td>
<td>121.00</td>
<td>162.50</td>
<td>800.00</td>
</tr>
<tr>
<td><strong>RURAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Supply</td>
<td>200.00</td>
<td>480.00</td>
<td>1700.00</td>
</tr>
<tr>
<td>Sanitation</td>
<td>-</td>
<td>1.50</td>
<td>100.00</td>
</tr>
<tr>
<td>Total (Rural)</td>
<td>200.00</td>
<td>481.50</td>
<td>1800.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Supply</td>
<td>310.40</td>
<td>619.25</td>
<td>2326.62</td>
</tr>
<tr>
<td>Sanitation</td>
<td>10.60</td>
<td>24.75</td>
<td>273.38</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>321.00</td>
<td>644.00</td>
<td>2600.00</td>
</tr>
</tbody>
</table>