CHAPTER VII

ECONOMIC DEVELOPMENT OF MANIPUR DURING THE THIRD FIVE YEAR PLAN.

It would be well to study the economic development of Manipur during the Third Five Year Plan against the general background of economic development of India during the same period. India's successive Five Year Plans showed evidence of an integrated relationship. Thus, the First Plan laid the foundations for development by restoring the structural equilibrium so badly upset by the Second World War and Partition. Implicit in the Plan was the goal of self-reliance since basic overheads and food self-sufficiency were emphasised. The Second Plan of India reinforced the foundations for an accelerated growth in the future by emphasizing the basic industries and power. Here too, the goal of self-reliance was implicit since freedom from capital imports was an obvious objective of the stress on basic industries like iron and steel and oil refining. The Third Plan was a logical outcome of the experience of the earlier ones, with its stress on balanced approach and explicit avowal of the goal of self-reliance. In the Five Year Plans of India, one also notes evidence of more or less satisfactory coordination as between the different schemes of each plan. These welcome features helped in the achievement of substantial economic progress despite the fact that there were shortfalls in achievements here and there.

In contrast, the Five Year Plans of Manipur are disappointing. They do not bear evidence of inter-relationship or
intra-plan co-ordination. The Five Year Plan documents of Manipur are merely lists of disjointed or at best loosely connected schemes, without embodying even a single sentence on the general objectives, strategy and perspective; even the physical targets are rarely mentioned in the plan documents. It is, therefore, not surprising that the performances of the first three Five Year Plans of Manipur were much poorer than those of their all-India counterparts. We have noted in the last chapter the meagre progress of the State during the first decade of planning. And that the economy of the State continued to move at a painfully slow rate during the Third Plan also will be seen from the ensuing discussion.

Investment pattern:

Since the scale of outlays and the pattern of their distribution in any plan for economic development largely determine the nature and extent of economic progress during the plan, we may initiate our discussion of the progress of the economy of Manipur during the Third Five Year Plan with an examination of the scale and pattern of outlays in the State during the Plan. A comparative picture of the financial outlays (both provisional and actual) in the public sector in the Third Five Year Plan of India and Manipur relatively to the actual outlays in the Second Plan is given in the table on the next page.
### Table 78
Comparative Statement of Financial outlays in the public sector in the Second and Third Five Years Plans of India and Manipur.

<table>
<thead>
<tr>
<th>Major or Heads of development</th>
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<tr>
<td></td>
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<tr>
<td>1. Agriculture, Community Development and Co-operative</td>
</tr>
<tr>
<td>2. Major and medium Irrigation</td>
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<tr>
<td>3. Power</td>
</tr>
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<td>4. Village and small Industries</td>
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<tr>
<td>5. Organised industries and Minerals</td>
</tr>
<tr>
<td>6. Transport and communication</td>
</tr>
<tr>
<td>7. Inventories</td>
</tr>
<tr>
<td>8. Social services and Misc.</td>
</tr>
<tr>
<td>9. Total</td>
</tr>
</tbody>
</table>

**Sources:**
1. Planning Commission, India - Fifth Five Year Plan, pgs. 162-163.
3. Govt. of Manipur, Development Dept., Four Five Year Plans of Manipur, pgs. 162-163.
4. Govt. of Manipur, Development Dept., Second Five Year Plan of Manipur, pgs. 162-163.

**Notes:**
1. The figures of likely expenditure in the Third Plan (India) have been worked out on the basis of the actuals of the First four years of the Plan.
2. *Including 2.0 lakhs for flood control.
3. + Including 3.0 lakhs for flood control.
Regarding the scale of outlays, the table indicates that the Third Five Year Plan of India provided for an outlay of Rs. 7,500 crores in the public sector against an actual expenditure of Rs. 4,600 crores in the Second Plan. The actual expenditure in the Third Plan was likely to be of the order of Rs. 8,630 crores. This means that the Third Plan outlays of India were less than twice that of the Second. As compared to this, the actual Third Plan outlays in Manipur were more than two times the Second Plan outlays, the actual expenditure in the two plans being Rs. 1,281.28 lakhs and 569.93 lakhs respectively. Thus the rate of increase in the relative sizes of the two five year plans was larger in the case of Manipur. But in terms of per capita outlay, the Third Five Year Plan of Manipur was relatively much smaller than the corresponding all-India Plan. While the per capita public sector outlays in the Third Plan in Manipur was Rs. 164 only, the corresponding all-India figure was Rs. 196.1 The lower per capita outlay in Manipur will have to be viewed with serious concern since the State lags far behind the sister States in India and as such she should have made concerted efforts during the Third plan to come up to level of the rest of the country. The argument for lower outlay in view of the low capital absorbing capacity of the State, which had considerable validity in the earlier plans, lost much of its

1. These figures have been worked out on the basis of the 1961 Census figures of populations of India and Manipur and figures of the likely and actual Third Plan expenditures in the country and the State respectively.
weight in the Third plan since the State had prepared in the first decade of planning the minimum base for bigger efforts. As a matter of fact, if there were a little more enthusiasm on the part of the planners and administrators, the State could have successfully absorbed much larger amounts of capital.

Regarding the pattern of distribution outlays, an obvious impression that one forms from a study of the table is that whereas the investment pattern in the Third Five Year Plan of Manipur was still widely different from the all-India pattern the degree of divergence was less in the Third Plan than in the Second. Also, we noted in the last chapter that the extent of this divergence was greater in the First Plan than in the Second. This means that the investment patterns in the three successive Five Year Plans of Manipur were gradually converging towards the all-India patterns. A probable reason for this was that as the economy of the State progressed step by step and its administrative machinery gathered strength gradually, it was increasingly possible for the State to follow the all-India pattern of development.

The second point to be observed from the table is that as between the Second and the Third Five Year Plans, whereas, there was a definite increase in emphasis on agricultural programmes in the case of India, the emphasis on agriculture was rather reduced in the case of Manipur. However, the relative proportions of resources spent on agriculture in the Third Plan
were almost the same in India (13%) and Manipur (14%). For Development of agriculture and rural economy the Third Five Year Plan of India devoted a goodly proportion of the plan outlays to extension of irrigation, fertiliser production, soil conservation and development of democratic institutions like Panchayats and Co-operatives. But the Third Five Year Plan of Manipur did not spend even a single farthing on major and medium irrigation and soil conservation. It is true that major irrigation has little scope in Manipur, but medium irrigation is not impossible in the State. Even in the field of minor irrigation for which the State has immense potentiality, the Plan did not achieve anything. Attempts were made to develop democratic institutions to cater to the economic needs of the people in rural areas of Manipur, but the achievements of the State in this field, especially in the development of panchayats, were very poor. As a result of all this, agriculture remained stagnant in Manipur throughout the Third Plan period.

Thirdly, even a cursory glance at the figures in the table reveals that the Third Five Year Plan of Manipur like the earlier plans of the State, sadly neglected the development of industries and power while the Third Plan of India gave very high priority to these heads of development. Development of organised industries and minerals claimed as much as 20 p.c. of the total Third Plan outlay of the country and another 13 p.c., by power. But during the whole period of the Third Five Year
Plan, Manipur spent only Rs. 2.65 lakhs or 0.02 p.c. for development of organised industries. It is true that at the present stage of development of the State's economy establishment of big industries will not prove to be a profitable proposition. In that sense the neglect of these industries in the investment pattern of the Third plan of Manipur may be justified. But even to the development of small and village industries, for which there is a considerable scope in the State, the plan failed to pay sufficient attention. Regarding power development, while the Third Five Year Plan of India devoted as much as 14 p.c. of the total plan expenditure to this head of development Manipur spent only 5 p.c. of her Third plan outlay on it. The sad neglect of power production is undoubtedly one of the biggest loopholes in the Five Year Plans of Manipur for without sufficient power the State cannot hope to make any headway in industrial development.

Fourthly, the development of transport and communication continued to absorb the largest proportions of the Third plan expenditure both in India and in Manipur although the expenditure on this head of development declined from 28 p.c. of the total expenditure in the Second Plan to 25 p.c. in the Third Plan in the case of India but rose from 35 p.c. in the Second Plan to 40 p.c. in the Third Plan in the case of Manipur. 2 The

2. The high emphasis on transport and communication and social services were also visible in the Third Plan of Tripura which has similar economic problems with Manipur. Out of a total provision of Rs. 1,632 lakhs for the Third Five Year Plan of the Territory Rs. 480 lakhs and Rs. 616 lakhs were earmarked respectively for the development of Transport and Communication and social services (Vide Planning Commission: Third Five Year Plan, pp. 748-49).
high priority given to the development of transport and communica-
tion in the State's Third Plan is quite understandable as transport continues to be one of the strategic bottlenecks faced by the State up till now.

Fifthly, almost equally with transport and communica-
tion, social services claimed a large share of the State's Third Plan outlay. The large expenditure on social services was inevitable in view of the fact that about one-third of the population of Manipur belongs to the scheduled castes and scheduled tribes and that the so-called advanced groups in the State are actually backward.

Taking an overall view of the investment pattern of the Third Five Year Plan of Manipur, we must observe that the greatest weakness of the Plan was to be seen in the sheer neglect of irrigation, power and industry. If the State could not make much headway in these fields during the First and Second Five Year Plans some justification for the slow progress could be found in shortage of funds, weakness of the administrative machinery which had just been set up and in shortage of technical know-how. But the little progress or even stagnation in these fields in the Third Plan could no longer be justified on these grounds for 15 years' time is long enough to organise any sort of administrative machinery and to train young men in any line of technical education. Furthermore, difficulties of foreign exchange could not be a stumbling block as most of the schemes were small
ones requiring mostly equipment produced within the country. Even if some schemes like power projects required import of machinery, there was no reason why the Government of India would not spare some amount of foreign exchange for a State which took up only one or two schemes requiring a small amount of foreign exchange. The poor performance was, therefore, more due to the faulty planning and half-hearted implementation than to anything else. We observed earlier that one of the merits of the investment pattern in the Third Plan of Manipur was the liberal provision for transport and communication and social services. But in the absence of facilities for irrigation, power and industry, the development of these services will have little significance because the main object of developing these services is to provide complementary resources for increasing the quantum of production which cannot be achieved without power, irrigation and industrial development.

The impact of this sort of investment pattern on the growth of the economy of the State is obvious. On the whole, the rate of the economic progress of Manipur during the Third Five Year Plan was painfully slow. As in most other parts of the country agriculture made very little progress in Manipur during the Plan. What is more, while industry made fairly good achievements in the rest of the country, it remained stagnant in Manipur. Nevertheless, the programmes of extension of transport and communication and social services and reorganisation of the administrative machinery, which were initiated during the earlier Plans were intensified during the Third Five Year Plan.
We may now examine the extent of economic development that took place in the State in more concrete terms with the help of some generally accepted indicators of economic development like changes in the occupational distribution of labour-force, the growth of the total and per capita State income and capital formation.

**Occupational distribution of working-force**

The broad changes in the distribution of the labour-force in Manipur during the Third Plan among the three major occupational sectors - primary, secondary and tertiary - are indicated in the table on the next page.

The table shows that there was a little change in the occupational structure or employment pattern in Manipur during the Third Five Year Plan. The number of workers indicated a rise in every occupational sector. However, the rate of rise was highest in the tertiary sector so that whereas the proportions of workers in the primary and secondary sectors declined respectively from 61.1 p.c. and 22.0 p.c. in 1960-61 to 58.9 p.c. and 21 p.c., that of workers in the tertiary sector increased from 169 p.c. in 1960-61 to 20.9 p.c. in 1965-66. Nevertheless, as agriculture continued to be the biggest occupation in Manipur, the agrarian nature of the State's economy remained more or less
intact.

Table 76

<table>
<thead>
<tr>
<th></th>
<th>1960–61</th>
<th></th>
<th>1965–66</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Persons in thousand</td>
<td>P.C. to the total work force</td>
<td>No of Persons in thousand</td>
<td>P.C. to the total work force</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Primary</td>
<td>218</td>
<td>61.1</td>
<td>235</td>
<td>58.9</td>
</tr>
<tr>
<td>Secondary</td>
<td>78</td>
<td>20.0</td>
<td>84</td>
<td>21.0</td>
</tr>
<tr>
<td>Tertiary</td>
<td>59</td>
<td>16.9</td>
<td>80</td>
<td>20.1</td>
</tr>
<tr>
<td>Total</td>
<td>355</td>
<td>100.0</td>
<td>399</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Department of Statistics, Government of Manipur.

Note: The figures regarding the number of workers in Manipur in 1961 and their distribution among the major occupational sectors as given in Table 62 are a bit different from the corresponding figures of 1960–61 given in this table. The difference is explained by the fact that whereas 1961 figures given earlier were based on actual enumeration during the 1961 census, the figures of 1960–61 as also those of 1965–66 given in this table were worked out by the Department of Statistics, Manipur from data available in the 1951 and 1961 population censuses.

State Income.

The importance of State income as an indicator of economic development has already been noted in the previous chapter. Now, the different aspects of movements of the State income of Manipur during the Third Five Year Plan will be examined in the following paragraphs.
State Income of Manipur 1960-61 to 1965-66 at current and constant prices (in 1960-61 prices)

Source: Govt. of Manipur, Department of Statistics: Estimates of the State Income of Manipur, 1960-61 to 1965-66.
Growth of aggregate State income:

The trends of the growth of the aggregate state income of Manipur during the Third Five Year Plan as compared with those of the State income of the neighbouring State of Assam and of the national income of India are given in the table on the next page.

Before analysing the table we must note that strictly speaking, the estimate of the national income of India and the State income of the different States in the country are not, as these are now computed, comparable. Whereas the national income relates to income accruing to the citizens of the country irrespective of the geographical origin of the incomes, the State income relates to the income originating within respective geographical boundaries of the States. Nevertheless, the rates of growth of the national and State incomes provide a fair basis for comparing the relative growth of the economies.

Coming to the table, we find that at the end of the Second Five Year Plan (i.e. in 1960-61), the State income of Manipur at 1960-61 prices was Rs. 1,477.6 lakhs or roughly \( \frac{1}{1000} \) of the national income of India or \( \frac{1}{20} \) of the State income of Assam. If we remember that at that time population of Manipur was roughly \( \frac{1}{600} \) and \( \frac{1}{15} \) respectively of the population of India and Assam respectively, it is obvious that an average citizen in Manipur was much poorer than his brethren in Assam and the rest of the country. Not only was the base-line at a lower level, but the rate of growth of income during the Third Five Year Plan
<table>
<thead>
<tr>
<th>Year</th>
<th>Manipur Incomes at 1960-61 prices</th>
<th>Manipur Incomes at current prices</th>
<th>Assam Incomes at 1960-61 prices</th>
<th>Assam Incomes at current prices</th>
<th>India Incomes at 1960-61 prices</th>
<th>India Incomes at current prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income in Rs. Lakhs</td>
<td>Percentage Increase over the previous year</td>
<td>Income in Rs. Lakhs</td>
<td>Percentage Increase over the previous year</td>
<td>Income in Rs. Lakhs</td>
<td>Percentage Increase over the previous year</td>
</tr>
<tr>
<td>1960-61</td>
<td>1,477.6</td>
<td>100.0</td>
<td>1,477.6</td>
<td>100.0</td>
<td>58.5</td>
<td>100.0</td>
</tr>
<tr>
<td>1961-62</td>
<td>1,422.4</td>
<td>99.65</td>
<td>-5.7</td>
<td>1,386.5</td>
<td>100.8</td>
<td>59.0</td>
</tr>
<tr>
<td>1962-63</td>
<td>1,474.7</td>
<td>99.60</td>
<td>5.5</td>
<td>1,625.0</td>
<td>109.1</td>
<td>55.8</td>
</tr>
<tr>
<td>1963-64</td>
<td>1,629.7</td>
<td>107.40</td>
<td>7.8</td>
<td>1,967.0</td>
<td>135.15</td>
<td>415.9</td>
</tr>
<tr>
<td>1964-65</td>
<td>1,623.5</td>
<td>110.15</td>
<td>2.6</td>
<td>2,288.9</td>
<td>155.04</td>
<td>441.7</td>
</tr>
<tr>
<td>1965-66</td>
<td>1,602.4</td>
<td>154.61</td>
<td>22.3</td>
<td>3,002.7</td>
<td>205.48</td>
<td>449.9</td>
</tr>
</tbody>
</table>

Sources: (1) Department of Statistics, Govt. of Manipur, Estimates of State Incomes of Manipur, 1960-61 to 1966-67, Table III, IV, VI and VII.
(2) Dept. of Economics and Statistics, Govt. of Assam "Economic Background for formulation of Fourth Five Year Plan of Assam", p.28.
(3) Dept. of India Planning Commission: Fourth Five Year Plan: A Draft Outline, p.5.
Notes: (1)  * Provisional (ii) ** Quick Estimates; (iii) Income indices for Assam and India have been deduced from the absolute figures of income given in the sources mentioned above.
was lower in Manipur than in Assam or all-India. The indices of income at 1960-61 prices indicate that while the national income of India registered a slow but continuous rise for the first four years of the Third Plan and the State income of Assam increased for the whole period except one year (1962-63), the State income of Manipur did not indicate any such continuous rise. The same indices also reveal that while the income indices of Assam and India for all the four years were above 1960-61 level, those of Manipur for two years viz. 1961-62 and 1962-63 were below the 1960-61 level. Further, the income indices indicate that over the first four years of the Third Five Year Plan the aggregate income of Manipur, Assam and India at 1960-61 prices increased by 10.28 p.c., 21.5 p.c. 17.6 p.c. respectively. Thus the rate of increase over the whole period of four years was lowest in Manipur. Regarding the year-wise movement of incomes, the indices indicate that during the first and second years of the plan, the national income of India at 1960-61 prices rose at the slow rates of 2.5 p.c. and 1.7 p.c. but subsequently rose at higher rates (4.9 p.c. and 7.6 p.c.) during the third and fourth years of the Plan. As against this, the State income of Manipur at 1960-61 prices fell by 3.7 p.c. during the first year of the Third plan and then increased at the rates 3.5 p.c. 7.6 p.c. and 2.6 p.c. respectively in the succeeding three years. The year-wise increases of the State income of Manipur were even more unsatisfactory if juxtaposed with those of the
State income of Assam which rose by 7 p.c. or more during three of the four years under examination. Provisional estimates of the State and national incomes for 1965-66, however show the opposite trend. State income estimates of Manipur for the year indicated a sudden rise of 22.3 p.c. as against a negligible increase of the State income of Assam (0.8 p.c.) and an abrupt decline in the national income India by 4.2 p.c. But it is difficult to see how the State income of Manipur, after moving at painfully slow rates during the previous four years, made such a big jump in a year when the country faced serious hostilities and severe drought. Therefore, State income estimates of Manipur for the year 1965-66 may at best be regarded as provisional estimates with the possibility of having a large margin of error.

Estimates of State and national incomes at current prices (columns 5 and 6, 10 and 11 and 15 and 16 in the table) indicate that the State income of Manipur was rising at a faster rate than the State income of Assam and the national income of India, during the whole period of the Third plan except the first years. This is a clear reflection of the relatively higher rises of prices in the State which dealt a severe blow to the State's economy.

Growth of per capita income:

We may now turn to an analysis of the trend of growth of per capita income in Manipur. The broad trends of the movement
Per Capita Income of Mampur 1960-61 to 1965-66 at current and Constant Prices

Source: Statistical Bureau of Mampur
"Estimates of state Income of Mampur 1960-61 to 1965-66"
of per capita income of Manipur at both current and constant prices along with those of the neighbouring state of Assam and India are given in the table on the next page.

The table (78) shows that at the beginning of the Third Five Year Plan the per capita income of Manipur was far behind those of India and Assam. Besides this, the trend of movement of the per capita income during the Plan was more unfavourable in Manipur, although the all-India trend was by no means satisfactory. The per capita income of India at 1960-61 prices remained stationary in 1961-62 at Rs. 326 as in the previous year and then fell to Rs. 323 in the following year. However, during the third and fourth years of the Third Plan, the per capita income of the country registered considerable increases so that it stood at Rs. 348 in 1964-65. As against this, the per capita income of Manipur at 1960-61 prices fell from Rs. 192.40 in 1960-61 to Rs. 178.10 in 1962-63; and then it rose to Rs. 184.50 in 1963-64. It, however, fell again to Rs. 182.45 in 1964-65, the year in which the per capita incomes of Assam and India witnessed the greatest rise during the whole period of the Third Plan. During the last year of the Third Plan the per capita income of Manipur registered a sudden increase (from Rs. 182.45 in 1964-65 to Rs. 214.80 in 1965-66) while those of Assam and India indicated sudden drops. Even then the per capita income of Manipur at 1960-61 prices was Rs. 117.40 which was behind that of Assam, one of the poorest States in the country. This betrays the degree of poverty
Table 78
Per capita income of Manipur, Assam and all-India at Current and Constant prices.
(Per capita Income in Rupees)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>192.40</td>
<td>192.40</td>
<td>511.1</td>
<td>511.1</td>
<td>525</td>
<td>525</td>
</tr>
<tr>
<td>1961-62</td>
<td>178.60</td>
<td>186.80</td>
<td>325.9</td>
<td>327.4</td>
<td>525</td>
<td>554</td>
</tr>
<tr>
<td>1962-63</td>
<td>178.10</td>
<td>194.70</td>
<td>311.7</td>
<td>325.2</td>
<td>525</td>
<td>559</td>
</tr>
<tr>
<td>1963-64</td>
<td>184.50</td>
<td>232.20</td>
<td>325.8</td>
<td>357.2</td>
<td>551</td>
<td>571</td>
</tr>
<tr>
<td>1964-65</td>
<td>182.45</td>
<td>255.55</td>
<td>359.5 (+)</td>
<td>389.9 (+)</td>
<td>349</td>
<td>422 (+)</td>
</tr>
<tr>
<td>1965-66</td>
<td>214.8 (+)</td>
<td>324.00 (+)</td>
<td>352.2 (+++)</td>
<td>-</td>
<td>525 (+)</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources:
(2) Dept. of Economics and Statistics, Govt. of Assam, "Economic Background for formulation of Fourth Five Year Plan of Assam", p.28.

Notes:
* Rounded to the nearest integer.
(+) Provisional    (++) Quick Estimate.
of an average Manipuri after 15 years of economic planning. Not only is she abjectly poor to-day, but her future is completely dark if the present rate of growth continues. Similar conclusions emerge from an analysis of the figures of the per capita income at current prices.

For facilitating comparison of the annual movements of per capita income during the Third Plan, per capita incomes of Manipur and Assam and India at 1960-61 prices are presented in the form of indices given in the table below.

Table 79

<table>
<thead>
<tr>
<th>Year</th>
<th>Manipur</th>
<th>Assam</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1961-62</td>
<td>92.8</td>
<td>104.1</td>
<td>100.0</td>
</tr>
<tr>
<td>1962-63</td>
<td>92.5</td>
<td>100.2</td>
<td>99.0</td>
</tr>
<tr>
<td>1963-64</td>
<td>95.9</td>
<td>104.7</td>
<td>101.5</td>
</tr>
<tr>
<td>1964-65</td>
<td>94.8</td>
<td>109.0</td>
<td>106.7</td>
</tr>
<tr>
<td>1965-66</td>
<td>111.5</td>
<td>107.0</td>
<td>99.4</td>
</tr>
</tbody>
</table>

Note: These indices have been worked out from the absolute figures of income given in the last table.

So long we have been examining the movements of the State and the per capita income of Manipur in a general way without any reference to the sources from which income is derived. Although this way of looking into the State income is very important, it gives only a partial view of the working of the economy.
of the State. To have a fuller view, the varying rates at which the different sectors of the economy grow or decline should be noted. The movements of major sectors of the economy from year to year are given in the table on the next page in both absolute and relative terms.

The table shows that although the aggregate income of the State grew gradually during the Third Plan period, the different sectors of the State's economy were moving at varying rates. Thus the State income from agriculture and allied sectors declined from Rs. 573.2 lakhs in 1960-61 to Rs. 486.2 lakhs in 1961-62 and then it rose gradually so that in the final year of the Third Plan it touched a peak level of Rs. 914.3 lakhs. In terms of indices, the State income from agriculture and allied sectors declined from 100 points in 1960-61 to 84.82 points in 1961-62 and then rose gradually to 159.51 points in 1965-66. Leaving aside the income estimates for 1965-66 as provisional we find that the increase in the income from these sectors over the first four years of the Third Plan was only 2.22 p.c. so that the average annual growth rate of income from agricultural and allied sectors was 0.55 p.c. Thus the growth of the primary sector of the State's economy was painfully slow, but the growth of the secondary sector (mining and manufacturing) was not much higher. The income of the State (at 1960-61 prices) from this sector rose very slowly from Rs. 288.5 lakhs in 1960-61 to Rs. 308.3 lakhs in 1965-66. In terms of indices it rose from 100 points in 1960-61 to 106.86 points in 1965-66. And the total increase of income from the secondary sector during the first four years of the Third
### Table 80
Sectorwise movements of State Income of Manipur at 1960-61 prices during the Third Five Year Plan.

<table>
<thead>
<tr>
<th>Sector</th>
<th>State Income by industrial origin in Rupees in lakhs</th>
<th>Indices of State Income generated in various sectors, Base year:1950-61</th>
<th>% of increase during 1960-61</th>
<th>Average growth per year 1960-61</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture and allied sectors</td>
<td>675.2</td>
<td>483.2</td>
<td>507.0</td>
<td>585.4</td>
</tr>
<tr>
<td>2. Mining and Manufacturing</td>
<td>296.6</td>
<td>296.6</td>
<td>326.7</td>
<td>304.4</td>
</tr>
<tr>
<td>3. Commerce, Transport and communications</td>
<td>287.0</td>
<td>282.9</td>
<td>265.0</td>
<td>255.1</td>
</tr>
<tr>
<td>4. Other services</td>
<td>278.4</td>
<td>127.9</td>
<td>121.1</td>
<td>311.7</td>
</tr>
<tr>
<td>5. Net domestic product at factor of cost</td>
<td>1,477.0</td>
<td>1,425.3</td>
<td>1,474.5</td>
<td>1,502.9</td>
</tr>
</tbody>
</table>

Source: Govt. of Manipur: Dept. of Statistics: 'Estimates of State Income of Manipur 1960-61 to 1965-66', Tables IV, VII.
Note: * Provisional
plan was 5.5% indicating thereby that the secondary sector of the State's economy grew at an average annual rate of 1.37% This compares very unfavourably with the all-India trends. Although the Third Five Year Plan of India failed to achieve many of its targets the national income (at 1960-61 prices) from the secondary sector of the country's economy rose from Rs.2,600 crores in 1960-61 to 3,340 crores in 1965-66 and "the rate of growth of key industrial sectors such as machinery, metals, chemicals, fertilisers etc. has been more than 15 per cent per annum". The extremely slow rate of increase of income from industry and agriculture points to the virtual stagnation of the economy of the State. The performance of 'commerce, transport and communications' was a little better than that of agriculture and industry taken together. But in absolute terms, the performance of this sector was far from satisfactory. The only sector which achieved a fairly good progress was 'other services' which registered an average annual rate of growth of 7.81%. The major components of 'other services' are government and allied services or white collar jobs and construction of office and residential buildings, both of which though essential for some other purposes are not directly contributory to capital formation and economic development.

5. Ibid., p. 5.
We may now examine the changes in the relative shares of the major sectors in the total income of Manipur. The movements are presented in the table on the next page in the form of changes in the percentage shares of the various sectors in the aggregate income of the State.

It is clear from the above table (Table 31) that there were no major changes in the structure of the economy of Manipur during the Third Five Year Plan. However, the figures in columns 2 and 6 in the table indicate that agriculture, besides being the largest sector in the economy of the State, was making increasing contributions to the State income. This is similar to the all-India trend. In spite of the fairly large growth of industries in the country during the last decade or so agriculture remains the largest sector in the country's economy and its contributions to the national income (current prices) increased from 47.2 p.c. in 1960-61 to 51.3 p.c. in 1964-65. Figures in columns 2, 3, 6 and 7 read together suggest that agricultural prices were rising in Manipur at higher rates than industrial prices. This is also similar to the all-India trend.

Capital formation:

We may now turn to an analysis of the progress of capital formation during Manipur's Third Plan adopting the same techniques as used in the previous chapter.

## Table 31

Changes in the relative shares of the major occupational sectors in the State income of Manipur (1960-61 to 1965-66).

<table>
<thead>
<tr>
<th>Year</th>
<th>Sector I</th>
<th>Sector II</th>
<th>Sector III</th>
<th>Sector IV</th>
<th>Sector I</th>
<th>Sector II</th>
<th>Sector III</th>
<th>Sector IV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>At 1960-61 prices</td>
<td></td>
<td></td>
<td></td>
<td>At Current prices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960-61</td>
<td>38.79</td>
<td>19.65</td>
<td>22.86</td>
<td>18.82</td>
<td>36.79</td>
<td>19.55</td>
<td>22.86</td>
<td>18.82</td>
</tr>
<tr>
<td>1961-62</td>
<td>54.18</td>
<td>20.56</td>
<td>24.55</td>
<td>20.95</td>
<td>54.07</td>
<td>21.07</td>
<td>23.98</td>
<td>20.90</td>
</tr>
<tr>
<td>1963-64</td>
<td>56.76</td>
<td>18.70</td>
<td>23.01</td>
<td>21.55</td>
<td>41.03</td>
<td>18.80</td>
<td>19.94</td>
<td>20.25</td>
</tr>
<tr>
<td>1964-65</td>
<td>55.96</td>
<td>18.68</td>
<td>22.96</td>
<td>22.40</td>
<td>40.44</td>
<td>17.97</td>
<td>19.69</td>
<td>21.90</td>
</tr>
<tr>
<td>1965-66</td>
<td>46.07</td>
<td>15.47</td>
<td>19.21</td>
<td>19.45</td>
<td>49.80</td>
<td>14.87</td>
<td>16.47</td>
<td>19.03</td>
</tr>
</tbody>
</table>

Source: Dept. of Statistics, Govt. of Manipur: "Estimate of State Income of Manipur, 1960-61 to 1965-66" Tables VII and VIII.

Note: Sector I = Agriculture and allied occupations; Sector II = Industry and Mining; Sector III = Commerce, Transport and Communications; Sector IV = Other Services.
In the absence of a well-organised corporate sector and of able and efficient private entrepreneurs, the State has been playing a major role in capital formation in two ways: (i) by direct investment on governmental account and (ii) by supplying funds for investment by other agencies. Both these aspects of the Government's role in capital formation are visible in the State Budgets. A consolidated picture of the State expenditure on economic and social development on both capital and revenue accounts in Manipur and the disbursements from the public exchequer on account of Government grants, loans and advances for development purposes during the whole period of Third Five Year is given in the table on the next page.

The table shows that in 1961-62 the total outlay on capital account was Rs. 132.69 lakhs. The scale of outlay on this count increased gradually and rose to Rs. 296.28 lakhs in the fourth year of the Third Plan and then fell to Rs. 289.22 lakhs and the entire State expenditure (inclusive of grants, loans and advances) for the Third Plan as a whole was Rs. 1137.09 lakhs. In terms of indices, the State expenditure on capital account increased from 100 points in 1961-62 to 217 points in 1965-66. There was, thus, more than a two-fold increase in public outlay on capital account. This rate of increase was much lower than what had been witnessed during the Second Five Year Plan. But in absolute terms, the scale of investment was much
### Capital and Revenue outlays on Economic and Social Development in Manipur: 1961-62 to 1965-66

(Outlays in lakh rupees)

<table>
<thead>
<tr>
<th></th>
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<td><strong>Outlays on capital account</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>1. Agriculture and Animal Husbandry</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>1.50</td>
<td>5.00</td>
<td>2.57</td>
<td>6.87</td>
<td>10.00</td>
</tr>
<tr>
<td>2. Comm. Dev. and M.E. Services</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.80</td>
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<tr>
<td>3. Co-operation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20.78</td>
</tr>
<tr>
<td>4. Forest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20.80</td>
</tr>
<tr>
<td>5. Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.88</td>
<td></td>
<td></td>
<td>2.80</td>
<td>15.88</td>
<td>8.40</td>
</tr>
<tr>
<td>6. Irrigation and power (Electricity schemes)</td>
<td>19.57</td>
<td>24.82</td>
<td>25.84</td>
<td>42.80</td>
<td>42.80</td>
<td>147.49</td>
<td>6.78</td>
<td>14.78</td>
<td>18.84</td>
<td>19.61</td>
</tr>
<tr>
<td>7. Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17.61</td>
</tr>
<tr>
<td>8. Health Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19.87</td>
</tr>
<tr>
<td>9. Roads</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>19.87</td>
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<tr>
<td>10. Head transport</td>
<td>10.05</td>
<td>11.04</td>
<td>6.27</td>
<td>5.27</td>
<td>11.88</td>
<td>7.76</td>
<td>47.17</td>
<td>19.15</td>
<td>22.50</td>
<td>21.48</td>
</tr>
<tr>
<td>11. Grants for Development purposes</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.50</td>
</tr>
<tr>
<td>12. Loans and Advances for Development purpose</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.50</td>
</tr>
<tr>
<td>13. Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.50</td>
</tr>
<tr>
<td>14. Medical Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.50</td>
</tr>
<tr>
<td>15. Public Health</td>
<td>2.48</td>
<td>15.40</td>
<td>30.00</td>
<td>50.72</td>
<td>50.72</td>
<td>110.87</td>
<td>11.55</td>
<td>10.82</td>
<td>9.86</td>
<td>19.42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>152.69</td>
<td>177.56</td>
<td>256.14</td>
<td>266.28</td>
<td>229.42</td>
<td>1137.00</td>
<td>124.16</td>
<td>232.99</td>
<td>403.80</td>
<td>454.84</td>
</tr>
<tr>
<td><strong>Index of Development Outlays</strong></td>
<td>100.00</td>
<td>129.00</td>
<td>195.22</td>
<td>222.92</td>
<td>217.33</td>
<td>100.00</td>
<td>127.90</td>
<td>218.70</td>
<td>287.00</td>
<td>266.10</td>
</tr>
</tbody>
</table>

(contd)
### Table 82

**Important Deductions**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total State Expenditure (Roupas lakhs)</th>
<th>Total Expenditure on Development (in lakhs)</th>
<th>Ratio of Development expenditure to the total State Expenditure %</th>
<th>Ratio of Development Expenditure on Capital Account to Development Expenditure on Revenue Account %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-52</td>
<td>849.27</td>
<td>517.02</td>
<td>60.9</td>
<td>72.1</td>
</tr>
<tr>
<td>1952-53</td>
<td>755.32</td>
<td>420.54</td>
<td>57.6</td>
<td>66.2</td>
</tr>
<tr>
<td>1953-54</td>
<td>806.07</td>
<td>849.36</td>
<td>80.0</td>
<td>61.0</td>
</tr>
<tr>
<td>1954-55</td>
<td>1,035.32</td>
<td>751.12</td>
<td>72.4</td>
<td>65.1</td>
</tr>
<tr>
<td>1955-56</td>
<td>1,132.83</td>
<td>779.20</td>
<td>70.0</td>
<td>63.0</td>
</tr>
</tbody>
</table>

**Source:**

**Notes:**
1. Figures for 1951-52 and 1952-53 are figures of actual expenditure, those 1953-54 and 1954-55 are Revised Estimates and those for 1955-56 are Budget Estimates.
2. Figures for 1955-64 are for nine months only.
3. The 'Deductions' have been worked out from the figures available in the sources.
larger in the Third Plan. While the total outlay on capital account was Rs. 120.67 lakhs in the final year of the Second Plan, the total outlay in the last year of the Third Plan was Rs. 298.22 lakhs. The table shows that, as in the previous plans, the most important heads of capital expenditure in the Third plan were road construction, civil works (Public buildings) and electricity schemes. But a small but significant change is to be witnessed in the pattern of distribution of capital outlay in the Third plan as distinguished from that in the earlier plans. While in the First and Second Five Year plans (of Manipur) there was no capital expenditure on agriculture and industry about thirty lakhs of rupees were spent on these heads on capital account during the Third Plan. Among the heads of social development, 'public health' claimed a considerable amount of capital expenditure during the Third Plan.

Development outlays on revenue account were also increasing over the period of the Third plan. The outlays rose gradually from Rs. 252.98 lakhs in 1961-62 to Rs. 490.08 lakhs in 1965-66. In terms of indices, developmental outlays on revenue account increased from 100 points in 1961-62 to 226.1 points in 1965-66. Thus the increase was more than two-fold. This means that the rate of increase in revenue outlays was higher than that of the capital outlays. This is just opposite of what happened during the First and Second Five Year Plans when the rate of increase in capital outlay was much higher than that of the increase in revenue expenditure. Among the various heads
of developmental outlays 'Civil Works' claimed that largest proportion of development expenditure on revenue account. This was followed by 'Education', 'Road Transport', community development and National Extension services and agriculture.

An interesting feature of the Manipur State Budgets during the Third Five Year Plan was that not only did the volume of developmental expenditure rise along with the rise in the aggregate State expenditure, but the proportion of developmental expenditure to the total State expenditure rose considerably. The ratio of the former to the latter was only 48.9% in 1961-62 as against 80.5% in 1963-64. During the last two years of the Plan the ratio declined, but it remained at a considerably high level (70%) in the final year of the Third Plan. Another interesting feature was that during the Third Plan, unlike in the previous plans, the ratio of developmental expenditure on capital account to that on revenue account registered a considerable decline. The ratio was 72.1% in 1961-62, but it fell to 59.0% in 1965-66. This is an ominous feature because while State expenditure on capital account are mostly incurred on development projects themselves, those on revenue account are mostly incurred on the establishment of the administrative departments responsible for implementation of the schemes and hence lower ratio of capital expenditure to revenue expenditure means a higher cost of maintaining the administrative departments. The main reason for this unhealthy state of affairs seems to be that while there is a large surplus in the ministerial staff of
many departments, there is serious shortage of technical hands to do the work of investigation and survey so essential for successful planning. Nor is the planning at the top levels of the State Administration efficient by any standard. Another important reason is that because of lack of co-operation among the various departments of the State administration, the implementation of many a scheme has been inordinately delayed. The reports of the Estimates Committee of the Manipur State Assembly abound with instances of lack of co-operation among the various departments.\(^7\)

Besides expenses directly incurred by the Government on various heads of development, the above table shows that the State granted considerable amounts of loans and advances to private individuals and institutions for development purposes. These loans were routed through the Departments of Revenue, Agriculture, Industry, Development and Co-operations, and they were mainly intended for improvement of agriculture and industry in the State. The main types of agricultural loans were long term loans for land improvement, Takawi loans, medium term loans to farming societies, loans for construction of godowns and cattle sheds, loans for purchase of fertilisers, insecticides, improved seeds and agricultural implements and other inputs of improved farming and loans for development of horticulture. Industrial loans were mostly granted to small

\(^7\) cf. Assembly Secretariat, Manipur: Reports of the Estimates Committee (First Legislative Assembly) First, Fifth and Sixth Reports.
scale industries, handloom weaving, sericulture, handicrafts and rural industries. Some loans were separately granted to industrial and co-operative societies to enable them to meet their requirements for working capital, share capital and technical improvements (purchase of improved appliances).

Thus the budgetary operations of the State Government have played important roles in recent years in infusing dynamism in the economy as well as in capital formation. Nevertheless, in an undeveloped region like Manipur where the private sector of the economy is entirely unorganised and where budget allocations are not large, the impact of the State Budget on the economy of the State cannot be expected to be very large.

**Capital formation in the Co-operative Sector**

A rough idea of capital formation in Manipur during the Third Five Year Plan in the co-operative sector may be had from the table on the next page.

The table shows that while the number of both co-operative societies and their members registered almost a two-fold increase over the period of five years of the Third Plan, the rate of increase in the own capital and working capital of the societies was not so satisfactory. Own capital (paid up capital and reserves) increased gradually from Rs. 19.00 lakhs in 1960-61 to Rs. 30.80 lakhs in 1962-63 but declined to Rs. 23.73 lakhs in 1964-65. The final year of the Third Plan, however, witnessed a
Table 85

Financial position of Co-operative Societies in Manipur, 1960-61 to 1985-86.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>No. of Societies</td>
<td>629</td>
<td>772</td>
<td>892</td>
<td>771</td>
<td>992</td>
<td>1,092</td>
</tr>
<tr>
<td>No. of members</td>
<td>28,054</td>
<td>30,131</td>
<td>36,026</td>
<td>35,836</td>
<td>30,800</td>
<td>59,000</td>
</tr>
<tr>
<td>Cash capital (Rs. lakhs)</td>
<td>28.00</td>
<td>26.44</td>
<td>30.79</td>
<td>39.96</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Working capital (Rs. lakhs)</td>
<td>28.00</td>
<td>26.44</td>
<td>30.79</td>
<td>39.96</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Deposits</td>
<td>0.08</td>
<td>0.60</td>
<td>0.60</td>
<td>1.50</td>
<td>1.60</td>
<td>N.A.</td>
</tr>
<tr>
<td>Value of goods received (Rs. lakhs)</td>
<td>48.50</td>
<td>51.55</td>
<td>79.49</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Value of goods sold (Rs. lakhs)</td>
<td>35.28</td>
<td>48.85</td>
<td>85.60</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

Sources:
(1) Dept. of Statistics, Govt. of Manipur, Statistical Abstract of Manipur 1965-66, p. 86
(2) Govt. of Manipur: Annual Administration Report of the Union Territory of Manipur, 1965-66, p. 94.
considerable increase in the own capital of the societies, which stood at Rs. 31.35 lakhs in that year. The amount of working capital of the societies increased from Rs. 62.00 lakhs in 1960-61 to Rs. 83.95 lakhs in 1961-62 but decline to Rs. 79.49 lakhs in 1964-65. Like own capital, however, the working capital registered a large increase in the final year of the Third Plan. Thus in absolute terms, both the own capital and the working capital of the societies witnessed a considerable rise during the Third Five Year Plan. But in terms of capital per society, the financial position of the co-operative societies in Manipur indicated a slight deterioration. The amount of working capital per society fell form Rs. 9,800 in 1960-61 to Rs. 9,151 in 1965-66 and that of own capital, from Rs. 3,420 to Rs. 2,122 during the same period. The volume of transactions handled by the societies and of the deposits received by them during 1960-63 suggest that there might be improvement in the strength of the societies if the trend in the earlier years of the plan continued. But unfortunately, figures relating to the volume of transactions and deposits are not available for the later years.

Capital formation by registered industries and joint stock companies:

There are only a few registered industrial units in Manipur most of which are proprietary concerns. However, it is not possible to measure the amount of capital formed by them
during the Third Five Year Plan since statistics relating to their capital structure are not available even for any two years. But the extent of their capital poverty in the beginning of the Third Plan will be realised from the table on the next page.

The table (84) shows that all the 54 industrial units covered by the 'Survey' together had only Rs. 7.0 lakhs as their employed capital of which fixed capital accounted for nearly 90 percent. The table also shows that a larger proportion of the fixed capital was claimed by land and building, the value of plant and machinery being less than one half of that of the former. Of the working capital, raw materials, stores and fuel claimed nearly one half. Among the different industries, oil milling had the highest percentage of working capital to fixed capital, and saw milling, the least. On the whole, the industrial units had such a meagre amount of working capital that it was doubtful whether they were able to operate continuously.

In 1962-63, there were five non-industrial joint-stock companies which together had Rs. 15,65,00 as their paid up capital.

III

Development in specified fields

We now proceed to analyse the progress of Manipur's Third Plan as evidenced by growth in specified fields.
Table 84
Capital structure of registered factories in Manipur as on 31.12.61.

<table>
<thead>
<tr>
<th>Particulars of capital structure</th>
<th>Oil mill (4)</th>
<th>Rice Mills (49)</th>
<th>Saw Mills (1)</th>
<th>Total (54)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total fixed capital of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rs. 1,80,876</td>
<td>4,14,677</td>
<td>35,907</td>
<td>6,31,460</td>
<td></td>
</tr>
<tr>
<td>(a) Land and building</td>
<td>1,01,935</td>
<td>2,93,285</td>
<td>21,664</td>
<td>4,16,884</td>
</tr>
<tr>
<td>(b) Plant and machinery</td>
<td>74,824</td>
<td>1,16,774</td>
<td>13,973</td>
<td>2,05,571</td>
</tr>
<tr>
<td>(b) Other fixed assets</td>
<td>4,117</td>
<td>4,618</td>
<td>270</td>
<td>9,005</td>
</tr>
<tr>
<td>2. Total working capital of which</td>
<td>25,023</td>
<td>43,780</td>
<td>-</td>
<td>68,803</td>
</tr>
<tr>
<td>(a) Raw materials, stores, fuels</td>
<td>14,274</td>
<td>13,717</td>
<td>-</td>
<td>27,991</td>
</tr>
<tr>
<td>etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Other working capital</td>
<td>10,749</td>
<td>30,063</td>
<td>-</td>
<td>40,812</td>
</tr>
<tr>
<td>3. Total capital employed</td>
<td>2,05,899</td>
<td>4,58,457</td>
<td>35,907</td>
<td>7,00,263</td>
</tr>
<tr>
<td>4. Ratio of working capital to fixed capital</td>
<td>13.8%</td>
<td>10.3%</td>
<td>0%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>


Note: Figures within brackets indicate the number of mills.
Progress in agriculture:

As noted in the last chapter, the First Five Year Plan of Manipur had a modest programme of training young men in agricultural sciences and strengthening the staff position of the Department of Agriculture of the State. The Second Plan, besides intensifying the work initiated in the First Plan, emphasised agricultural extension services. In the Third Plan the staff position of the Department of Agriculture was further strengthened; and with a stronger administrative machinery for implementing the programme of agricultural development, the Plan made vigorous efforts at increasing agricultural production. Agricultural extension services initiated in the earlier plans were intensified in the Third Plan. In particular, the Plan laid high emphasis on the introduction of improved methods of farming, and to enable the cultivators to adopt improved farming practices special attention was paid to ensure a steady supply of improved seeds and implements, chemical fertilisers, insecticides and other basic inputs. The Plan also gave high priority to the development of horticulture for which progeny orchards and nurseries were established. Side by side, agricultural research was attended to. The necessity of agricultural research was adequately recognised in the Second Plan of the State, but actual research work could not be taken up in the Plan along the right line for want of necessary equipment. It was during the Third Five Year Plan that agricultural research could be conducted in a small but fruitful way.
The main achievements of the Third Five Year Plan of Manipur in the field of agriculture were as under:

During the Third Plan period a sum of ₹ 30.84 lakhs was spent on the development of agriculture (Proper) against a plan outlay of ₹ 29.01 lakhs on this head of development.\(^8\)

The main achievements in real terms were as follows:

1. **Agricultural research and education**: The Research Station at Wangbal experimented with several varieties of local and imported paddy, sugarcane, maize, green manuring plants, fodder plants, cotton, linseed, sesame, oats, mustard and wheat. As a result of the experiments two local varieties of paddy Phourel and Moirangphou have been selected for multiplication and distribution among the cultivators.\(^9\) Among the imported varieties of paddy five types - Koimurali, Dullar, C.H. 985, C.H.4 and Jassaria - have been recommended for distribution to the local cultivators.\(^10\) Among fodder grasses, three varieties viz. Giant Star, Nepier and Para have been found suitable to the local conditions and they have been introduced to the cultivators.\(^11\)

Among green manuring crops two varieties viz. Sesbania sesiosa and Crotolaria anagyroides were found to give the highest yields of green matter and they have been introduced to the local

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8. Govt. of Manipur: Development Dept., Draft Outline of the Fourth Five Year Plan of Manipur, Second Chapter.
9. Budget Speech of Mr. A. Daiho, the State Finance Minister, dated the 3rd March 1965, p. 5.
farmers. Besides these some new varieties of wheat, linseed, gram, sugarcane and pomegranate were introduced to the farmers after varietal trials at the Research Station. Further, with a view to finding out the fertility status of different types of soil, the station analysed about 50 soil samples collected from different localities in the State. Manurial trials were also made on a number of crops.

For the development of agricultural education, the Government sent 30 students for training in B.Sc. (Agri.) course and 9 (including departmental officers) in M.Sc. (Agri.) course during the Third Five Year Plan. For imparting education at lower levels, the State Government is running one Agricultural school in Imphal. During the period of the Third Five Year Plan, 130 students were trained in the school. Of these 56 trainees completed their course successfully.

15. Budget Speech of Mr. A. Daiho, the State Finance Minister, dated the 3rd March 1965, p. 5 and Manipur Administration Report, 1965-66, p. 20.
Under the general schemes of development of agriculture the following achievements were made during the Third Five Year Plan. 17

(a) Area brought under the Japanese method of paddy cultivation 27,672 acres
(b) Area brought under double cropping 12,370
(c) - do - improved seeds 27,200
(d) - do - Plant protection 47,523
(e) - do - green manuring 5,022
(f) Amount of compost prepared and utilised 2,30,487 metric tons
(g) Amount of chemical fertilisers sold at 50% subsidised rates 18,481
(h) Agricultural implements sold to cultivators at 50% subsidised rates:
   (i) Mould board plough 786 Nos.
   (ii) Japanese weeders 449
   (iii) Hand rakes 1,075
   (iv) Maize-sheellers 209
   (v) Hand pumps 37
   (vi) Maya economic pumps 7
   (vii) Seoteurs 286
   (viii) Garden rakes 139
   (ix) Seed dressing drums 18
   (x) Other implements 248

17.(i) Budget Speech of Mr. Solomon, the State Finance Minister, dated the 15th March, 1966, p.4.
(iii) Budget Speech of Mr. A. Daiho, the State Finance Minister, dated the 3rd March 1965, pp. 5-6.
For the development of horticulture which has immense possibilities in the hill areas of Manipur two Government farms at Ukhrul and Churachandpur were reorganised into progeny Orchard-cum-Nurseries during the Third Plan. Subsidiary farms were also established at Thalon, Tinsong, Jiribam, Tamenglong, Tengnoupal, Marum and Phungyar. These farms have been planted with fruit saplings of reliable parentage and high economic value. The main varieties of fruits so far planted are apple, walnut, chestnut, pear, plum, peach, arecanut, mango, guava, lemon, lime etc. A large number of plant saplings were also distributed to interested growers. By the end of 1964-65, 699 acres of land had been planted with 18,196 plants of different fruits and during the last year of the Third Plan about 500 acres. Plantation of vegetables was also undertaken. In 1965-66 alone Government farms supplied nearly one lakh seedlings of different types.

Along with the expansion of horticulture, the development of fruit-preservation industry was attended to. The fruit preservation unit attached to the Department of Agriculture considerably expanded its productive capacity during the Third Plan. In 1961-62, the unit produced 7,955 lbs. of orange, pineapple and lemon squashed, 1320 lbs of jam and jelly and 45,951 lbs of pine-apple rings and slices. In the following year,

18. (i) Budget Speech of Mr. L. Solomon, 15th March/66, p.4.
the same unit produced 8254 bottles of (each bottle - 24 oz) squashes, 2005 tins of jam and jelly and 1031 tins of pine-apple rings and slices. In the third, fourth and fifth years of the Third Plan, the same unit produced 13,146 lbs., 8,600 kg. and 31,821 Kg. of fruit products respectively.

Besides the above schemes which were implemented by the Department of Agriculture a considerable amount of agricultural extension work was done under the Community Development and National Extension Service programmes. A brief summary of the achievements of the C.D. and N.E.S. Blocks in the field of agriculture is given in the table on the next page. But it must be noted that the inputs supplied to the agriculturists under the C.D. and N.E.S. programmes were not net additions to those supplied by the Department of Agriculture, because the supplies of inputs arranged by the latter are mostly routed through the Blocks.

The table (85) shows that the progress made during the Third Plan was much more satisfactory than that during the Second Plan. Thus the amount of improved seeds distributed in 1962-63 was larger than that distributed during the whole period of the Second Plan. The quantity of improved seeds distributed during the first four years of the Third Plan (6,096.15 mds) was almost

Table 85

Physical achievements of the C.D. and N.B.S. Blocks in the field of agriculture during the Third Five Year Plan.

<table>
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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Improved seeds distributed (mds.)</td>
<td>855.00</td>
<td>1,150.15</td>
<td>2,167.00</td>
<td>1,964.00</td>
<td>8,096.15</td>
<td>2,522.55</td>
<td>1,059.74</td>
<td></td>
</tr>
<tr>
<td>Fertilizers and manures distributed (mds.)</td>
<td>2,954.47</td>
<td>1,922.55</td>
<td>2,557.16</td>
<td>4,777.00</td>
<td>12,040.96</td>
<td>15,179</td>
<td>5,847.96</td>
<td></td>
</tr>
<tr>
<td>Improved implements distributed (Nos.)</td>
<td>855</td>
<td>215</td>
<td>122</td>
<td>1,218</td>
<td>2,590</td>
<td>710</td>
<td>2,029</td>
<td>(Nos.)</td>
</tr>
<tr>
<td>Agricultural demonstrations held (No)</td>
<td>432</td>
<td>1,155</td>
<td>411</td>
<td>478</td>
<td>2,506</td>
<td>2,557</td>
<td>1,702</td>
<td>(Nos.)</td>
</tr>
<tr>
<td>Pesticides distributed (mds.)</td>
<td>394.96</td>
<td>434.25</td>
<td>446.30</td>
<td>549.00</td>
<td>1,814.51</td>
<td>142.54</td>
<td>1,704.14</td>
<td>(mds.)</td>
</tr>
<tr>
<td>Compost pits dug (Nos.)</td>
<td>8,655</td>
<td>6,531</td>
<td>11,542</td>
<td>4,556</td>
<td>51,144</td>
<td>2,557</td>
<td>7,855</td>
<td>(Nos.)</td>
</tr>
<tr>
<td>Area brought under Japanese method of cultivation (acre)</td>
<td>2,912</td>
<td>3,808</td>
<td>4,406</td>
<td>5,423</td>
<td>16,162</td>
<td>6,853.81</td>
<td>1,885</td>
<td>(acres)</td>
</tr>
</tbody>
</table>

six times as big as the amount distributed during the whole period of the Second Plan. Moreover, there was a marked increase in the amount distributed during the last year of the Third Plan. There was also a phenomenal increase in the amount of fertilisers (chemical) and manures (green) distributed. The quantum of fertilisers and manures supplied during the first four years of the Third Plan was thrice as large as the amount distributed over the entire period of the Second Plan. Moreover, the amount of manures and fertilisers distributed during the last year of the Third Plan was even larger than the entire amount supplied during the first four years of the plan. Likewise there was a five-fold increase in the number of compost pits dug, and the area brought under the Japanese method of cultivation during the Third Plan was fifteen times as big as that during the Second Five Year Plan. Moreover, the table shows that the scale of use of the various types of inputs increased as the years of planning rolled on.

From this one may infer that agriculture made a significant headway in Manipur during the Third Five Year Plan. But this is a hasty conclusion. In spite of the considerably high rate of increase in the amount of basic inputs invested in the development of agriculture, these inputs constituted only a microscopic proportion of the vast requirements of agriculture in the State. This will be evident from the table on the next two pages, which presents in a consolidated form the results of a study on the impact of the Five Year Plans on agriculture in
Table 88

Impact of the Five Year Plans on Agriculture in Manipur (As surveyed in 1964-65).

(A) Kharif Crops (Here paddy only)

<table>
<thead>
<tr>
<th>Region</th>
<th>Total No. of cultivating households</th>
<th>Total number of agricultural households benefited</th>
<th>Total number of benefited farming households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expected seeds for any crop</td>
<td>Improved seeds from external sources</td>
<td>Improved cultivation practices</td>
</tr>
<tr>
<td></td>
<td>No. 1</td>
<td>No. 2</td>
<td>No. 3</td>
</tr>
<tr>
<td>Valley</td>
<td>68,565</td>
<td>1,097</td>
<td>45,097</td>
</tr>
<tr>
<td>Hills</td>
<td>67,176</td>
<td>5,076</td>
<td>1,905</td>
</tr>
<tr>
<td>Total in Manipur</td>
<td>1,25,741</td>
<td>4,173</td>
<td>1,845</td>
</tr>
</tbody>
</table>

Source: Statistical Bureau of Manipur
Table 86

Impact of the Five Year Plans on agriculture in Manipur (as surveyed in 1964-65)

<table>
<thead>
<tr>
<th>Region</th>
<th>Other crops</th>
<th>Other crops</th>
<th>Any one crop</th>
<th>Improved vegetable holdings</th>
<th>Improved vegetable holdings</th>
<th>Improved vegetable holdings</th>
<th>Improved vegetable holdings</th>
<th>Improvements in seed crop productions</th>
<th>Seed crop productions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Source: Statistical Bureau of Manipur</td>
<td></td>
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</tbody>
</table>

Note: The table provides a detailed analysis of the impact of the Five Year Plans on agriculture in Manipur, focusing on various crops and improved vegetable holdings. The data is sourced from the Statistical Bureau of Manipur.
Manipur conducted in 1964-65 by the Department of Statistics, Government of Manipur at the instance of the Planning Commission.

The table shows out of 1,22,738 cultivating households resorting to the cultivation of khariff crops only 4173 used improved seeds, 8195, chemical fertilisers, 3746, chemical pesticides and 1691, improved implements. The number of agricultural families using green manure or oil cakes was even more insignificant. In terms of proportions to the total number of cultivating households only 1/30 used improved seeds, 1/15 chemical fertilisers, 1/33 chemical pesticides and 1/77 improved implements. Thus, the coverage is very small. What is more, there are reasons to believe that even this small coverage exaggerates the real picture. For instance, a man used one or two pounds of chemical fertiliser just to see its effects on crops had to be classified as a cultivator using chemical fertiliser irrespective of the magnitude of the requirements of his fields. Another point that deserves attention is that figures in column 6 in the table (khariff crops) indicate that all the cultivating families in Manipur adopted improved practices of farming so that agricultural households benefited by the plans constituted 100 per cent of the total agrarian households in the State (see column 12). But this is highly misleading. The apparently high figures of beneficiaries are explained by the fact that two processes—transplantation and weed-removal—which have been universal practices in cultivation in Manipur from times immemorial have been treated as improved practices of
cultivation for the purpose of the impact study. Even if, we treat the two processes as improved practices, as undoubtedly they are not the results of planning. Therefore, the impact of planning on agriculture in Manipur may better be measured in terms of modern inputs like chemical fertilisers, pesticides, improved implements. Yet another point to be observed in the table is that except in the use of chemical fertilisers and green manuring, the response of the cultivators in the Valley to modern methods of farming was poorer than that of the cultivators of the hills. A probable reason for this state of affairs is that an average cultivator in the Valley, having acquired long experience in the traditional, but fairly developed modes of farming, cannot be easily induced to adopt modern methods (unless the expectation of profits is quite clear as in the case of application of chemical fertilisers) as his brother in the hills, who has been following relatively ineffective and uncertain methods of farming.

On the whole, the impact of the Third Five Year Plan, for that matter the earlier plans also, on agriculture in Manipur was not quite appreciable. The State Department of Agriculture and the agricultural extension workers failed to convince the generality of cultivators in the State of the superiority of the modern methods of farming over the traditional ways. As a matter of fact, the performances of Government-owned Demonst-
The few progressive farmers who had imbibed modern ideas were handicapped by shortage of essential inputs. We have already noted the meagreness of the available supplies of chemical fertilisers, pesticides, improved seeds etc. Even the amounts available did not reach the cultivators at the time of need because of administrative delays and lack of co-operation between the departments of Agriculture and Development.

Moreover, the efficiency of these inputs was reduced to a great extent for want of irrigation facilities which had been neglected throughout the long period of three five year plans. Not to speak of private fields, even the Government farm at Wangbal where a Research Station had been set up, suffered heavily for want of irrigation facilities. As a combined result of all these, there was no appreciable increase in agricultural production in Manipur during the Third Plan period. Available estimates of production of paddy, the principal crop in the State, for the first four years of the Plan registered a virtual stagnation. Estimates for 1965-66 showed a considerable increase. But being provisional figures, they remain to be verified. The trend of production of paddy and maize, the two most important crops in the State, during the Third Plan period is given in the table on the next page.

23. Instances of poor performances of Govt. farms are not rare. Estimates Committee of the Manipur Territorial Legislative Assembly was very much pained at the 'dull' performances of the State farms at Wangbal, Churachandpur, Kangpokpi and Mantripukhri.
25. Ibid., p. 4.
Table 87

Production estimates of paddy and maize in Manipur 1960-61 to 1965-66
(000 metric tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>P A D D Y</th>
<th>MAIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimates by the Revenue Department</td>
<td>N.S.S. Estimates</td>
</tr>
<tr>
<td></td>
<td>Area (000 acres)</td>
<td>Production (000 m. tons)</td>
</tr>
<tr>
<td>1960-61</td>
<td>226</td>
<td>170</td>
</tr>
<tr>
<td>1961-62</td>
<td>222</td>
<td>155</td>
</tr>
<tr>
<td>1962-63</td>
<td>226</td>
<td>141</td>
</tr>
<tr>
<td>1963-64</td>
<td>224</td>
<td>144</td>
</tr>
<tr>
<td>1964-65</td>
<td>222</td>
<td>146</td>
</tr>
<tr>
<td>1965-66</td>
<td>223</td>
<td>159</td>
</tr>
</tbody>
</table>

Sources
(1) Dept. of Statistics, Manipur 'Production of Rice in Manipur', pp. 148 (for paddy)
(2) D.S.O. (N.S.S.), Manipur (for Maize)

Notes
(1) Estimates of acreage and production by the Revenue Dept. cover the valley area only, whereas those by the National Sample Survey covers the whole of Manipur excluding the three subdivisions Ukhurul, Mao-Maram and Tamenglong which are in disturbed conditions. Methods of estimation are also different. Therefore, the results are found to be widely different.
(2) In the case of N.S.S. Estimates, whereas, the estimates for the year 1965-66 are derived from State samples only, those for other years are derived from the combined data of both Central and State sample.
As noted earlier in chapter III, N.S.S. estimates are more reliable than the Estimates by the Revenue Department of Manipur State for a variety of reasons, but in their respective ways, both the estimates give an idea of the trend of agricultural production in the State. Figures of estimates by the Revenue Departments (in the above table) show that whereas the area under paddy remained stationary throughout the Third Plan period, the production of paddy was subject of considerable fluctuations. In 1960-61, the final year of the Second Plan, the production of paddy was found to be 170,000 metric tons. The production, then, declined abruptly to 133,00 metric tons, in the following year and then rose gradually to 159,000 metric tons in 1965-66. Thus even in the final year of the Third Plan, (the best year of the agricultural production in the State throughout the Plan period) the production of paddy failed to reach the 1960-61 level. The N.S.S. estimates also indicate that there was a virtual stagnation of paddy production in the State during 1962-64. A considerable rise was, however, visible in the 1965-66. As regards maize, the N.S.S. estimates show that there was a continuous increase both in the acreage and in the production of crop throughout the period of four years 1962-66.

In the absence of production estimates for other crops, the estimates of production of the two most important crops in the State viz. paddy and maize may be assumed to represent the general trend of agricultural production in the State. If this
be so, the progress of agriculture in Manipur during the Third Plan was by no means satisfactory.

However, the Third Five Year Plan witnessed a small but significant trend in the development of agriculture in the State. This was in the co-operative way of organisation of agriculture. Thus during the period of the Third plan the number of co-operative farming societies rose by 30 and that of agricultural credit societies by 135. The numbers of these two types of societies in the State by the end of the Third Plan were 42 and 300 respectively.26

Development of livestock:

During the Third Five Year Plan of Manipur a sum of Rs. 13.94 lakhs was spent on the development of animal husbandry and veterinary services including dairying and milk supply as against a plan outlay of Rs. 15.16 lakhs.27 In physical terms the main achievements were the opening of four Veterinary Dispensaries, 6 key village sub-centres, 4 piggery development sub-centres, four sheep development sub-centres and two feed and fodder development centres. Four Veterinary Dispensaries were also upgraded into hospitals during the Third Plan.28

26. Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur (Chapter on co-operation).
27. Govt. of Manipur: Development Department: Draft Outline of Fourth Five Year Plan of Manipur: Chapter II.
The programme of eradication of rinder pests covered 28,567 cattle in the Third Plan. During the same period 19,249 scrub bulls were castrated; 200 horses were vaccinated against African-Horse-sickness. One small Horse-breeding centre was also taken up. 20 students were sent for training in B.V.Sc. course and 100 stockmen were also trained in a training class run by the Veterinary Department.

Besides the above schemes implemented by the Department of Veterinary and Animal Husbandry, the Community Development Blocks rendered some services towards the improvement of livestock industry in the State. The main achievements made by the C.D. Blocks in the field of Veterinary and Animal Husbandry Services during the Third Plan are given in the following table.

Table 88
Veterinary and Animal Husbandry Services rendered by the Community Development Blocks in Manipur during the Third Five Year Plan.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improved animal supplied (Nos.)</td>
<td>30</td>
<td>41</td>
<td>40</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>2. Improved birds supplied (Nos.)</td>
<td>53</td>
<td>504</td>
<td>560</td>
<td>554</td>
<td>591</td>
</tr>
<tr>
<td>3. Animal castrated (Nos.)</td>
<td>1,695</td>
<td>4,911</td>
<td>1,751</td>
<td>1,130</td>
<td>N.A.</td>
</tr>
<tr>
<td>4. Animals artificially inseminated (Nos.)</td>
<td>253</td>
<td>835</td>
<td>549</td>
<td>106</td>
<td>332</td>
</tr>
</tbody>
</table>

Sources:
(2) Publicity Department, Govt. of Manipur: Annual Administrative Reports, Manipur, 1964-65, p.34. and 1965-66, p.49.

29. Draft Outline of the Fourth Five Year Plan of Manipur, Chapter on Animal Husbandry.
It would be clear from the above account of veterinary and animal husbandry services that the services so far rendered were too small to produce any significant impact on the livestock industry in the State. Moreover, the little amount of services were by no means satisfactory. The Estimates Committee of the Manipur Territorial Legislative Assembly made the following observations about the quality of services so far rendered.

There was no compound fencing for the Government owned fodder farms and poultry extension centres. The Central poultry farm at Imphal had no bird, and no breeding work was done at poultry extension centre at Torbung. There was no modern pigsty at the main piggery centre at the same place and the existing sheds were unscientific and over-crowded. In most of the Veterinary hospitals, there was no provision for diet of animals and, as such, no indoor patient could be admitted. At the sheep rearing centres at Ukhrul and Churachandpur, the sheds for accommodation of animals were in precarious conditions and the animals

were left neglected and half-starved. At some of the cross breeding centres, the types of semen used was found unsuitable, but no alternative was available. In almost every Veterinary hospital and centre, there were problems of water supply and staff quarters. What is more, in a State like Manipur where the people are mostly vegetarian, the development of dairy industry has been sadly neglected. Of course, attempts have been made since 1961-62 to set-up a milk pasteurisation plant. But upto the end of the Third Five Year Plan, the scheme did not materialise.

Development of Industries:

For development of industries in the State, the basic approach adopted in the First and Second Five Year Plans continued in the Third Plan also. As noted in the last chapter, the First Plan could not achieve much in the field of industrial development. The little amount of outlay provided in the Plan for development of industries was mainly spent on the setting up of the State Department of Industry. And a few schemes like training of students and giving financial assistance to industrial co-operatives were taken up in the Plan in a humble way. The Second Plan intensified the programmes initiated in the First plan and adopted a wider programme which emphasised among other things, the organisation of industrial co-operative societies, the establishment of production-cum-training centres and the
intensification of general industrial extension services. However, in spite of all attempts and achievements made during the Second Plan, the Plan failed to change the industrial structure of the State so much so that, as in the beginning of the planning era, small scale and cottage industries continued to dominate the industrial picture of Manipur at the end of the first decade of planning as well. Therefore, the industrial development programme of the Third Five Year plan of the State was mainly concerned with the development of these industries. Nevertheless, preliminary attempts were made during the Third Plan to explore the possibilities of starting a few medium scale industries in the State.

During the Third Five Year Plan a sum of Rs. 35.28 lakhs was spent on the development of industries in Manipur as against Rs. 12.08 lakhs during the Second Plan. Thus the expenditure incurred on industrial development during the Third Plan was almost three times as big as the expenditure on the head made during the Second Plan. However, compared to the Plan provision (Rs. 49.39 lakhs), the Third plan expenditure on industries was significantly less, the short-fall in expenditure being about 28 p.c. of the Plan provision under the same head. In physical terms the main achievements of the Plan in the field of industrial development were as follows:

31. (i) Publicity Dept., Govt. of Manipur: 'Manipur - A Decade of Progress'; p.22.
(ii) Govt. of Manipur: Development Dept.: Draft Outline of the Fourth Five Year Plan of Manipur, Second Chapter.
32. Draft Outline of the Fourth Five Year Plan of Manipur, Chapters on Industry.
Development of Village and Small Scale Industries:

Under the item Village and Small Scale industries, development schemes were taken up in five sectors viz. Handloom industry, Handicrafts, Sericulture, Khadi and Village industries and small scale industries. Under handloom industries, the main achievements made during the Third Five Year Plan were payment of transport subsidy for lifting 1631 bales of yarn and a rebate of six paise per rupee for the sale of handloom cloth worth nearly Rs. 16.00 lakhs, distribution of improved implements like warping drums, slays, reeds, fly-suttle looms etc., opening of 12 sales depots, issue of working capital loans to 79 primary Weaver's Co-operative Societies and the Manipur State Handloom Weavers' Co-operative Society, the Apex Society of the weaving societies in the State, Government participation in the share capital of the Apex Society, establishment of one yarn distributing centre, a mechanized dyeing unit and one design extension centre.

For development of handicrafts, the Handicrafts Design Extension Centre, the Cane and Bamboo Production-cum-training Centres and the Doll and Toy production Centre started during the Second Plan continued to function during the Third Plan. One Sales Emporium was opened in Calcutta. Nine handicrafts artisans were sent for training outside Manipur. Equipment subsidies were given to 135 individual artisans and extrainees. To standardise the quality of the handicraft products produced in the State,
a scheme of quality marking was proposed to be implemented during the Third Plan. However, the scheme could not materialise for want of inspection staff. It was also proposed to set-up a cluster type of Handicrafts Training Centre for Bamboo and Cane Work and Dolls and Toys. By the end of the Third Plan two posts of instructors and another two posts of demonstrators were sanctioned for the scheme, but the training centre did not start functioning.

Under Sericulture, three farms were opened of which one was in the Valley and two in the Hills. Three Departmental Officers and eleven fresh persons were trained in sericulture. Loans and advances were made to 51 sericultural units and grants in kind were given to 58 units. One lakh mulberry saplings were reared in Government farms and then distributed to private sericulturists.

35. By the end of the Third Five Year Plan, the Department of Industry, Manipur was running the following sericultural farms and demonstration centres.

1. The Government Silk Farm, Wangbal.
2. The Central Silk Farm, Chingmeirong.
3. Muga Silk Production outpost, Chingarel.
4. Muga Silk Production outpost, Khonghampat.
5. The Cocoon Marketing Centre, Chingmeirong.
6. The Eri Demonstration Centre, Jiribam.
8. Seri Research-cum-Training Centre, Kwakta, Bisenpur.
9. Demonstration-cum-Mulberry Nursery Farm, Thongjao.
10. Silk Rearing Station, Tadubi, Mao.
Under Khadi and Village industries, two demonstration squads, one in village pottery and the other in sur and khadsari manufacture continued to function. 43 persons were trained in different types of khadi and village industries. Grants were made by the State Government to the Khadi and Village Industry Board, Imphal, to enable the Board to administer properly the loans and grants issued by the Khadi and Village Industries Commission.

Under the programme of development of small scale industries block loans were given to 464 industrial units including co-operative societies. About twenty Industrial Training Institutes and Production-cum-Training centres continued to function and one training centre for tailoring and cutting was established at Moreh. Six technical persons were deputed for study of cycle manufacturing, fruit preservation and wool manufacturing, and three artisans, for further training in their respective trades.

For improvement of the organisational structure of village and small industries in the State, the formation of industrial co-operative societies was encouraged by the Government. However, over the entire period of the Third Five Year plan, the number of such societies rose by 97 only. By the end of the Third plan there were 360 industrial co-operative societies in Manipur as against 263 societies by the end of the Second Five Year Plan.

36

36.(ii) Govt. of Manipur : Development Dept.- Draft Outline of the Fourth Five Year Plan of Manipur : Chapter on co-operation.
Besides the above schemes implemented by the Department of Industry, some work of industrial development was done under the programmes of community development, Tribal Welfare and Welfare of Scheduled Castes. Under the C.D. programme about 300 sewing machines, 200 beehives and a number of improved looms were distributed.\(^{37}\) About 300 persons were trained in different industrial trades, and equipment subsidies were granted to those who had completed their training.\(^{38}\) Staff subsidies were also granted to a number of industrial co-operative societies. Under the Tribal Welfare Programme, the training centres started during the Second Plan continued to function, and equipment loans and grants were made to the ex-trainees to enable them to start their own business. Under the programme of the Welfare of Scheduled castes, 50 fly-suttle looms were distributed to scheduled caste weavers trained at the centres started during the Second Plan, and grants-in-aid were given to 205 industrial units organised by the Scheduled castes.\(^{39}\)

It would be obvious from the above account that the industrial development programmes implemented in Manipur during the Third Five Year Plan were, like those implemented in the earlier plans, more or less of the nature of industrial extension services. The effectiveness of these schemes would largely depend upon the degree of public response to them and their impact on


\(^{39}\) Draft Outline of the Fourth Five Year Plan of Manipur : Chapter on 'Scheduled Castes Welfare'.
the industrial economy of the State would be measured by the increase in the volume of industrial production in the State. However, in the absence of any estimates of industrial production, it is not possible to make an objective assessment of the effectiveness of the schemes. But the public response to the industrial extension services was not cold. The public were ready to take full advantage of the facilities provided by the State; the main problem was the inadequacy of the basic facilities provided.

Instances of shortages of supporting services are too many to enumerate here. Not to speak of industries in the hands of poor private individuals and co-operatives, schemes of industrial development and industrial training institutes and centres in the hands of Government suffered a lot for want of basic services and facilities. For instance, the Estimates Committee of the Manipur Territorial Legislative Assembly found in 1964-65 that (1) schemes of sericultural development could not be properly implemented because of inadequacy of staff in the sericultural section of the Dept. of Industry; (2) the Government Sales Emporium, Imphal, for handloom and handicraft products could not function well for want of working capital and sufficient staff; (3) The industrial training-cum-production centres at Ukhrul and Churachandpur suffered from want of accommodation, the number of seats available in these institutions (about 10

seats for each trade) was too small to meet the local requirements and to make the centres economically viable; (4) the arts and crafts training cum-production centre at Thoubal, a viable unit in many senses, suffered for want of power and material; valuable tools like planer, lathe, circular saw, grading machines etc. installed at the centre could not be put into operation for want of power supply and tailoring classes and cutting classes could not be run for want of raw materials; shortage of power was a problem for even the Industrial Training Institute, Imphal, the largest and most well-equipped institution of its kind in the State; (5) the Central Silk Farm at Chingmeirong, where a Muga silk production centre and a cocoon marketing centre are also located was not running properly since the rearing house was not scientifically built and most other buildings were in very bad need of repairs; (6) the scheme of quality-marking for handicrafts products proposed to be introduced during the Third Plan could not be implemented for want of inspection staff; and (7) the Handicrafts Design Centre, Imphal, had invented 360 new designs, some of which were very impressive, but those designs could not be propagated for want of an efficient propaganda machinery.

If these shortages are juxtaposed with the heavy shortfall in the Plan expenditure on industrial development (by about 26% of the Plan provision) an irresistible conclusion will emerge: There must have been faulty planning and/or administrative laxity in the implementation of plan schemes. As noted earlier, shortage
of administrative personnel was the main reason for failure of implementation of plans for development of sericulture and quality control of handloom and handicrafts products. But no serious attempt was made by the Government to fill up posts already created or to create posts where there was a real necessity. 41

It was realised at the time of drafting the Third Five Year Plan of the State that shortage of technical man-power was a major difficulty faced by the Government and industrialists alike. Accordingly, it was laid down in the plan document that the Government would follow a policy of training a certain number of officials and fresh persons in advanced courses both within the country and outside. But the Government failed to arrange a sufficient number of seats even in training institutions inside the country not to speak of sending trainees abroad. The dilatory practice in disposing of loan applications by the State Directorate of Industries, to which attention had been drawn in the last chapter, continued in the Third Plan also. Further, up to end of the Third Plan, no attempt was made to establish any industrial estate or a common facility centre to encourage the growth of small scale industries in the State. Nor was there any attempt to establish a small industries service institute or a small industries corporation for the State. 42

However, it was during the Third Plan that preliminary attempts were made for the first time to explore the feasibility

41. Ibid., pp.4-5.
42. A Small Industries Corporation has very recently been set up.
of establishing a few medium scale industries in the State. The possibilities of three medium sized industrial units viz. a paper mill with a productive capacity of 50 tons a day, a 100 ton per day capacity cement factory and a 25,000 spindled spinning mill—all in the public sector were examined. For preliminary exploration of the schemes, a sum of Rs. 2.65 lakhs was spent during the Third Plan.

**Progress in Infrastructure:**

We noted in the last chapter that the infrastructure of the economy of Manipur began to be laid during the first decade of planning. In particular, intra-state transport and communication made considerable advancement and a few credit institutions were established. The process of development was carried further during the Third Five Year Plan. More specifically, there was a perspective planning for road development, and the credit institutions started during the Second Plan gathered strength and momentum in their operation and new ones were established. Yet, even after the Third Plan much remained to be done in these directions. What is more, the problems of power development and irrigation were practically untouched. The main achievement made during the Third Plan in the field of

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43. It is gratifying to note that feasibility reports have been submitted by the National Industrial Development Corporation in respect of the paper mill and cement factory (vide the Manipur Times, 27 March, 1968).

44. Draft Fourth Plan of Manipur, Chapter II.
the preparation of the infrastructure of the State's economy are reviewed in the following paragraphs.

**Development of roads and road transport:**

A good method of studying road development is to examine the increase in the mileage of different types of roads. But data on the surface-wise classification of the roads in Manipur are not available for the period of the Third Five Year Plan. Nevertheless, the total length of roads in the State under public authorities increased from 1873.6 kilometres in 1959-60 to 2355.93 kilometres in 1965-66, and the expenditure on road construction and improvement rose from Rs. 178.53 lakhs during the Second Plan period to Rs. 458.03 lakhs during the Third Plan. The main physical achievements were as follows.

<table>
<thead>
<tr>
<th>Items of development</th>
<th>Targets</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Construction of new roads (miles)</td>
<td>467</td>
<td>431</td>
</tr>
<tr>
<td>2. Improvements to existing roads (miles)</td>
<td>173</td>
<td>191</td>
</tr>
<tr>
<td>3. Surface painting (miles)</td>
<td>45.5</td>
<td>146</td>
</tr>
<tr>
<td>4. Construction of major bridges (Nos.)</td>
<td>35</td>
<td>19</td>
</tr>
<tr>
<td>5. Construction of minor bridges (Nos.)</td>
<td>71</td>
<td>Not available</td>
</tr>
</tbody>
</table>

Note: 'Construction of new roads' includes road formation or earthwork, metalling and surface painting; and 'improvement of existing roads' includes shingling, metalling etc. Therefore, 'surface painting under items No. 3 refers to surface painting of roads 'already improved.'

(ii) Development Dept., Govt. of Manipur: Draft Outline of Fourth Five Year Plan of Manipur, Chapter on roads.

46. Drafts Fourth Five Year Plan of Manipur, Introductory chapter.

47. Govt. of Manipur: (i) Third Five Year Plan of Manipur, p. 43  
(ii) Draft outline of the Fourth Five Year Plan of Manipur: Chapter on Roads.
And by the end of the Third Five Year Plan the total length of the different types of roads in Manipur classified according to use was as follows:

1. National Highways 212.80 Kms.
2. State Highways 1,366.00 Kms.
4. Other District Roads 56.20 Kms.

Total 2,355.93 Kms.

Among the various roads constructed or developed in Manipur during recent years two roads deserve special mention. One is the National Highway No. 39, the Kamagaon-Moreh which passes through Manipur and which is at present the only surface link between Manipur and the rest of the country. The other is the New Cachar Road which will provide a second life-line between the State and the rest of India. The total mileage of the former in Manipur State is 133 miles or roughly 212 kilometres. Most of the present development of this road was done during the Second World War, since then only surface painting and minor improvements were carried out. But in the beginning of the Third Plan the entire road was not (and still is not) to the required standard of a National Highway. Therefore during the Third Five Year Plan about Rs. 30 lakhs were spent on the

48. Government of Manipur: Third Five Year Plan - Communication, Electricity, Irrigation and Drainage Section on Communication, p.3.
Improvement of this road. Improvement works such as protection of hill-sides with breast walls, reconstruction of major and minor bridges, improvements to the existing curves and gradients, widening narrow portions of the road, strengthening flexible pavements etc. were done. But further improvements of the road will have to be carried over to the Fourth Plan since the road is not as yet up to the mark.

The construction of the New Cachar Road, the only road of interstate importance taken up during the planning era was initiated during the Second Five Year Plan. By the end of the Third Plan, earth work along the entire length of the Road (151 miles) was completed except a stretch of 14 miles and estimates were under preparation for the construction of the major bridges across the road. By the end of 1965-66, 23 miles of the road were metalled and another 20 miles were expected to be covered by the end of 1965-66. The extremely slow progress of the construction of this important road is mainly due to paucity of technical staff for survey and preparation of projects, the disturbed conditions in the areas through which the road passes and shortage of road building tools and machines like rollers, compressors, bulldozers etc.

49. Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur, Chapter on Roads. According to original alignment, the total length of the New Cachar Road was 135 miles. But after realignment in certain sections the length has come to 151 miles.
50. Budget Speech of Mr. Daiho, the State Finance Minister, dated the 3rd March, 1965; p. 12.
51. To step up the progress of construction of important road, the responsibility of constructing it has now been entrusted to the Military.
However, taking an overall view of the progress of road construction and development in Manipur during the Third Plan, we find that the progress was fairly satisfactory. We saw earlier that although there was a heavy shortfall in the physical achievements in the construction of major bridges, the physical targets for construction of new roads were almost fully achieved and those for improvements of existing roads and surface painting were exceeded. Moreover, the road development programme for the Third Five Year Plan was a carefully determined phase of a 20 years' road Development plan (1961-81) prepared for the State in accordance with the recommendations of the Chief Engineers' Report. The 'Road Plan conceives of an outer ring along the border, about 480 miles in length. There is to be an inner ring in the Valley also which will be 89 miles in length. The plan provides also a link-road, 230 miles in length, connecting the subdivisional headquarters with the ring roads. Radial roads are also to be constructed to a length of 748 miles. The total mileage of all these roads is 1547.'

The plan has been conceived with imagination and foresight. It will link all important places in the State including the frontier regions which are now inaccessible. Attempts have been made and will continue to be made to complete the essential network by the earliest possible date, leaving the improvements of the roads of lesser importance to be carried out in the later portion of the plan-period.

Yet inspite of all these attempts and the apparently good progress made during the last few years, the standard of road development attained by the State at the end of the Third Plan was much below the all-India average. Official figures of surfaced roads in the state at the end of the Plan are not available. But if we assume that the 191 miles (or about 305 kilometers) of existing roads improved during the Third Plan might have attained at least the standard of water-bound macadam and if assume further that this length (305 Kms.) was the net addition to the length of the surfaced roads existing in the State at the end of the Second Plan (461.4 Kms.), the total length of surfaced roads in the State by the end of the Third plan would be about 760 kilometres against 22,347 sq. kms. which is the total area of the State. Thus by the end of the Third plan Manipur had one kilometre of surfaced road for every 29 sq. kms. of her area as against an all-India average of one kilometre of such roads for an area of 11.5 sq. kms. (or 284000 kms. of roads for an area of 32,76,141 sq. kms.).

Further, although a larger portion of the Third plan expenditure on roads was devoted to the construction and development of roads in the hill areas, the imbalance between the Valley and the hills in the matter of road development (noted in the last chapter) continued. Besides, the problem of interstate road transport, a perpetual headache to the State, remains unabated.

Better progress would have been achieved had the Public Works Department, Manipur been a little more careful and sincere. The Public Accounts Committee and the Estimates Committee of the Manipur Territorial Legislative Assembly pointed out several cases of lapses on the part of the Department such as non-acceptance of lowest tenders without assigning a convincing reason, embezzlement of public funds by officials, advance payments to suppliers without any proof of despatch of materials, failure of the Department to purchase road-building machines in spite of availability of adequate funds, failure to appoint technical staff even when suitable candidates were easily available etc.54

Vehicles:

Along with development of roads, the number of vehicles plying on the roads in Manipur registered a considerable increase. This is illustrated in the table on the next page.

The table shows that the number of motor vehicles in the State registered almost a 50 per cent increase (from 1048 to 1503) over a period of three years. The rate of increase in the numbers of motorcycles and private cars was even more striking. However, from the point of view of economic development,

54. Manipur Legislative Assembly Secretariat  
Table 89
Motor Vehicles on Roads in Manipur 1960-61 to 1963-64

<table>
<thead>
<tr>
<th>Year</th>
<th>Motor cycles</th>
<th>Private cars</th>
<th>Public service vehicles</th>
<th>Goods service vehicles</th>
<th>Miscellaneous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>49</td>
<td>305</td>
<td>113</td>
<td>42</td>
<td>157</td>
<td>1,048</td>
</tr>
<tr>
<td>1961-62</td>
<td>82</td>
<td>369</td>
<td>137</td>
<td>392</td>
<td>163</td>
<td>1,133</td>
</tr>
<tr>
<td>1962-63</td>
<td>116</td>
<td>470</td>
<td>147</td>
<td>411</td>
<td>216</td>
<td>1,360</td>
</tr>
<tr>
<td>1963-64</td>
<td>116</td>
<td>570</td>
<td>165</td>
<td>501</td>
<td>151</td>
<td>1,503</td>
</tr>
</tbody>
</table>


Note: Figure for 1964-65 and 1965-66 are not available.

The movements in the numbers of public service vehicles and goods service vehicles are more significant. The number of these two types of vehicles increased by 37% and 18% over the same period. This rate of increase does not seem to be commensurate with the increase in the volume of traffic to be handled. Overcrowding in public service buses and shortage of trucks even to carry essential supplies of consumer goods and industrial raw materials have become the order of the day. Further, the number of vehicles under 'Miscellaneous' category indicates a small decline.
Progress in power supply:

The Third Plan expenditure on power development in Manipur (Rs. 47.58 lakhs) was slightly higher than the Second Plan expenditure on the same head (Rs. 41.82 lakhs), but much lower than the Plan provision (Rs. 106.58 lakhs). As such, power development could not make much headway during the Third plan. The installed capacity increased slightly from 806 Kw in 1961 to 1228 in 1965-66 and power generated rose from 14.91 lakh units in 1961 to 26.13 lakh units in 1964-65. The trend of development of electricity during the Third Plan is given in the table on the next page.

It is obvious from the above table that while the installed capacity was subject to considerable fluctuations, the amount of electricity generated registered a continuous rise. The installed capacity was 806 Kw. in 1961 but fell to 725 Kw. in the following year. The reason for the fall was that the Leimakhong Power House with an installed capacity of 156 Kw. was damaged by a flood in 1962. During 1963-65 some attempts were made to commission a few diesel generating sets and by the last year of the Third Plan the installed capacity rose to 1228 Kw of which 1000 Kw were installed at Imphal Power House. The continuous rise in the amount of energy generated even when the

55. Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur: the First two chapters.
   (2) Govt. of Manipur: Draft Fourth Plan, Chapter on Power.
   (3) Govt. of Manipur, Manipur Administration Report 1964-65, p.33.
Table 90
Production of Electricity in Manipur during the Third Five Year Plan.

<table>
<thead>
<tr>
<th>Year</th>
<th>Installed capacity (KW)</th>
<th>Electricity Generated (KW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>806</td>
<td>19,34,099</td>
</tr>
<tr>
<td>1962</td>
<td>725</td>
<td>20,77,146</td>
</tr>
<tr>
<td>1963</td>
<td>725</td>
<td>23,73,302</td>
</tr>
<tr>
<td>1964-65</td>
<td>N.A.</td>
<td>26,13,000</td>
</tr>
<tr>
<td>1965-66</td>
<td>1,228</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

(2) Govt. of Manipur: Annual Administration Report, Manipur, 1964-65, p. 33.
(3) Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur - Chapter on power.

Note: N.A. = Not available.

Installed capacity declined indicates the existing capacity was intensively utilised to meet rising demand for power. The immediate requirement of power excluding that of industries by the end of the Third Plan was estimated at 3500 KW as against an installed capacity of 1228 KW. Thus the available supply of power was hardly able to meet even 50% of the immediate demand.
During the Third Five Year Plan the following schemes were in progress.\(^{57}\)

(1) **Extension of the Imphal system**: By 1965-66 almost all the works under the scheme were completed except providing service connection. Two generating sets of 500 KW each were handed over to the electricity Division of the P.W.D. Manipur.

(2) **First stage of the second Hydro-electric scheme at Leimakhong**: Civil works under the scheme were in progress. Electrical works such as yard lighting, telephone connection and transportation and erection of 2x400 KW capacity transformer were completed by 1965-66. Installation of 2x500 Kw Hydro Generating sets by the staff of the Central Water and Power Commission was started.

(3) **Electrification of Ukhrul Town**: Lines on wooden poles were completed. Indents for procurements of two diesel generating sets (one for 50 KW and the other for 58 KW) had been placed with the D.G.S. & D. and tenders were invited by the D.G.S. & D.

(4) **Electrification of Town and Villages**: The works were started in the later part of 1963-64. Out of 134 Km. of H.T. and 210 Kms. of L.T. lines and 43 s/s, 25 kms. of H.T. and 41 kms. of L.T. lines and 11 s/s were completed.

However, for the hydro-electric schemes of Lokchao, Nungshangkhong, Likrari Lok and for second stage of Leimakhong Hydro Electric Scheme, approval of the Central Water and Power Commission was not yet received.

The rural electrification scheme taken up during the Third Plan covered 100 villages (or 5% of the villages in the State) of which 89 are in the Valley and 11 in the hills. But because of shortage of power most of the villages could not be properly fed with electricity.

On the whole, the performance of the Third plan in the field of power production was very poor. Out of total provision of Rs. 106.58 lakhs for power development only Rs. 47.58 lakhs were utilised. Thus, the shortfall in the Third Plan expenditure on power development was about 55 p.c. of the Plan provision. The Department of Electricity gave several reasons for the shortfall. But "after a thorough examination of the reasons furnished by the Department" the Estimates Committee of the Manipur Territorial Legislative Assembly came to the conclusion that the shortfall in the expenditure "was due to negligence and lack of proper attention on the part of the Department to implement the scheme". The committee, therefore,

58. Strictly speaking there is no electricity Dept. of the Govt. of Manipur. The works of production and distribution of electricity are handled by three divisions of the Public Works Dept., Manipur. Here, for the purpose of brevity the three subdivisions are collectively termed as Electricity Dept. or Dept. of Electricity.

expressed 'grave dissatisfaction at the working of the Electricity Department. The shortfall in the expenditure may also be interpreted as the clear case of misallocation of funds. Why should such a large sum be earmarked for development of electricity when the Department had so little capacity to make an effective utilisation of the funds allotted?

**Development of minor irrigation**:

If the Third Plan achievements in power-development were poor, the achievements in the fields of irrigation were poorer. Major and medium irrigation had no place in the Third Five Year Plan of Manipur. For minor irrigation the Plan made a small provision of Rs. 13.32 lakhs out of which only Rs. 7.22 lakhs were actually utilised. Achievements in physical terms were even poorer. We noted earlier that eleven schemes for minor irrigation covering a total area of 13,600 were taken up towards the end of the Second Plan. These schemes were carried over to the Third Plan and another 8 schemes covering an aggregate area of 14,600 acres were initiated during the Third Plan. But up to the end of the Third Five Year Plan, none of the schemes was completed.

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60. Ibid., p. 12.
61. Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur, Chapter II.
The main reasons for the slow progress, as explained by the Irrigation Division of the Public Works Dept., Manipur were: (1) canals of some irrigation schemes had to be constructed through hard rocks and the Dept. could not supply sufficient amounts of explosives to the contractors for blasting the rocks; (2) where the canals have to pass through patta land, land acquisition was necessary, but it could not be easily effected because of the lukewarm attitude of the Revenue Department; (3) for every scheme, technical sanction had to be obtained from the Central Water and Power Commission, and this practice consumed a lot of time, and (4) the services of some contractors were very unsatisfactory.

Some of these reasons are highly plausible. But the services of the Irrigation Division itself were by no means satisfactory. After examining the Budget provision for capital outlay on minor irrigation for the year 1964-65 and the performance of the Division during the year, the Estimates Committee of the Manipur Territorial Legislative Assembly made the following remarks.

"The Committee has thoroughly examined the report furnished by the Department in respect of Demand No. 36 (i.e. Minor Irrigation) and found it unsatisfactory. It is evident from the report that the works are not taken up earnestly and efficiently. The Committee view that the explanation given by the Department that (hard) rocks are discovered in 85% of a channel is nothing but the lack of proper investigation. The
Department is not enthusiastic in the matter of land acquisition. The Department based the surrender of funds on schemes which are not included in the budget. If such haphazard action continues it is doubtful that the schemes would be implemented in another 5-year Plan even. The Committee, therefore, recommend that the Government should review the working system of the Irrigation Division.⁶³

Growth of Financial Institutions:

The financial institutions set up during the Second Five Year Plan or earlier gathered strength and momentum of operation. For instance, the total assets or liabilities of the Manipur State Co-operative Bank Limited, the Apex institution of Co-operative credit in the State, increased from Rs. 43,96,019.2 as on June 30th, 1962 to Rs. 51,22,604.83 as on June 30, 1966.⁶⁴ The number of Co-operative credit societies registered a considerable rise during the Third Plan. The number rose from 216 (65 agricultural and 51 non-agricultural) as on March 31, 1961 to 350 (300 agricultural and 50 non-agricultural) as on March 31, 1966.⁶⁵ Also, during the Third Five Year Plan the Government of Manipur purchased 10,335 shares of Rs. 100 each in the Assam State Financial Corporation with a view to enabling the

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⁶³. Ibid., p. 17; words within brackets are mine.
(ii) Govt. of Manipur Draft Outline of the Fourth Five Year Plan of Manipur; Chapter on Co-operation.
corporation to extend its jurisdiction over Manipur. This device would enable the small scale industries in Manipur to avail themselves of the services of the Assam State Financial Corporation so long as Manipur could not establish her own Financial Corporation. Further, it was towards the end of the Third Five Year Plan that preliminary attempts were made to establish the Imphal Urban Co-operative Bank which saw the light of day in the early part of 1966. However, till the end of the Third Plan no attempt was made to set up a Land Mortgage Bank for Manipur.

It would be obvious from the above account of the development of infra-structure that even at the end of the Third Five Year Plan, the infra-structure of the economy of Manipur was too weak to support any vigorous programme of industrialisation and of improvement of agriculture in the State.

Progress in Social Services:

As noted earlier in this chapter (Table 75), development of social services claimed was as much as 38 per cent of the total Third Plan outlay in Manipur. Accordingly, the State made considerable headway in the field of social services, specially general education, public health facilities and welfare activities for the backward classes. The main achievements in the different fields are reviewed in the following paragraphs.

66. Budget speech of Mr. L. Solomon, the State Finance Minister dated the 15th March, 1966, p.9.
The Third Plan expenditure on the development of education in Manipur (Rs. 109.82 lakhs) was almost double the expenditure under the same head during the Second Plan (Rs. 65.64 lakhs). The expenditure was however, slightly less than the Plan provision (Rs. 111.83 lakhs). The main physical achievements in the field of general education are given in the table on the next page.

The table (91) shows that whereas the number of primary schools rose by nearly 50% over the period of the five years of the Third Plan, the number of middle schools registered a slight decline. This decline in the number of middle schools should be viewed together with the phenomenal increase in the number of high schools, which indicated nearly a two-fold increase because a number of middle schools were upgraded into high schools during the Third Plan period. The number of colleges also registered a spectacular rise from 2 in 1960-61 to 12 in 1965-66. As for number of pupils in the different types of institutions, whereas the number of pupils in the primary and middle schools increased by small percentages that of pupils in high schools almost doubled itself over the period of five years. Regarding the number of teachers in the different varieties of institutions, whereas, the numbers of teachers in primary schools and high schools increased by roughly 50%, that of teachers in middle schools rose by about 16%. However, if we juxtapose growth of the number of teachers with that of the number of pupils in the different types of institutions the teacher pupils
Table 91
Progress of General Education in Manipur during the Third Plan.

<table>
<thead>
<tr>
<th>Types of Institutions</th>
<th>No. of Institutions in 1960-61</th>
<th>No. of students/pupils in 1960-61</th>
<th>No. of teachers in the Institutions in 1960-61</th>
<th>No. of teachers in the Institutions in 1965-66</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary schools</td>
<td>1,660</td>
<td>1,06,000</td>
<td>4,305</td>
<td>6,425</td>
</tr>
<tr>
<td>Middle schools</td>
<td>313</td>
<td>25,605</td>
<td>1,182</td>
<td>1,366</td>
</tr>
<tr>
<td>High Schools including Higher Secondary School</td>
<td>57</td>
<td>20,559</td>
<td>806</td>
<td>1,298</td>
</tr>
<tr>
<td>Colleges</td>
<td>2</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

(2) Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur.

Note: N.A. = Not Available.

Ratio was moving best in the middle schools. Figures of students and teachers in colleges for 1965-66 are not available, but it is an observed phenomenon that there is overcrowding in almost all the colleges in Imphal area.

Among other achievements which are not indicated in the above table mention may be made of the opening of post-
graduate classes in D.M. College and of Science subjects in Imphal College, Manipur College and Oriental College, the conversion of 10 Government High Schools into higher Secondary Schools, the opening of one multi-purpose school, the grants in-aid given to 11 higher secondary schools under private management to enable them to open science subjects and the extension of free education up to the stage of class VIII in all Government owned and Government aided schools in the State.

Thus the progress of general education made during the Third Five Year Plan was apparently quite satisfactory in quantitative terms. But qualitatively there were many things to worry about. In most of the schools and colleges in Manipur there were baffling problems of shortage of accommodation and furniture, want of teaching equipment, unfavourable teacher-pupil ratio and low percentage of trained teachers. Even in quantitative terms, Manipur failed to attain the all-India standard in terms of the proportion of school-going children to the total children population of the respective age-groups. In 1965-66 the percentage of school-going children in the age-groups, 6-11 years, 11-14 years, and 14-17 years to the total children population of the respective age-groups in Manipur were respectively 65.4, 38.2 and 16.9 as against the all-India

67. Apparently, this statement seems to be contradictory to the finding of the Census of India, 1961 that the percentage of literacy in Manipur was higher than all-India average. The apparent contradiction is solved by another finding of the Census that the population of Manipur was relatively young.
percentage of 78.5, 32.2 and 17.8 respectively.68

Performances in the field of technical education were much poorer. For imparting technical education in agriculture and veterinary sciences, we noted earlier in this chapter, that 30 students were trained in B.Sc. (Agri.) 9 in M.Sc. (Agri.) and 20 in B.V.Sc. courses in institutions outside of the State during entire period of the Third Five Year Plan. During the same period the Agricultural School at Lamphelpat, Imphal, imparted instruction to 130 students of whom 56 completed training successfully. A number of stockmen-cum field assistants were also trained in the Veterinary Hospital, Imphal. For imparting industrial education, the State Directorate of Industries ran 21 production-cum-training centres with a total intake capacity of 300 trainees and one Industrial Training Institute (at Imphal) with 184 seats in 11 trades.69 Two officers and 11 freshmen were trained outside for training in sericulture. Six persons were also trained in bicycle manufacturing and fruit preservation and 40 in khadi and village industries during the Third Plan.

For imparting medical education 136 local students were selected for training in M.B.B.S. course in medical colleges outside the State and 16 doctors (in Govt. Services) were deputed for Post-graduate studies in Psychiatry, Anaesthe-

siology, Gynoecology, Ear-Nose-Throat diseases, children diseases etc. A number of nurses and health visitors were also trained during the Third plan outside the State. One auxiliary nurse training school was also run by the State Directorate of Medical and Health Services. Regarding engineering and technology, the number of students sent outside the State during the Third Plan is not reported by any department of the State Government. Inside the State, the Adimjati Technical Institute with 150 seats, 50 seats each in civil, mechanical and electrical engineering, was running during the Third Plan. It should be noted here that at the time of its setting up this institution was meant exclusively for tribal students, but during the Third Plan non-tribal students were also allowed to study in it. For training in the science of cooperative movement, about 20 inspectors and officials of the Co-operative Department were deputed during the Third Plan for study in advanced courses outside the State. Inside the State, the Co-operative Training Institute, Imphal, trained about 200 students during the Third Plan period.

From the above account of the progress of education in the State during the Third Five Year Plan, it would be clear that the educational foundation for the economy of Manipur was not well-prepared up to the end of the Third Plan. There were many gaps even in general education in which the State achieved

considerable advancement. The gaps were still wider in the field of technical education. As noted earlier in Chapter II, Manipur has until now no institution to impart higher education in agriculture, veterinary sciences, forestry, engineering technology, medical science, business administration, Co-operation etc.—subjects which are directly related to the betterment of the living conditions of the people. The few young men and women trained outside the State fall far short of the technical man-power requirements of the State. Even at the lower levels of technical and vocational education the existing facilities for training available in the State are far from being adequate.

Better progress could have been made if the Education Department, Manipur, were a little more careful and enthusiastic. Lack of enthusiasm and carefulness on the part of the Department gave rise to several cases of misuse of public funds and even to wastage. As a matter of fact, the reports of the Public Accounts Committee of the Manipur Territorial Legislative Assembly abound with instances of misuse of public funds and avoidable waste. What is more, because of faulty planning by the Authority, the educational system in the State has failed to correlate the outturn of educated young men with the manpower requirements of the economic and social development of the State. Of course, this is an all-India problem, not peculiar to Manipur, which requires for its solution enormous skill and

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Resources which may be beyond the capacity of the Government of Manipur. But even in easy matters like affiliation of schools, the Government of Manipur have committed major policy mistakes. Because of the Government's decision to affiliate the higher secondary schools in Manipur with the Central Board of Secondary Education, Delhi, while other schools and colleges in the State are retained under the jurisdiction of Board of Secondary Education, Assam and the University of Gauhati, Assam respectively the higher secondary schools in Manipur have become a limping organ which hangs inconveniently over and obstructs the healthy growth of the other organs in the over-all structure of educational institutions in the State. The administrative laxity and policy mistakes of the Department have detracted from the full benefits of utilizing available resources to such an extent that the need for education of administrators and planners is even more keenly felt than need for education of children and young men.

Development of Medical and Health Services:

During the Third Five Year Plan a sum of Rs. 214.80 lakhs was spent on the development of medical and health services in Manipur as against Rs. 44.58 lakhs during the Second Plan. The main physical achievements were as follows.

Growth of Medical Facilities:

The main trend of growth of medical facilities in Manipur during the Third Plan is given in the table on the next page.

The table shows that the number of medical institutions (hospitals plus dispensaries) increased by 39 or by about 45% over the period of five years. However, this increase was mainly due to the rise of small institutions viz. dispensaries and public health sub-centres. Figures in column 2 indicate that the number of hospitals and public health centres rose by 6 or 33.3 p.c. only over the entire Third Plan period. Even this was due to the increase in the number of public health centres because the number of hospitals remained fixed at 12 throughout the period under review.

The table also shows that the growth in the number of doctors and hospital beds was by no means satisfactory. The number of doctors rose by 5 only over a period of 5 years, while that of beds rose from 396 in 1960 to 486 in the following year and then remained stagnant up to the mid-year of the Third Plan. However, the rate of growth of the number of lower cadre of medical personnel like nurses, midwives, etc. was fairly satisfactory. So was the increase in the number of family planning clinics.

In addition to the information given in the table, the Directorate of Medical and Health Services, Manipur vigour-
### Table 92
Growth of Medical facilities in Manipur during the Third Five Year Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of hospitals including public health sub-centres</th>
<th>No. of dispensaries including public health sub-centres</th>
<th>Total (2+3)</th>
<th>Family planning centres clinics</th>
<th>No. of beds available</th>
<th>No. of doctors</th>
<th>No. of nurses, midwives, dais etc.</th>
<th>Total (7+8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>13</td>
<td>63</td>
<td>86</td>
<td>3</td>
<td>396</td>
<td>49</td>
<td>159</td>
<td>248</td>
</tr>
<tr>
<td>1961</td>
<td>19</td>
<td>71</td>
<td>90</td>
<td>3</td>
<td>396</td>
<td>49</td>
<td>155</td>
<td>202</td>
</tr>
<tr>
<td>1962</td>
<td>22</td>
<td>73</td>
<td>100</td>
<td>N.A.</td>
<td>486</td>
<td>44</td>
<td>179</td>
<td>225</td>
</tr>
<tr>
<td>1963</td>
<td>22</td>
<td>84</td>
<td>106</td>
<td>N.A.</td>
<td>486</td>
<td>47</td>
<td>300</td>
<td>547</td>
</tr>
<tr>
<td>1964-65</td>
<td>22</td>
<td>96 *</td>
<td>120</td>
<td>11</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>-</td>
</tr>
<tr>
<td>1965-66</td>
<td>24</td>
<td>101 *</td>
<td>125</td>
<td>11</td>
<td>N.A.</td>
<td>54</td>
<td>N.A.</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources:
(2) Govt. of Manipur: Annual Administration Reports, Manipur, 1964-65, p.24 and 1965-66, p.35.
(3) Govt. of Manipur: Draft Outline of the Fourth Five Year Plan of Manipur, Chapter on Medical and Public Health Services.

* Including leprosy sub-centres, V.D. Clinics and T.B. Clinics.
ously pursued the following schemes of disease-control during the Third Plan.

1. The national Malaria Eradication Programme.
2. Tuberculosis Control Scheme.
3. Leprosy Control Scheme.
4. V.D. Control Scheme.
5. The National Small Pox Eradication Programme.
7. Control of Eye-diseases and

Also, during the Third Plan, the construction of a 259 bedded hospital at Lamphelpat, Imphal, was making a good progress and was nearly completed by the end of the Plan. Preliminary actions were taken up for establishment of a new T.B. hospital with 140 beds. Further it was during the Third Plan period that the services of specialised doctors were made available to the people of Manipur for the first time within the boundary of their own State.

**Progress of Water Supply:**

An adequate supply of drinking water is an essential item of any public health programme. The old Imphal Water supply scheme completed in 1913, as noted earlier, was meant to supply only 5 gallons of water of a day per head for population of
40,000. In 1955 a new scheme was taken up by the Central Water and Power commission to supply 14 gallons of water per person per day for 100,000 people. The scheme could not be implemented during the Second plan and was changed into a new 6 causec scheme of the Manipur P.W.D. in June 1960. The first phase of the latter scheme with a capacity to supply 3 causecs of water was completed by the end of the Third Plan. In more general terms, 3.24 million gallons of water would be available per day to the inhabitants of Imphal town by the end of the Third Plan.74

For rural water supply 766 tanks and wells were constructed, 282 existing ones were renovated and 59 small schemes of pipe-water supply in hill villages were completed and some other schemes were in progress during the Third Five Year Plan.75 Besides, 468 rural latrines and 672 soakage pits were constructed during the Plan.76

Thus public health facilities were gradually expanding in the State during the Third Plan period. But even at the end of the Plan many gaps remained to be filled. The existing facilities and the services so far rendered were far from being satisfactory. Most of the smaller hospitals, dispensaries and public health centres in the State were sub-standard institutions where there were shortages of nearly everything. Even

74. Ibid. Chapter on Medical and Public Health Services.
the Civil Hospital, Imphal the biggest and most well-equipped hospital in the State was no exception. Until recently the hospital had no Casualty Department and the nature of the service rendered in it was such that even for treatment of ordinary diseases the public preferred to go outside the State. And up till now Manipur has no mental hospital.

The sanitary services available in Imphal town and other small towns in the State are very unsatisfactory. The Imphal Water Supply Scheme distributes about 3 million gallons of water to different parts of the town, but there is no corresponding scheme of draining the refuse water coming out of thousands of family dwellings. Furthermore, services of food and drug inspectors are rarely available to the people of the fast growing town. The sanitary conditions of other small towns are by no means more satisfactory. In the rural areas where there is no problem of space, the need for sanitary services are not so keenly felt. The main sanitary problem there is problem of drinking water supply. The numerous tanks excavated during the last three Five Year Plans cannot supply water fit for drinking purposes.

Welfare activities for the scheduled tribes and the scheduled castes:

During the Third Five Year Plan a sum of Rs. 109.92 lakhs was spent on the welfare activities for the backward
classes in Manipur as against Rs. 85.77 lakhs during the Second Five Year Plan. Of this amount Rs. 103.87 lakhs were spent for the scheduled tribes and the remaining Rs. 6.05 lakhs for the scheduled castes. The main physical achievements were as follows.

(a) **Welfare activities for the scheduled tribes**

Under the programme of education for scheduled tribes 2532 primary and 1703 middle school scholarships were granted during the Third Plan. 52 L.P. school, 140 middle and 43 high school buildings, 94 teachers' quarters and 38 school hostels were constructed during the Plan. Under the economic uplift schemes for the tribal people 8 tribal development blocks covering the entire hill areas of Manipur were functioning; 315 miles of jeepable roads were constructed and 207 miles of inter-village paths were upgraded into jeepable roads, 240 wooden bridges were constructed, 4352 acres of land were brought under terrace-cultivation, 60,000 fruit saplings were planted, about 200 miles of irrigation canals were constructed 15 fruit preservation centres and 19 school farms were opened. Under

78. Ibid., Chapter on 'Welfare of Backward Classes'.
79. (1) Budget Speech of Mr. L. Solomon, the State Finance Minister, dated the 15th March, 1966.
(2) Draft 4th Five Year Plan of Manipur, Chapter on 'Welfare of Backward Classes'.
housing and public health schemes for the Tribal people about 500 houses were constructed and nearly 80 pipe-water schemes were taken up during the plan. Besides, 335 tribal cultural clubs were given grants and 14 rest camps and 19 marketing sheds were constructed during the first four years of the Third Plan.

(b) Welfare activities for the Scheduled Castes:

For the advancement of educational facilities for the scheduled caste people in Manipur 14 village libraries were established, one middle school building, 3 school hostels and 10 teachers' quarters were constructed during the Third Plan. During the same Plan, one middle school was upgraded into a junior high school and two high schools into higher secondary schools. 17 villages were provided with play grounds and 1279 scholarships were granted. Under the economic uplift scheme for the scheduled castes, 50 fly-suttle looms were distributed among the scheduled caste weavers and 205 units organised by S.C. people were given grants in-aid. Under housing scheme, 190 families were given C.I. sheets for roofing purposes.

Thus, welfare activities for the backward classes in the State were gradually expanding during the Third Plan. Yet many things remained to be done. For instance, although the number of scholarships for tribal students at the pre-matric stages was expanding at a fairly rapid rate, the scholarships failed to cover even 50% of the Tribal students. So also in
spite of the best efforts of the Public Works Dept. and Tribal Welfare Department to improve communication, many of the tribal villages are still inaccessible. Another point to be noted, and this is of great significance, is that as the Tribal Welfare activities grow in scale and as the tribal people become more enlightened, the proportion of these people who indulge in anti-social activities seem to grow larger and larger. This suggests that there must have been a major mistake in the basic approach to the problems of the Tribal people. To set right the past mistakes, if any, a deep re-thinking of the overall problems of the Tribal people is immediately called for.

Taking an overall view of the State's achievements in the field of social services we have to observe here that, in spite of the good achievements made in varied fields, there are still many gaps. For instance, our educational system has failed to correlate the outturn of educated young men with the man-power requirements of our social and economic development. Further, the moral aspects of education has been sadly neglected with the result that our educated young men are increasingly becoming indisciplined, easy-going and self-centred, while the need of the hour is sustained hard work and acceptance of the primacy of social needs over personal gains. Likewise, our public health programmes have failed to achieve the basic essentials of healthy life—a minimum drinking water, sanitation etc. Among the public health programmes directly connected with
economic development, family planning proves to be a failure. The programme is implemented in such a way that it fails to call forth from the people the necessary motivation. Similarly our Tribal Welfare programmes have failed to call forth from the Tribal people larger participation in the wider social and economic life of our great country.

It would be obvious from the foregoing discussion that the developmental efforts initiated in Manipur during the first decade of planning were intensified and carried on with a higher momentum, during the Third Five Year Plan. Nevertheless, because of lapses here and there the real achievements made during the plan were much less than what was expected. And the overall picture that has emerged from the review of the economic development of Manipur during the last two and a half decades or so is that the economic progress of the State has been painfully slow, even slower than what is warranted by the limited resources available to it.