In the earlier chapters the structural and dynamic aspects of the economic development of Manipur were examined in detail. Here, an attempt will be made to focus attention on the special features and problems of the economy of the State with a view to facilitating the spelling out of a strategy of development which may have as close a bearing as possible on its specific problems.

I

Although Manipur has a large geographical area relatively to her population (8,628 sq. miles for 7,80,037 persons in 1961),\(^1\) cultivable area of fertile land in the State is very small. Even if we assume that the whole of the Valley (nearly 700 sq. miles) is cultivable, cultivable land accounts for less than \(\frac{1}{10}\) of the total area of the State, the major proportion of the area being inaccessible hilly tracts the resource potential of which has not been surveyed. In this respect Manipur compares very unfavourably even with Assam, a state facing enormous problems of having large hill areas (22,732 sq. miles of hill areas out of the State's total area of 47,290 sq.miles).\(^2\)

\(^1\) Census of India 1961: District Census Handbook, Manipur Part I, pp.16, 23.
and with Tripura, another Union Territory having a large proportion (nearly 60%) of hilly tracts.³

Whereas India is fairly rich in minerals, Manipur has no workable deposits of minerals except small deposits of limestone in Ukhrul and Sugnu areas, the total reserves of which up to workable depths in the State being only 4.5 million tons. Therefore, the State cannot hope to develop mineral-based industries. Even the growth of non-mineral industries has been handicapped by the absence of coal to provide fuel.

The water-resources of the State are not very rich. No attempt has been made to estimate the total flow of surface-water in the State. Yet Manipur has a large number of streams and rivulets arising in mountains subject to heavy rainfall. But as the streams and rivulets are rain-fed most of the them, excepting those originating in mountain springs, dry up during the winter season when there is little rainfall. Therefore, the surface water-resources of Manipur are not very suitable for irrigation or power generation. The prospect of tapping underground water resources is even more bleak as the geological formation of the State is such that there is no layer of rocks to retain underground water.⁴

The forest areas of the State are fairly large (2,325 sq. miles out of the State's total area of 8,628 sq. miles), but the forests are of the mixed type and as such, their timber values are low. What is more, the larger portion of forest is still inaccessible and the resources in the accessible areas are recklessly exploited. It is very doubtful whether the State has any scientific sylvicultural policy. Moreover, the goodwill of the tribal people who inhabit the forest areas has not been won. This hampers many of the plans of the State Forest Department.

The areas of natural fisheries in Manipur are considerably large. But scientific pisciculture is a new arrival to the State and it is still unknown to the majority of the people. The production of wild fish is on the decline because of ruthless catches irrespective of size and types of fishes. Moreover, some of natural fisheries have been silted up and the Loktak lake, the largest fishery in the State, is menaced by water-hyacinth. For all these reasons production of fish cannot be stimulated inspite of large local demands for it.

Thus Manipur is, on the whole, poorly endowed with natural resources. She has, therefore, to make the best possible use of the meagre resources available. Moreover, she has to make up the deficiency by intensive efforts in other directions.

Although the absolute size of the population of Manipur (7.8 lakhs in 1961) is small, the State’s population is large relatively to her meagre resources. That the State’s resources are unequal to population is clearly visible in the relatively stagnant or even declining per capita income of the State and increasing volume of unemployment. We saw earlier that the per capita income of Manipur at 1960-61 prices declined from Rs. 192.40 in 1960-61 to Rs. 178.10 in 1962-63 and then rose to Rs. 182.45 in 1964-65. Regarding unemployment, the National Council of Applied Economic Research estimated the number of unemployed persons in Manipur at the end of the First Five Year Plan at 31,000 and the addition to the labour-force in the State during the Second Plan due to natural increase of population at 14,000. As against this the Council expected that the Second Plan would create employment opportunities for one half of the back-log at the end of the First Plan plus the new entrants in the labour market during the Second Plan. If these estimates were correct, Manipur would have 22,500 unemployed people by the end of the Second Plan. The figure of unemployed persons would increase further during the Third Plan period.

In 1961, 27.5 p.c. of the population of Manipur was in the age-group, 5-14 years. Assuming that nearly one half

6. Reference, Chapter VII.
of this was in the age-group 10-14 years, about 13 p.c. of the population of the State would be entering into the working age-group (15-64 years) during 1961-66. As against this, the persons in the age-group, 60-64 years who constituted about 3.5 p.c. of the State's population in 1961 would be going out of the working age-group during the same period. This means that the addition to the population in the working age-group made during the Third Plan period was about 9.5\% of the State's population in 1961 or about 74,000 persons. Giving allowance for full-time students, disability, death etc. we may estimate the new entrants in the labour-force in the State during the Third Plan at about 40,000. Therefore, if the Third Plan were to wipe out unemployment in the State, the Plan had to create employment opportunities for about 66,500 persons. However, there are reasons to believe that the job opportunities created during the plan fell far short of this figure. During the Third Plan there was little increase in the area under cultivation. Therefore, if the backlog and new entrants were to be employed, they might have been employed in small enterprises and services. But it is very doubtful whether these two sectors could give gainful employment even to 15-16 thousand additional people. These estimates are very rough; nevertheless, they give a rough idea about the employment situation in the State.

9. Ibid.
The rate of increase of population in the State has been phenomenal. During the sixty-year period, 1901-61, the population of Manipur increased by 174.2 p.c. as against 85.9 p.c. for the whole country, and during the last intercensal decade (1951-61), the increase was 35 p.c. in the State as against 21.6 p.c. in all-India.  

Another special feature of the population of Manipur is the relatively bottom-heavy age-structure. In 1961, the percentage of children under 15 years of age to the total population of the State was 43.13 as against nearly 40% for the whole country. 

A rapidly growing population with a bottom-heavy age structure will undoubtedly enhance the burden of economic development. The higher the rate at which the population grows, the larger will be the investments needed to maintain a given level of per capita income, and if the per capita income is to grow, still larger and larger investments will be required. But a rapidly growing population will require increasing amounts of resources to be devoted to immediate consumption, and to the extent that consumption increases, the stock of investible funds will be more and more deeply eroded. A rapidly growing population will also require diversion of increasing proportions of investible funds from directly productive activities to social overheads. Investments in social overheads are of course investments...
in human capital formation and as such, they are highly desirable. But they take a long time to yield the desired result and their contributions are indirect and less visible. Further, the rapid increase in population will also aggravate the general employment situation. The annual addition to the labour-force exceeds the number of jobs created by investments under the Five Year Plans. Consequently, the backlog of unemployed persons at the end of each Plan tends to be larger and larger. As a result of this mounting pressure of the jobless against slowly growing job opportunities a substantial number of people will spill over into already crowded sectors like agriculture, trade and services, thereby distorting factor proportions and depressing the incomes in such activities. Moreover, the bottom-heavy age-structure of the population of Manipur increases the dependency burden in the State.

As against this we saw earlier\textsuperscript{12} that the participation rate is higher in Manipur than in the whole country, suggesting thereby that the dependency burden arising from a larger number of children per adult is partially offset. But if we look to the income-content of employment or the per capita income in the State, we find that the higher participation rate is more a reflection of poverty rather than an indication of lower dependency burden.

\textsuperscript{12} Reference, Chapter I.
Regarding the quality of the population of the State as growth agents it may be noted that (i) although the percentage of literate persons to the total population is higher in Manipur (36%) is higher than in all-India (38.3 in 1961) and Manipur is 6th in the country in the matter of literacy with practically no drop-out problem, the proportion of literate persons in the working age group is very low in the State since modern education started late in Manipur and hence, a larger proportion of literate persons in the State are children below 15 years of age; (ii) there is an acute shortage of technical man-power and administrative personnel; (iii) even the number of persons with intermediate skills is very small; (iv) the degree of immobility of labour in the State is quite marked; (v) there is extreme dearth of entrepreneurship as the object poverty of the people, the social and economic climates in the State hamper the growth of entrepreneurship; and (vi) there is a strong tendency towards imitative luxury consumption.

But as against these unfavourable factors there are a number of favourable ones. First, the people of Manipur are active workers. At times they may be indolent, but when they work, they work vigorously. Second, the average intelligence of the Manipuri workers is not very low, they can easily adapt to almost any kind of work or technique. Third, the religious and social systems of Manipur have been liberal since very early times. Although the Hindu caste system is not unknown to Manipur

it is less rigid in the State. Likewise, although the joint family system is not unknown to Manipur, it is not of the extended type. In 1961 out of 29,456 sample households enumerated only 1,792 had ten or more members. Another favourable social feature of Manipur is the high status enjoyed by women and the active role they play in the economic life of the State. Unlike their sisters in many other parts of India, women in Manipur enjoy greater social freedom. They are very industrious and contribute a large share to the income of their families.

Here we are tempted to quote R. Brown who wrote in the hey-day of social conservatism in India.

"The women in Manipur, married or unmarried are not confined in zenanas as they are in Bengal or Hindustan; all classes are alike in this respect, neither do they cover their faces before strangers. They are very industrious..... Most of the work of the country (Manipur) except the heaviest is performed by them and they are consequently the mainstay of the family circle....... It would be difficult to find more industrious women in India than the Manipuri."

Thus the social system of Manipur has been more liberal than elsewhere in India since early times and as such the social barriers to economic development would not be as difficult to surmount in Manipur as in many other states in our country.

Moreover, most of the people in Manipur have developed a sort of economic self-respect or pride; "better to die than to beg" is the motto of most of them. It is for this reason that beggars are not to be seen in the streets of Manipur. Last, there is a strong co-operative tradition among the people. Associations for mutual help in the time of distress or expensive social ceremony, labour exchange in agriculture etc. have taken firm roots in the soil of the State. If the existing co-operative spirit can be channeled into modern ways, a good deal will be achieved.

III

A dominant sector of the State's economy is unorganised; agriculture, industry, transport and credit system are all unorganised. In agriculture peasant proprietorship occupies the dominant scene. A few co-operative farming societies and service societies have sprung up during the last few years. But they are mostly ill-organised. In industry, the joint stock company form of organisation, which is the most important form elsewhere, is unknown to Manipur. The small industrialists in the State are mostly single entrepreneurs. Even partnership organisations are few. Industrial co-operatives cover only a small sector of the industrial scene of Manipur. What is more, in these days of State enterprises, there is not even a single State owned industrial concern in the State. Lack of organisation is rampant
in the field of transport also. But for the Manipur State Transport, which is a State undertaking and a few transport co-operative societies, almost the entire responsibility is left to small and unorganised motor vehicle owners and cart owners. The monetary and credit mechanism in the State is equally unorganised. Joint-stock banks and co-operative credit institutions are new comers in the State and their number is extremely few and the scale of their business is also extremely small. Even indigenous bankers of the type found elsewhere in the country are unknown to Manipur. Under such circumstances unorganised money lenders still hold the reins of both agricultural and industrial finance in the State.

Bringing the State Government within the ambit of economic organisation, we find that the Manipur Administration is very weak. In an undeveloped region like Manipur, the Government is expected to play a dominant role in the betterment of the economic condition of people; they (Govt.) have to serve as the spearhead of progress. But Manipur is extremely unfortunate in this respect. Unlike the Indian Government which has been placed among a dozen or so of most advanced governments, the Manipur Administration is one of the weakest of its kind. For a long time Manipur was under the benumbing rule of the native princes. It was only after the integration of the State with the Indian Union in 1949 that modern administration was initiated in Manipur. "This meant" in the words of Mr. J.M. Raina, a Chief

Commissioner of the State, "that after integration many Departments of the Administration and many of the social services and amenities had to be built up from scratch". 18

However, the co-operative form of organisation holds out a good prospect in the fields agriculture and cottage and small scale industries. As noted earlier, co-operative spirit in the traditional form had taken a firm root in the soil of the State. If the existing spirit is given a modern tinge to serve the economic interest of the people, co-operative movement has a fair chance of success. This however, requires an honest, able and efficient co-operative leadership. At present, although the people have appreciated the philosophy of modern co-operative movement, honest and hardworking people do not like to join the existing co-operative societies most of which are in the hands of the so called progressive people of dubious character. Nor are the former category of people allowed to start new co-operative societies because the existing co-operative law requires that there should not be more than one co-operative society of the same type in one village.

It goes without saying that the organisational weakness of the State's economy raises serious obstacles in the way of her development. To put briefly and more generally, every developmental effort is less effective because of organisational deficiencies and to achieve a desired minimum in real terms relatively larger amounts of money will have to be spent.

18. J.M. Raina in his 'Forward' to "Manipur: A Decade of Progress", published by the Publicity Department, Manipur, 1962.
Equally arduous problems have been raised by the weakness of the infra-structure and shortage of social overheads in the State's economy. This matter has been discussed at length and a full chapter has been devoted to it. Here, we shall recapitulate a few salient points of significance. There are no railways in Manipur, nor is the State directly linked with the rest of the country with railways since the nearest railway station is far away from the geographical boundary of the State (68 miles). Inland water transport is possible during the rainy season when the small rivers and streams in the State are in spate. But this form of transport is at best seasonal. Air transport is too costly and frequently interrupted. Therefore, road transport is the only important means of communication within the State and between the State and the rest of the country. But since the roads have to pass amidst young-fold mountains subject to heavy rainfall and frequent and dangerous land-slides, road communication is very often interrupted. Besides, since the mountain roads have steep gradients and sharp curves, great risks are involved in road transport. To add to these natural difficulties there are anti-social elements in the hill areas threatening the security of passenger services and goods traffic. Furthermore, the risks in transport are not confined to road transport alone. Even air transport is more risky in this part of India because of the existence of lofty mountains covered with thick clouds for the most part of the year.
Coming back to road transport, we have to note a few more points. First, not only are the roads in Manipur in a bad state but also the road building agency, the Public Works Department, is not adequately staffed with technical personnel and equipped with adequate tools and machines for road construction. Second, the motor vehicles plying the State are too few to meet the increasing demands for road transport and a large proportion of them are over-aged. Third, management of transport is by no means satisfactory. The mounting loss incurred by the Manipur State Transport, the constant friction in inter State transport arising from the failure of the Manipur State Transport Authority to make reciprocal arrangements with Assam and Nagaland and a host of similar lapses testify to this point.

Thus whereas the whole country has a fairly developed transport system to support varied economic activities, Manipur does not have even the minimum amount of transport facilities for ensuring essential supplies of consumer goods for the people and raw materials for the few small scale and cottage industries in the State. As a matter of fact transport is a strategic bottleneck in the State's economy. Improvement of agriculture and industry will be extremely difficult in the absence of adequate transport facilities.

Want of power is another handicap to the development of the State. Whereas the whole country has a substantial amount of coal deposits and mineral oil, Manipur has nothing of these
Power-minerals. Her water power potential has not been exploited. Diesel sets are the main generators of power in the State. As such, power production is costly and meagre. The existing supply of power is so small (per capita consumption of electricity in 1958-59 was 1.78 units as against all-India 32.26 and in 1964-65 it was only 2 units) that not to speak of mechanising village industries and establishing new small and medium scale industries, even the few existing small scale units are operated below their capacity. Moreover, a comparison of the quantities of power generated and consumed shows that there is an unwarranted loss of power, which suggests either technological lapses resulting in larger loss of power in transit or administrative laxity resulting in illegal use of power by unauthorised persons.

The unorganised nature of the credit structure of Manipur was noted earlier in the section of economic organisation. Here we have to view the credit system as a part of the infra-structure. We may remember that there is no joint stock bank in Manipur except the Imphal branches of the State Bank of India and the United Bank of India. In spite of its predominantly agricultural nature, the State has no land mortgage bank. The co-operative credit societies in the State are few and ill-organised, and their resources are extremely small. Unlike other states in India, Manipur has no State Finance Corporation of her own. Loans granted by the State Directorate
Industries are too meagre to have any resolute impact. So are the loans granted by the Revenue Department for land improvement purposes. Moreover, there are a lot of procedural delays in both cases. Under these circumstances, money lenders still continue to be the main financiers in the State. But the money lenders charge exorbitant rates of interest and they cannot be brought under effective legal control. We saw earlier how the Bombay Money Lenders Act which was introduced in Manipur to control the maximum interest chargeable was easily evaded with impunity. 19

But more serious than the problem of high cost of credit is the problem of non-availability of credit. Funds are not available even if the borrowers are ready to offer high rates of interest.

Although Manipur is predominantly agricultural there is no irrigation system in the State worth naming.

There are no educational institutions in Manipur for imparting higher, or in some cases, even intermediate, education in agriculture, forestry, engineering, medicine and surgery, public administration, business management and other subjects closely related with the economic advancement of the State. Students sent outside for receiving technical education are few and their number cannot be increased according to the needs of the State because besides the question of limited number of seats available in the technical colleges outside the

19. Ref. Chapter III.
State, the Government of Manipur is not given a free hand even in the matter of reservation of seats for students from Manipur. The schools and colleges for imparting general education in the State are mostly understaffed, ill-accommodated and ill-equipped. The few technical institutions in the State are even more seriously handicapped.

The Public health institutions in the State are in equally precarious conditions. We noted earlier how the hospitals and public health centres are operating without sufficient number of doctors, beds and instruments. 20

The absence of a well-laid foundation of social and economic overheads raises serious obstacles in the way of the State's development efforts. It is a matter of common observation that before a minimum provision of these overheads is made, it is not possible to undertake profitably directly productive activities. But this minimum requires expenditure of huge resources since the overheads are, by their nature, very expensive. Thus a huge amount of investible resources will have to be diverted from directly productive activities to the provision of economic and social overheads and this will in turn, arrest the growth of income since the overheads take long time to result in a regular flow of income.

20. Ref. Chapters II, VI and VII.
The special features and problems of agriculture in Manipur were discussed in Chapter III. Moreover, the problems faced by agriculture in the State would be evident from the foregoing observations made in this chapter. Nevertheless, we have to sift out from the mass of facts presented earlier a few points which have a close bearing on the development policy of the State. First, although Zamindari system is unknown to the history of the valley of Manipur and Manipur has the highest percentage of owner cultivators in the whole country, the chief system amongst the Kukis in the hills is very much akin to the Zamindari system. With the abolition of the former in other parts of the country, the latter should also be done away with. But this raises the problem of compensation to the chiefs who enjoyed many rights; and this, in turn will make a draft on the State Exchequer. Second, the relatively secure land tenure which was established by a long evolution of customs and precedents has been shaken by recent developments. The propensity of the land owners to evict tenants on the ground of resumption of land for personal cultivation has been greatly increased because of the potential dangers they see in letting their land to tenants who have now been given

21. Government of India, "Report of the Scheduled Areas and Scheduled Tribes Commission" 1960-61, p. 459. This point is raised here not because the problem has no parallel in the rest of the country, but because it has a huge financial implication which adds to the difficulties of the State's developmental efforts.
so many legal rights, and also because of the progressively rising prices of agricultural produce. This propensity can easily be put into operation since the term 'personal cultivation' has been given such a wide connotation in the Manipur Land Revenue and Land Reforms Act, 1960 that even non-resident landlords are in a position to evict the tenants on the plea of resumption of land for 'personal cultivation'. Third, because of increasing pressures on land and half-hearted implementation of land reforms measures the rate of rent has risen far beyond the maximum legal limit. Fourth, the problem of fragmentation of land is serious. The average size of land holding in Manipur is much smaller than the all-India average. If a plot of land which is less than 2.5 acres is treated as a fragment, about 50% of the holdings in Manipur are fragments. This itself is a serious problem. What is more, such a small holding is often divided into fragments distributed over a wide area. Fifth, apparently, the degree of rural indebtedness is much less in Manipur than in all-India; but this is not indicative of a strong financial position of the cultivators but a reflection of non-availability of credit in the State. Sixth, the agriculturists in Manipur have also to face enormous difficulties in getting the necessary supplies of other inputs especially those imported from outside (e.g. chemical fertilisers, insecticides, improved seeds etc.). Because of interruption and high cost of transport the agriculturists cannot get the
inputs at the right time and at prices within their reach.

Seventh, although the rivers in Manipur are small, they can easily flood the small Valley. "Every year, the three main rivers of Manipur valley, the Imphal, the Nambal and the Iril overflow their banks, causing havoc in hundreds of villagers and rice fields. The danger has assumed an enormous proportion during the last few years because of (1) deforestation in the catchment areas, (2) reclamation of lakes which in the past used to absorb the surplus water, for cultivation and (3) encroachment with impunity upon river banks and adjoining areas by people with vested interest." Eighthly, there is the danger of depending only upon one major crop viz. rice which accounts for nearly 80% of the gross value of the agricultural produce in the State. Despite the fact that agricultural productivity in rice in Manipur is higher than in all-India, the per capita income from agriculture in the State is very low and this underlines the survival oriented economy of the State.

VI

The peculiar problems of industries in Manipur would be obvious from the foregoing observations because the problems of industry are in general synonymous with the problems of poor natural resources, inadequate human endowments, weak infrastructure, poor organisation and undeveloped agriculture.

In particular, we may note here the following salient points since they have a close bearing on the development policy of the State.

First, there are no large or medium scale industries in Manipur; even small scale industries are few, the industrial scene of the State being dominated by cottage industries, especially handloom weaving.

Second, industries in Manipur suffer in an unusual degree from transport bottleneck, power shortage, lack of finance and raw material and absence of organised marketing facilities.

Third, in these days of corporate enterprises, there is not even a single industrial joint stock company in the State.

Fourth, industrial extension services in Manipur are extremely poor. There are no industrial estates or common facility centres in the State. Special institutions for industrial development are conspicuous by their absence. The state has no Small Industries service Institute or State Finance Corporation of her own.

Fifth, in these days of State enterprises, there is not even a state undertaking in industry in Manipur under the State or the Central Government.
Among other problems of great significance special mention may be made of those arising from (1) the topography of the State—a small valley of 700 sq. miles surrounded on all sides by lofty hills covering an area of nearly 800 sq. miles (2) her location at the sensitive north-eastern frontier of India (3) the gross disparity in living standards between the Hill and Valley people and the presence of nearly 2,50,000 tribesmen (nearly ½ of the total population of the State) still beyond the pale of modern way of living and (4) the meagreness of the State's internal resources and her consequent dependence upon the centre to an excessive degree.

"The fact that nearly 92 per cent of the area is under hills ranging in height between 2,500 ft. to 10,000 ft. has proved to be a pivotal issue in the plans for the economic development of Manipur. It has been responsible for the isolation of the Territory for centuries, and now the development of all other sectors hinges on the development of transport". However, because of the nature of the topography of the State, development of transport is unusually difficult and expensive. The length of a mountain road connecting two important places has to be much larger than the actual distance between them since road alignment has to follow the natural contour of the hills. Very often the mountain roads have to pass through hard rocks.

the cutting or blasting of which is highly expensive. The costs of labour and of the movement of provisions for workers and road building materials and equipment in the wild interior hills will have to be necessarily high. For these and a number of other similar reasons road construction in the hills is unusually costly. But the story does not end here. Even after the roads have been constructed at high costs, miles of roads may be totally damaged by a single land-slide. To add to the natural difficulties, there are anti-social elements in the hill areas of Manipur who cause constant disturbance to road construction works. Besides the problems of road construction, there is also the question of safety in road transport. We noted earlier how road transport in the hills of Manipur is unusually risky and how the topography of the State has enormously enhanced the risk of air transport even.

The topography of the State leads to other problems as well. For instance, because of hilly terrain the proportion of cultivable land to total area of the State is very small. Moreover, agricultural practices in the hills have to be extremely costly or wasteful. Cultivation in the hills has been done either by terracing or by jhooming. The former is highly expensive as hill sides have to be cut with immense labour to make tiny fields which will have to be constantly irrigated. Moreover, as fields are too small for ploughing, the annual preparation of the soil has been done with spades and hoes only. This
Practice strictly limits the size of the land which a man can cultivate. Jhooming (shifting cultivation) is not very expensive from the point of view of the cultivator. But it is highly destructive to forest wealth and creates a gigantic problem of soil erosion. Dr. M.L. Bor, Botanist of the Forest Research Institute Dehra Dun, in his presidential address to the Botany Section of the Indian Science Congress went to the extent of saying "Of all practices initiated by men, the most anxious is that of shifting cultivation".25

Dr. Bor might have exaggerated the destructive effects of shifting cultivation. But one cannot deny that there is a large element of truth in his statement. It may be noted here that in Manipur about 1,83,000 tribals resort to shifting cultivation and the area of land they cultivate annually by the method is estimated 54,000 acres.26 This means that forest wealth covering 54,000 acres of land are being destroyed annually in this tiny State.

Soil erosion is yet another problem given rise to by the topography of the State combined with the destructive method of farming just described. The problem is not at present so serious in Manipur as in Western India. But it deserves attention at least for three reasons. Soil erosion will have to be checked for maintaining the fertility of soil in the hill areas, reducing siltation in the lakes and fisheries in the Valley and

25. Dr. Bor as quoted in the 'Report of the scheduled Areas and scheduled Tribes Commission', 1960-61, p. 146.
increasing subterranean flow of water. The problem of soil depletion is not so seriously felt to-day by the jhoomas (shifting cultivators) in the State as sufficiently large amount of land is available and as the jhooming cycle is long. But with the growth of tribal population and control or even prevention of jhooming over wider areas for regeneration of forest, the problem will assume an increasing proportion. We noted earlier that some of the valuable lakes and fisheries in the Valley of Manipur have been silted up. Unless soil erosion is checked in the hills the lakes and fisheries will be fully choked up in due course. Prevention of soil erosion with a view to increasing the flow of subterranean water is specially important in a region like Manipur where rivers and streams are fed only by mountain springs in the dry season.

Even the maintenance of law and order has been rendered extremely difficult by the topography of the State. The problems caused by the underground Nagas and other tribal people would have been easily solved if the tribal areas were plains. The topography of the State renders enormous advantages to the underground guerilla fighters. Because of advantageous physical environments in the hills, only one or two underground soldiers can easily encounter a whole platoon of the Central Reserve Police.

Thus the topography of the State raises a number of problems. Likewise, the fact that Manipur is a border State located in the strategic north eastern frontier of India creates
problems that stand in the way of her economic development. The State is easily exposed to danger of external aggression or at least infiltration into the State of foreign elements or of anti-social elements out of the State into foreign countries, both with sinister designs. This demands a strong border policing which, in turn, will divert scarce resources from development work. Another border problem is smuggling. Smuggling is a very profitable trade in the State. Therefore, resources are diverted from healthy investment to illegal trade. This undoubtedly hampers the economic development of State. Further, the black money earned by smuggling can easily subvert State policies designed to promote the economic wellbeing of the people.

That the hill areas of this border State are inhabited by various tribes has complicated the matter still further. Manipur has a proportion of tribal population (31.93%) fairly larger than the corresponding proportion in Assam (about 23%). Her tribal population is poor, ignorant, bereft of natural resources near home and widely scattered over a large area of nearly 8000 sq. miles. As against this her plains population, especially the Meiteis, is fairly advanced in economic conditions, education and social habits, and concentrated over a small area of nearly 500 sq. miles. Thus there is a wide gulf between levels of living of the Valley and hill people of Manipur, and the closing of the gap between the two sections
of people constitutes a crucial problem in the economic development of the State. The problem requires for its solution not only huge expenses to uplift the tribal economy at a higher rate but also leadership, patience and persuasive approach to wean away the tribal people from certain aspects of their socio-economic life (e.g. shifting cultivation, frequent migration etc.) which are not conducive to economic development. Unless the matter is carefully handled the discontentment of the tribal people which has already assumed an alarming proportion will further intensify and this will subvert nearly all plans of socio-economic development.

Lastly, there is the problem of meagerness of the State's internal resources and her excessive dependence upon the Centre. The annual revenue collection of the State is hardly 10% of the total annual expenditure. This is illustrated in the table on the next page.

The table 93 shows that during the ten years' period under review, whereas the revenue collection of the State registered about a three fold increase, the expenditure rose by more than ten times. This resulted in a sharp decline in the ratio of revenue to expenditure. What is more, the figures of revenue and expenditure show the State has to depend heavily upon the Centre even for meeting the expenses of general administration not to speak of developmental expenditure. Manipur being a Union Territory, she does not face much difficulty in getting Central
assistance. But the very fact she depends upon the Centre to an excessive degree reduces the power of the local administration very much. The Government of Manipur has to take Central sanction for nearly every thing. But this is a time-consuming process hampering the implementation of development schemes in the most advantageous time.

Table 93

Annual Revenue Collection and Expenditure of the Government of Manipur (¥. lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Collection</th>
<th>Expenditure</th>
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<tbody>
<tr>
<td></td>
<td>Tax</td>
<td>Non-tax</td>
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<tr>
<td>1954-55</td>
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Notes: * For 9 months only.
R.E. = Revised Estimates.
B.E. = Budget Estimates.