CHAPTER IX
DESIGN OF DEVELOPMENT

An attempt is made in this chapter to outline a workable strategy of the economic development of Manipur in the years to come in the light of the discussions given in the earlier chapters.

In chalking out the strategy the first question to be answered is whether Manipur should be treated as an economic unit by herself or as a part of a bigger economic unit. This question is of fundamental importance because different approaches to the strategy will be demanded according as we view the State as an economic entity in her own right or as part of a bigger one.

Since Manipur cannot have an independent economic, fiscal or monetary policy of her own, she should not be treated as an economic unit by herself. It would be well to view her as a distinct region in the great economic unit of India and to examine the problems of her economic development as part of the economic development of the great country. More specifically, the economic development of Manipur will have to be viewed as an essential element in the programme of the balanced regional development of the whole of India. Viewed in this manner, the economic development of the State may well be integrated with that of the country.
The idea of balanced regional development is not incompatible with national development. As a matter of fact, the balanced development of the different parts of the country, extension of the benefits of economic development to the less developed areas and a wide-spread diffusion of industries over the whole country are among the major objectives of the planned development of our national economy. Of course, it may be essential in the early stages of development to concentrate the scarce resources of the nation on certain selected areas where the conditions for returns are likely to be more favorable. But, once the minimum in terms of national income and growth of different sectors is reached, it becomes possible to provide for a larger scale development of the less developed regions. It should be a basic aim of national development that the less developed regions come up in due course to the level of the rest of the country. Here, we are tempted to quote a very significant para from the Third Plan document which brings out in precise and admirable terms the philosophy of balanced regional development. The para reads as follows:

"The two aims - increase in national income and more balanced development of different parts of the country - are thus related to one another and, step by step, it becomes possible to create conditions in which resources in terms of natural endowment, skill and capital in each region are fully utilised. Sometimes the sense of lagging behind in development may be due
not so much to a lower rate of overall growth in the region as to inadequate or tardy development in specific fields, such as, agriculture, irrigation, power or industry or employment. In each region the nature of problem and the impediments to rapid development in particular fields should be carefully studied, and appropriate measures devised for accelerated development. The essential object should be to secure the fullest possible utilisation of the resources of each region, so that it can contribute its best to the national pool and take its due share from the benefits accruing from national development.¹

It would be clear from the above quotation that the crux of the problem of regional development lies in ascertaining the specific problems of particular regions and the impediments that stand in the way of their development. Once the nature of the problem faced by a region and the hurdles to its development have been ascertained and once the development potentials of the region have been surveyed, the appropriate measures for its development would follow as a corollary. As for Manipur, it would be clear, from the nature of the problems of the State outlined earlier, Chapter VIII and also from that of her growth potentials surveyed in different parts of the thesis, that the State has very little prospect of establishing large scale industries, especially basic and heavy industries - industries which are often considered to be the spearhead of intensive and broad-based development. But she need not worry

simply because technical and economic considerations do not favour the establishment of these industries within her boundary. There is a tendency to exaggerate the significance of large scale industries of heavy and basic type in bringing about the overall development of the regions in which they are located. Instances are not rare of regions in which with little development of these industries the people have attained a high standard of living through fuller utilisation of natural and human resources, and of areas around massive projects where there is little sign of overall development. What is more, Manipur has considerable scope for development of small scale industries of modern type, agricultural processing industries, forest-based industries, light engineering industries and assembling operations etc. Besides, the State has a vast field of handloom industries, handicrafts and khadi and village industries which require modernisation and which, after modernisation, have a long tenure life even against the inroads of large scale industries located elsewhere. The real solution to the problems of the State, therefore, lies in a fuller exploration of these possibilities and availing of every opportunity that might arise. Manipur has to contribute her little mite to the pool of the national wealth of the country by developing industries of the type just mentioned and by increased projection in agriculture and allied fields. She has to depend on the sister States in the country for capital goods and products of complex industries, which are required either as inputs for
the development of her industries and agriculture or as consumer goods. There will thus be an inter-flow of wealth between the State and the rest of the country, which will have the effect of enriching both the State and the country.

The time is opportune for Manipur to take advantage of the attempt of balanced regional development of the country. India now seems to have reached the stage of development at which the planning authority might allocate more resources for the development of the backward regions without jeopardising the growth of the national economy as a whole. Synchronised with this opportunity, Manipur has now laid the minimum of infrastructure necessary for absorbing fairly large doses of investment; and with larger doses of investment in the immediate future, the further growth of the State's infrastructure will be stimulated. This will, in turn, permit still larger and larger doses of investment until the State comes up to the level of the rest of the country. It is highly essential that Manipur should not lose this opportunity.

The necessity of Manipur availing herself of this golden opportunity is reinforced by the fact that the gap between the level of her development and that of the rest of the country has been widened during the last few years. If per capita income is a meaningful indicator of the level of development, not only is Manipur lagging far behind the rest of the country but also the gulf between the levels of economic
development of the State and the rest of country has been widening. This will be clearly seen in the following table.

Table 94
The per capita income of India and Manipur

<table>
<thead>
<tr>
<th>Year</th>
<th>All-India</th>
<th>Manipur</th>
<th>Gap between the per capita income of India and Manipur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>At</td>
<td>At</td>
<td>At</td>
</tr>
<tr>
<td>1955-56</td>
<td>-</td>
<td>255.00</td>
<td>-</td>
</tr>
<tr>
<td>1960-61</td>
<td>310.00</td>
<td>310.00</td>
<td>192.40</td>
</tr>
<tr>
<td>1961-62</td>
<td>316.00</td>
<td>322.30</td>
<td>178.60</td>
</tr>
<tr>
<td>1962-63</td>
<td>314.20</td>
<td>322.90</td>
<td>178.10</td>
</tr>
<tr>
<td>1963-64</td>
<td>323.40</td>
<td>376.10</td>
<td>184.50</td>
</tr>
<tr>
<td>1964-65</td>
<td>339.20</td>
<td>427.1</td>
<td>182.45</td>
</tr>
<tr>
<td>1965-66*</td>
<td>315.30</td>
<td>430.1</td>
<td>214.80</td>
</tr>
</tbody>
</table>

**Sources:**
3. N. C. A. E. R.: Techno-Economic Survey of Manipur, p. 120.

* Provisional.

**Notes:** The per capita income of Manipur registered an abrupt rise in 1965-66 bringing about a sudden reduction in the gap between the per capita income of India and that of Manipur. However, income figures for 1965-66 given in the table are provisional, and it is very doubtful, against the background of the movement of per capita income in the State during the earlier four years, whether the sudden spurt in the per capita income of the State represented the real position of the economy of the State in the year.
The very fact that Manipur has been increasingly lapping behind the rest of the country in the matter of economic development clearly underlines the necessity of her utilising every bit of opportunity that may arise. On the other hand, this very fact is a pointer to the magnitude of the task lying ahead. As noted earlier, the economic development of Manipur is handicapped by several factors such as poor natural resources, immobility of labour, shortage of technical manpower, dearth of entrepreneurs, capital shortage, weak infrastructure, organisational deficiency, higher population growth, a large proportion of backward classes, unfavourable topography and location etc. Even if her present income per capita were the same as that of all-India these unfavourable factors would make it extremely difficult for her to maintain the parity in per capita income with the rest of the country. If we remember that the present per capita income of Manipur is far behind the all-India average, the arduousness of the task will enormously increase. The problem before the State is not merely a question of doubling or trebling the per capita income of the State by a certain date but one of catching up with the rest of the country which has already advanced far ahead. The problem demands for its solution rigorous discipline, single-minded devotion and vigorous and ceaseless efforts in the perspective of a well-conceived long-term development plan.
In any long-term plan for economic development, the need for a perspective can never be exaggerated because economic development is a continuous process "in which the priorities and objectives for each period are linked with a larger perspective". At each stage of growth, the development programmes in different fields will have to be conceived of and accepted as integral parts of a long series of co-ordinated efforts. This view of the development process will enable us to see the interdependence between the different sectors of the economy and between different programmes at the same time or different times and to understand in a clearer manner the possible obstacles to the development of the economy. Once the interdependence and obstacles are clearly visualised, it would be possible to take correct current decisions which might go a long way in achieving the overall objective of economic development. However, in the absence of such a perspective, the current decisions 'might be wrong and costly and might call for extensive corrections subsequently'. Thus a long-term view of the development process is a useful guide in framing policies and programmes and in evaluating progress. But the perspective itself needs to be reassessed from time to time in the light of actual achievements and experience.

Having emphasised the need for perspective planning our next problem is to enunciate the perspective for the economic development of Manipur. This is a tough problem. With the scanty data available to us, it is not possible to define the perspective in clear and precise terms. We may at best adumbrate it in the form of a working hypothesis. Our perspective would be something like this: Manipur should attempt at catching up with the rest of the country in the matter of economic development within twenty-five years or so: she should try to raise her income to such an extent that the per capita income of the State would come up to the level of the all-India average per capita by about 1991. We arrive at this hypothesis on the basis of a naive desire for closing the gap between the standard of living of the people of Manipur and of their fellow citizens in other parts of our country. But this hypothesis has important implications.

On the basis of the performances of the Indian economy during the first decade of planning and also on certain assumptions like implementation of land reforms during the early years of the Third Plan, stabilization of agricultural prices, orientation of live-stock and forest policies, giving greater attention to the development of fisheries, giving a mineral development policy to the short-term and long-term requirements of industrial development and export trade, giving dynamism to the industrial development policy with a view to fostering basic and key industries, allowing greater
freedom to the private sector to develop different types of industries to the extent of its capacity, development of transport and power facilities ahead of their actual requirement, reorientation of the educational system to create the requisite supply of man-power and managerial personnel of different categories, maintenance of a stable Government etc., the National Council of Applied Economic Research projected that India's national income in real terms would rise from its 1961 level of Rs. 14,500 crores at 1960-61 prices to Rs. 52,540 crores (at 1960-61 prices) in 1981 i.e. by more than 250% over a period of 20 years or at a compounded annual rate of 6.6%, and that the per capita income of the country at 1960-61 prices would increase from about Rs. 330 in 1960-61 to Rs. 388, Rs. 458, Rs. 564 and Rs. 792 at the ends of 1965-66, 1970-71, 1975-76 and 1980-81 respectively.  

The per capita income actually realised in 1960-61 (Rs. 326) was not very different from the projected figure of per capita income for this year. But because of the poor performance of the Indian economy during the Third Five Year Plan, the per capita income achieved in 1965-66 (Rs. 325) was significantly below the projected figure for 1966. This, and also the failure to fulfil some of the above assumptions and the delay in determining the final shape of the Fourth Plan, raises serious doubts about the possibility of raising the

annual per capita income of the country at 1960-61 prices to Rs. 792 by 1981. It may not be unreasonable to assume that this level of per capita income would be attained some years later, say, by about 1991. If Manipur has to attain the all-India average rate of development by 1991 her per capita income of that year will have to be about Rs. 792. Also we have projected the population of the State in that year at 22.4 lakhs. This estimate has been arrived at by extrapolating the population figures of Manipur up to 1981 projected by the Planning Commission. Therefore, to attain this level of per capita income (Rs. 792), Manipur will have to increase her annual income to about Rs. 17,740.8 lakhs by 1991. Thus if the State has to catch up with the rest of the country by that year her total income and the per capita income will have to be round about Rs. 17,740.8 lakhs and Rs. 792 respectively in 1991 as against only Rs. 1,993 lakhs and Rs. 215 in 1965-66. This means that the State has to achieve nearly nine-fold increase in the State income and nearly a four-fold rise in the per capita income within a period of 25 years if she has to come up to the all-India average level of economic advancement. To achieve this, the State and per capita


income of Manipur will have to grow at the compounded annual rates of 9.1 p.c. and 5.2 p.c. respectively. These estimates are very rough, but they provide a rough measure of the magnitude of the task lying ahead.

At first sight, it may appear quite unrealistic to aim at such a high rate of growth which is hardly likely to be achieved. But it would be equally unrealistic to give up the idea of catching up or to postpone its deadline. If the gap between the State and the rest of the country in the matter of economic advancement is to remain unmitigated forever, there is very little sense in economic planning. The gap must be increasingly reduced and eventually closed at some time or other. Also, we cannot think of too long a period for closing the gap. From the point of view of general life span of the common people, 25 years is long enough for aiming at almost

8.(i) If \( r \) be the annual rate percent at which the State income grows, \( 1993 \left(1 + \frac{r}{100}\right)^{25} = 17741 \)

Taking log of both sides,

\[
3.2996 + 25 \log \left(1 + \frac{r}{100}\right) = 4.2490
\]

or

\[
25 \log \left(1 + \frac{r}{100}\right) = 0.9494
\]

\[
\log \left(1 + \frac{r}{100}\right) = 0.0379
\]

\[
1 + \frac{r}{100} = 1.091 \text{ (taking anti-log)}
\]

\[
r = 9.1
\]

9.(ii) If \( r' \) be the annual rate at which per capita income grows, \( 215\left(1 + \frac{r'}{100}\right)^{25} = 792 \)

\[
23384 + 25 \log \left(1 + \frac{r'}{100}\right) = 2,8987
\]

\[
25 \log \left(1 + \frac{r'}{100}\right) = 0.5663
\]

\[
\log \left(1 + \frac{r'}{100}\right) = 0.0226
\]

\[
1 + \frac{r'}{100} = 1.053
\]

\[
r' = 5.2
\]
anything. If the period is too long, necessary incentives for sacrifice and hard work would not be forthcoming from the people. In that case there is every possibility that our objectives will never be realised. Therefore, the period of efforts for catching up should not be too long; at any rate, it should not exceed 30 years and our deadline of catching up should not extend beyond 1996.

However, in the light of the several handicaps faced by the State, achievement of such a high rate of increase in State income is by no means an easy job. But the task is not an impossible one. Along with the unfavourable circumstances of the State there are favourable considerations as well. For instance, although we aim at a very high rate of increase in State income, the absolute size of the State income of Manipur to be achieved after 25-30 years will not be large. It would well be within the attainable limit. Moreover, the State has not to face as much difficulty in getting funds for investment as the sister States in the country. Being a Centrally administered area, Manipur can rely upon the Central pool of resources with a fair degree of certainty and on a considerable scale. The resources required for investment may be very large relatively to the State's own resources, but they will constitute only a small drop of the all-India pool. Therefore, if the State develops its capacity to utilize Central assistance purposefully, the long term objective we have set out is not impossible of achievement.
This brings us to the distributional aspect of our perspective. To utilise available resources profitably and to generate new resources for further development, the widest possible public participation in planning efforts is called for. And to ensure this, our perspective will have to convince the masses of the people that the benefits of economic development will go a long way to the betterment of their economic well-being. It is only when the people are convinced that economic development will accrue to their advantage that incentives and enterprise will come forth from them.

An interesting issue that arises as a corollary to our consideration of the perspective of the economic development of the State is the scale of investments and their phasing needed to realise the long-term objectives visualised. But with the present state of our knowledge of the State's economy, it is not possible to give a meaningful projection of the needed scale of investments and their scientific phasing. Such a projection requires, besides an annual or plan-wise phasing of the desired increase in income, the determination of the capital output ratio not only for the economy as a whole but also for the individual sectors and industries therein. This is not an easy job. As "productivity depends not only upon the amount of capital employed, but on a large number of other factors such as the degree of technological advance associated with capital investment, the efficiency with which the new
types of equipment are handled and the quality of managerial and organisational skill brought to bear on the use of capital. A lot of empirical studies will have to be made to find out the impact of the changes in these factors on the productivity of the different industries for finding out the capital-output ratios in each of them. Such studies are obviously beyond the scope of the present work.

The projection will also require input-output analysis covering all the branches of production in the entire economy. If there are \( n \) branches of production in the economy, the input-output analysis will require the formation and solution of \( n \) simultaneous linear equations involving \( n \) variables. For the formation of the relevant equations empirical studies will have to be made to find the mutual relationships between \( n \) industries. Obviously, the number of such relationships will be \( \binom{n}{2} + \binom{n}{3} + \binom{n}{4} \ldots + \binom{n}{n-2} + \binom{n}{n-1} + \binom{n}{n} \). If there are, say, 500 branches of production i.e. if \( n = 500 \), the empirical studies to find out so many relations and the statistical problems involved in solving so many equations will be enormous even if the factor proportions are assumed to be fixed in the different industries. If it is however, obvious that factor proportions in different industries will vary along with economic growth and technological progress. If input proportions are

variable, the functional relationships between the level of output of each industry and the quantity of each input which would be required to produce it will have to be found out. This would enormously increase the statistical problems, and extremely complicate the relevant equations.

These are the difficulties involved in a static model of input-output analysis, i.e., input-output analysis with reference to a particular point of time. But the type of input-output analysis required for long-term development as visualised in our perspective will have to be necessarily dynamic. It will have to establish a link between the past and the present and between the present and the future. If this dynamic element is to be introduced, the complexity of the equations will enormously increase and the statistical problems will become astronomical.

Thus it is very difficult to make a scientific projection of investments. But such a projection is necessary for any successful plan for long term economic development. Therefore, the required empirical studies must needs be made by specialised agencies, preferably institutional ones. But the scope of empirical studies should not be confined to providing raw materials for a successful projection because such a projection tells only a part of the long story of planning. Planning requires among other things, exploration and assessment of resources, formulation of the Plan, definition of its stages, testing of projects to be included in the plan against certain objective criteria,
evaluation of the progress made when the plan or project has been actually launched and adjustment of the projected plan in the light of actual performances of the economy. In all these, empirical studies have a major role to play. At the same time, it must be remembered that empirical studies are not sufficient by themselves. It is only when empirical findings are rationalised in the light of theory that planning will become successful. All this underlines the necessity of fundamental studies in the physical conditions and the socio-economic life of the State under study. For making fruitful studies in these fields we may suggest:

(1) that arrangements should be made so that specialised agencies like the Geological Survey of India, Oil and Natural Gas Commission, Central Water and Power Commission etc. may be able to pay more attention to the study of the State's geology, mineralogy, hydrology, forestry etc; such studies will help in exploring the hitherto unknown wealth of the State;

(2) that a sub-centre of the Agro-Economic Research Centre, Jorhat, Assam the jurisdiction of which extends over Manipur as well may be established at Imphal to facilitate primary studies in the agro-economic problems of the State;

(3) that a planning institute on the pattern of the planning Research and Action Institute of Uttar Pradesh - "an agency for studying field conditions, identifying problems,
evolving solution in real life situations and then passing these on to the planners and field agencies for wide-spread application may be set up for Manipur;

(4) that the Department of Statistics, Government of Manipur, should be strengthened and reorganised and reconstituted into a Department of Economics and Statistics; the existing statistical staff should be strengthened and an Economics Section should be created to facilitate primary studies in the varied economic problems of the State; and

(5) that the Manipur State Planning Committee should be reorganised on the pattern of the reorganisation of the Indian Planning Commission suggested by Prof. D.R. Gadgil and the Administrative Reforms Commission. That is to say, the State Planning Committee should be so reorganised as to make it an advisory body of experts, and its functions should be assessment of resources, formulation of plans and determination of their phasing, appraisal of progress and making of related recommendations on policy and administration.

The basic aim of the studies to be made by these agencies should be identification of problems. But even before such specialised studies could be made a broad outline of the

11. Anand Sarup, Director, Planning Research and Action Institute, Uttar Pradesh, in his introduction to the eleventh annual report of the Institute.
development strategy for Manipur may be suggested, on the basis
of our own scrutiny of the scanty data currently available, with
a view to realising the long-term objective set forth above.

As noted in the introductory chapter of this thesis, development depends not so much on the utilization of readily available resources as on calling forth and enlisting for development purposes resources and abilities that are hidden, scattered and badly utilised. But stimulation and direction of latent resources depend, to a large extent, upon the initiation of the development process because it is in the very phenomenon of development that latent resources and abilities are called forth and new ones are generated and made available for development purposes. Therefore, the crux of the problem lies in initiating the development process and in maintaining and accelerating it. This is a very formidable but not an absolutely impossible task. We know from Prof. Hirschman that investment is a many-sided actor on the economic scene. It serves simultaneously as an 'income generator' a 'capacity-creator' and a pace-setter for additional investment. Therefore, by arranging initial investments of sufficient magnitudes and by channeling them in the right directions it would be possible to initiate the process of development and then to increase its momentum by additional doses of investments. Since the basic aim of investment is economic development and since the latter results

from the former, investments must be devised in such a way as to create the conditions for the success of further investments in the future. They should be so designed as to ensure a regular flow of capital and to break the fundamental socio-economic barriers which obstruct the growth of the economy. To achieve these objectives with the limited means in hand, investments in different channels will have to be based on a rational scheme of priorities, and all the investments in the varied directions are to be so related with one another as to constitute an integrated structure.

Within the general framework and also in view of the specific circumstances of Manipur, a broad strategy of the economic development of the State may be outlined as follows:

(1) To ensure a steady flow of capital, the State has to make the utmost effort on its own account by increased taxation, utilisation of its surplus rural manpower in capital construction and a number of similar measures. But for a fairly long period of time the State has to depend upon Central assistance for supply of investible funds, and today, the State's immediate problem is to increase its capacity to assimilate more effectively the Central assistance into its economic system. To increase the capital-absorbing capacity of the State, the supply of co-operant factors like technical knowledge, skilled personnel, geographical and occupational mobility of labour etc. should be assured.
(2) For bringing about fundamental changes in the social and economic environments which arrest the growth of the State's economy, adequate emphasis should be laid on the development of social and economic overheads in the five year plans of the State.

(3) As between balanced growth and unbalanced growth, the latter may be advocated for Manipur since it would be impragmatic and uneconomical for an undeveloped region like Manipur to take up multi-pronged investments simultaneously in all the sectors of the economy. Balanced investments would not be pragmatic because, a poor region like Manipur does not have sufficient resources to undertake simultaneous investments in all fields; it is uneconomical because, such an approach would sacrifice the advantages of induced investments.

Yet for successful implementation of investment programmes undertaken in a few selected fields, a sort of material balance in the individual schemes is found essential. It is because of failure to provide for such a balance that many schemes of development could not be implemented in the State in spite of availability of funds.

(4) Regarding the choice between investments in directly productive activities and those in the construction of social and economic overheads, the latter has to be given higher priority in Manipur for some time to come since the
State has not yet attained the minimum level of development of these overheads, which is essential for the smooth operation of directly productive activities in agriculture and industries.

(5) As for choice between the different types of directly productive activities and between the alternative sequences in which they may be arranged, it would be necessary to work out the relative linkage effects of different activities put in different sequences to make the right choice. These linkage effects have not so far been worked out for Manipur. But since the possible forms of economic activities in the State are relatively few, a broad priority may be laid down. Generally speaking, emphasis will have to be given to the development of agriculture and demand-based, material-based industries since these may be undoubtedly regarded as the leading sectors in the State's economy.

(6) Since technical and economic considerations do not favour the development of large-scale and capital-intensive industries in Manipur, the technique of production to be adopted for the State is obvious. The industrialization programme of Manipur has to rely mainly on small and medium industries of low capital intensity. The State is the home of labour-intensive cottage industries and handicrafts. These industries, if modernised, have a good scope in the State because there will be enough room for these industries even after a maximum programme of large scale industries is implemented in the rest of the
As there is a wide disparity in the levels of living of the people in the hills and plains of Manipur, stepping up of the rate of development of the hill areas and economic integration between the hills and the valley constitute a central theme in the economic development of the State.

Since the obstacles to economic growth are formidable in Manipur and since private enterprise is very weak in the State, the Government has to assume the major responsibility in the developmental efforts of the State. This necessitates the toning up of the whole administrative machinery of the State.

To step up the rate of economic development of the State against formidable obstacles scientific planning (for development) is an absolute necessity. But unfortunately, scientific planning has yet to start in Manipur. As noted earlier in chapter VII the Five Year Plan documents of Manipur are merely lists of disjointed, or at best loosely connected schemes, embodying not a single word on the general objectives, the strategy and the perspective. Even physical targets are rarely mentioned in the plan documents. It is, therefore, quite understandable that the performance of the Five Year Plans in Manipur has been much poorer than that of the all-India plans.
Nevertheless, a study of the investment patterns in the first three Five Year Plans of Manipur would reveal that the Five Year Plans of the State had a broad implied strategy. This is: by developing the economic and social overheads especially transport and communication, education and tribal welfare services the State would be able to prepare the ground for development in future. This strategy is quite understandable in the peculiar circumstances of Manipur. However, this broad strategy tells only a part of the story.

There are, moreover, several loopholes in the formulation and execution of the Five Year Plans of Manipur. A few instances will substantiate this point. First, it seems that the idea of physical planning is almost alien to the planners in Manipur. Since the real objective of economic planning is to be achieved in real (physical) terms, it is necessary not only to provide for resources in financial terms but also to see that what is sought to be achieved is practicable in real terms. Fulfilment of physical targets requires an examination of plan proposals from a variety of viewpoints - whether the money value represented correctly the appropriate physical quantities, whether there is consistency in the proposals in physical terms, whether it would be possible to make mutual adjustments among the sectors. In the case of the Five Year Plans of Manipur such considerations are neglected. Secondly, the Five Year Plans of Manipur fail to formulate a set of objective criteria for testing
a scheme or proposal submitted for inclusion in the plan. In the absence of such criteria, whether or not a particular scheme should be included in the five year plan would largely be decided by political pressures and not by the objective merit of the scheme. As a matter of fact, schemes of development have been decided more on the basis of the relative political influence of the N.L.A's within whose jurisdiction the schemes were to be located. Thirdly, annual phasing of the Five Year Plans is not carefully done and annual plans are not strictly followed. For the purpose of satisfactory execution, a Five Year Plan has to be broken down in terms of time-periods as well as areas of activities. The Five Year Plan has to be broken down into annual plans and the annual plans have been broken down into allocations for different types of activities to be located in different areas. Once this is done the annual plans need to be strictly followed. The practice in Manipur is quite contrary to this. Fourthly, investment allocations in the Five Year Plans of Manipur are defective. All the three plans of the State sadly neglected agriculture and irrigation and industry and power. Thus even though the broad strategy of the plans recognised the importance of social and economic overheads, detailed allocation of investments failed to place adequate emphasis on two basic items of economic overhead - power and irrigation. Fifthly, although frequent evaluation of Plan achievements is necessary for unearthing lapses and suggesting remedies therefore, plan evaluations
are almost unknown to Manipur. Sixthly, lack of cooperation between different agencies for implementing plan schemes and want of co-ordination between the different Government departments are rampant in Manipur. Eighthly, planners in Manipur fail to take advantage of past experience. For instance, that shortage of technical manpower was a strategic bottleneck hampering the implementation of plan projects was realised as early as the beginning of the First Plan. But since the later plans failed to make adequate provision for technical education, shortage of technical personnel continued to be as serious a bottleneck as before up to the end of the Third Five Year Plan. These loopholes will have to be plugged if the State has to make quicker pace in economic advancement.

(10) Our development strategy will have to take into account one extra-economic factor viz. maintenance of law and order. This point needs to be emphasised because several development projects in the State, especially those in the hill areas, have been held up or slowed down due to disturbed law and order situations prevailing there. Economic development needs to be preceded by stable law and order situation. Therefore, maintenance of law and order deserves as much attention as any economic factor in the plan for economic development.
This, in brief, is the broad strategy to be followed for the economic development of Manipur. To put the strategy into operation appropriate policy measures in specific fields of development are called for. These are spelt out in the following paragraphs.

A

Policies on the development of natural resources may be pursued along three directions viz. exploration of new resources, better utilisation and conservation of existing resources, and finding out of new uses of existing resources. At present, the natural resource potentials of Manipur are largely unexplored. To take a few instances, although the occurrence of valuable minerals like nickel, copper etc. in the eastern border of Manipur is reported,\textsuperscript{14} the workability or otherwise of the deposits has not been fully explored. Likewise, although occurrence of oil bearing rocks in Manipur is not unthinkable since the State lies between the oil-bearing belts of Assam and Burma, nothing has been done to explore the possibilities. So also, the water-resources of the State have not been surveyed. However, a broad view of the land and water resources of the State does not rule out the possibility of a few river valley projects in the State. For instance, it is worth while to explore the tech-

nical feasibility of constructing a dam across the Imphal river at or near Kngpokpi for irrigating the Valley of Manipur. These are only a few of the numerous examples of unexplored resources of the State, but they are enough to emphasise the necessity of a systematic attempt at the exploration of the hidden wealth of the State.

Not only are the State’s resources largely unexplored, but the already known resources are not optimally utilised. There are cases of under-utilisation side by side with those of over-utilisation unaccompanied by any attempt at conservation. Thus while the land resources in the Valley are overworked and little attempt has been made to maintain the soil fertility, land resources in the hills are very little utilised. So also, while some of the forests in the State are overworked or recklessly exploited, some other forest zones remain practically untouched. Likewise, the fisheries in the State are not properly utilised. While wild fishes are ruthlessly caught irrespective of size and type, very little has been done to regenerate the fisheries by introduction of modern piscicultural practices. These instances point to the inevitable conclusion that our development policy should aim at the conservation and regeneration of the resources which are already overworked and the optimum utilisation of untapped ones. It is essential that some steps should be taken towards this end. For instance, systematic soil survey of the State, covering at least the whole of the Valley in the
first instance, will have to be undertaken with a view to finding out the suitable crops and soil nutrients in the different parts of the State. Simultaneously, attempts have to be made to ensure the supply of the necessary soil nutrients. For regeneration of fisheries, along with the development of the physical environment of lakes, beels etc. some measures like legal restriction of catch and sale of fish below certain minimum sizes, regulation of fishing during the breeding season, liberal supplies of fish seeds by the Fishery Department, etc. may be adopted. To ensure better utilisation of land and forest resources in the hills a co-ordinated attempt should be made to tackle the problems of soil erosion, shifting cultivation and scientific management and regeneration of forests. These efforts will have to be synchronised with attempts at increasing the productivity of existing forest and land by making them easily accessible through a network of roads.

Finding out of new uses of existing resources is equally important. If ordinary materials which go to waste in our daily life could be utilised profitably by new process of production, or if things which have low value to day because of unscientific utilisation could be converted into valuable goods by new techniques of production, it will go a long way to the betterment of the economic conditions of the people. For instance, very recently the Regional Research Laboratory, Jorhat, Assam of the Council of Scientific and Industrial Research has invented a
process by which ordinary waste materials like paddy husk, saw dust, bagasse etc. can be pressed into hard boards, which may be used for a variety of purposes like making of ceilings and partition walls. Such types of materials are available in Manipur in considerably large quantities, and by adopting the process invented by the Laboratory, they could be profitably utilised. Likewise, Manipur raises every year a large harvest of heikak (trapa) which is very rich in starch and protein. At present trapa is used in crude forms as subsidiary food, but if it can be processed into flakes or flour, it will constitute a good food item which can be stored for a long time. It would be worth while to explore the technical feasibilities of the process. So also, the land resources in the hill areas of Manipur which are at present poorly utilised may be put to cultivation of tea, cotton and fruits. 15

15. In the 19th century Manipur used to export tea seeds and tea to Assam (Vide Foreign A Political Proceedings, 1863, Dillon to Aitchison, 20 January 1863, No. 6; January 1863, No. 100; January 1864, No. 162, Bevinridge to ofc. Secy. No.2, 13 Dec. 1863). Up till now tea plants of luxuriant growth are visible in the hill areas of Manipur. Also, Agricultural Officers in Manipur are of the opinion that the soil and climate of the hill areas of Manipur (laterite soil with good slopes and heavy rainfall) are suitable for tea cultivation. As for medium staple cotton and fruits agronomic trials have been made on Government farms and results have already been propagated to progressive cultivators.
Development policies on population and human resources have to be devised and pursued along two lines viz. reduction in the rate of growth of the population and increase in productive capacity of the population. For reducing the growth rate reliance has to be placed on popularisation of family planning; and for increasing the productive capacity of the population better investments in human beings in the form of education and manpower planning may be visualised. Side by side, attempts have to be made to develop and to make the best use of the favourable characteristics of the population and to curb the unfavourable ones. Further, as a long term measure to be implemented when conditions are ripe, we may envisage transfer of population from the Valley to the hills.

The need for popularising family planning in our country is very great. Thus "under Indian conditions, the quest for equality and dignity of man requires as its basis both a high rate of economic growth and a low rate of population increase. Even far-reaching changes in social and economic fields will not lead to better life unless population growth is controlled. Limitation of family is an essential step and inescapable ingredient of development". If family planning is essential under the over-all Indian conditions, it is more so in the particular context of Manipur because, as noted earlier, the rate of growth

of population in Manipur during the last 60 years or so was much in excess of the all-India average and also because the State is much poorer than the rest of the country in terms of resources.

Thus family planning is a must programme. It must be popularised to such an extent as to make it a people's programme. However, three factors are essential to make the programme a success. These are the motivation or incentives on the part of the people to adopt family planning devices, the ease or difficulty with which and the cost at which the devices are available and the risk or safety involved in using the devices. Regarding the first factor, Manipur is rather fortunate. There is not much difficulty in creating the necessary motivation for family planning among the people in the State. The relatively liberal attitude of the people towards life and religion, their innate desire for economic self-sufficiency and keen sense of economic self-respect and the active role of women in the economic life of the people go a long way in creating the necessary incentives for adoption of family planning methods. It is the second and third factors that stand in the way of expansion of family planning programme in the State. The number of family planning clinics (11 in 1965-66) is too small to cater to the needs of the people. The cost of contraceptives and other devices are beyond the reach of the people who are in greatest need of family planning. But the factor which has raised the greatest
hurdle in the way of the programme is the question of safety. Most of the women who used family planning devices, especially, the 'loop' suffered heavily, and they had to undergo long and costly medical treatment. To add to these, the attitude of the clinical staff in most of the family planning centres in the State is reported to be by no means commendable. Therefore, if the family planning movement in the State is to be made a success something must be done to increase the availability of family planning services and devices and the safety in using them, and to decrease the cost. Moreover, the attitude of the doctors and nurses has to be changed.

For increasing the productive capacity of the people emphasis has to be laid on public health services and skill formation. The widest gaps in the public health services in Manipur are witnessed in water-supply both urban and rural, sanitation and supply of medical personnel. Therefore, in the public health programme of the State top priority has to be given to water-supply, sanitation and training of medical personnel.

Regarding skill formation, Manipur has already laid an extensive foundation of general education. But her performance in the field of technical education is very poor. Moreover, avoidable wastes have come about an account of faulty planning in the educational system in the State. To avoid the waste and to correlate the products of education with the man-power needs of the State's economy a few basic principles of educational
planning will have to be followed, in the immediate future. First, the plan for development of education must be an integral part of the general plan for social and economic development. The former must not be isolated from but must be built into the latter. Second, since education is both a means of expanding economic activities and the end to which economic activities are directed, any plan for educational development should strike a balance between education for good life and education designed to secure the material basis upon which such life stands. Third, in order to avoid waste of manpower, there should be a proper balance between the different stages of education, primary, secondary, university and adult-education. Fourth, to avoid maladjustment between the out-turn of educated young men and employment needs or job requirements, there should be a scientific system of manpower planning. Fifth, the content of education and the technique of instruction should be deliberately made production-oriented; they should be of the problem-solving type. Sixth, if education is to be treated as investment in human beings, the expenditure on education should form a part of the capital budget, a certain percentage of each individual project of economic development being earmarked for training in the necessary skills. This will not only ensure the supply of technical manpower but facilitate the financing of the educational programme. Public loans and even deficit finance will be justified for financing education if education forms a part of the capital investment project. Seventh, since resources are scarce, educational
planning has to be selective. Priority should be given to those items of education which pay off quickly. Eighth, since an advanced stock of knowledge is already available in other parts of the world, research and development programme in underdeveloped regions may be more profitably directed to adaptation of known techniques to local resources and needs rather than to research in fundamental theory.

Along with the formation of new skills, existing skills should be effectively utilised. Manipur has a considerable amount of skill in household industries and handicrafts. If these industries are reorganised and rejuvenated on modern lines, not only can the existing skills be utilised far more effectively but they can be given a new orientation. Besides the skills, the people of Manipur have, as noted earlier, certain favourable characteristics like co-operative spirit, economic self-respect, capacity for hard work etc. which may be harnessed for economic development. But to harness them, the people will have to be organised under an able leadership which includes not only leadership in the realm of politics but also, and more importantly, leadership in professions, administration production and distribution. Therefore, development of leadership in the varied fields of the economic and social life of the people is an immediate necessity to which adequate attention has to be paid. At the same time attempt should be made through education and propaganda to curb certain unfavourable individual and social

17. cf. Ibid., p. 29.
behaviour like imitative luxury consumption, wasteful social expenditure etc.

As a long-term measure of increasing the productivity of the people of the State we may think of transfer of population from the Valley to the hills. While the Valley of Manipur is overpopulated, the hills are very sparsely inhabited. But we cannot think of immediate transfer of population from Valley to the hills. The transfer will have to be preceded by the development of the hill areas, and it will have to be an essential element of the policy of economic integration between the hills and the Valley to which we shall turn a little later.

C

Turning to entrepreneurship and economic organisation we have to observe that perhaps, the scarcest human factor in Manipur is entrepreneurship. The social and economic environments of the State, absence of bold and forward-looking individuals capable of carrying out innovations and of assuming risks, general premium on ascribed economic status of man, shortage of basic economic overheads especially credit institution, transport and communication and power, small internal market etc. have arrested the growth of entrepreneurship in the Schumpeterian sense. In future also Schumpeterian entrepreneurs are not likely to come forward. This does not, however, mean that development of entrepreneurship in the State is impossible. As a matter of fact, the
Schumpetarian concept of entrepreneurship is outmoded. Today we no longer think in terms of individual entrepreneurs. The entrepreneurship function is today jointly performed by a large body of shareholders of joint stock companies. It is, therefore, possible to develop this scarce factor through organisation of joint stock companies in industry, trade and finance. The few industrialists, traders and men with knowledge of business organisation in the State should be given the opportunity to take the lead in organising joint stock companies and, they should be given every encouragement and co-operation. After this, something remains to be done. In the days of single entrepreneurship, the entrepreneur was the innovator, the manager or organiser and the risk-bearer. When joint stock companies are formed only the last function is taken up by the shareholders. The work of innovation will have to be done by specialised institutions or individuals engaged in research and development and that of management by another set of business executives especially trained for the purpose. Therefore, for development of entrepreneurship it is essential to take up along with formation of joint stock companies, a comprehensive programme of training in business administration and an equally comprehensive programme of research and development. These programmes will have to constitute an essential part of development planning for the State. Manipur may be too poor to establish her own schools of business administration and research institutes. But she can easily afford to send some
of her meritorious young men for studies in institutions outside the State.

Another measure which will have the combined effect of solving entrepreneurial problems and securing a better economic organisation in the formation of co-operative societies in varied fields of economic life. The spirit of co-operation as evinced by the system of labour exchange in cultivation and household industries and in various types of associations for mutual help had taken deep roots in the social life of the State. If the existing spirit is directed along the channels of modern co-operative movement a lot of things may be done in the interest of the economic well-being of the people. But to do this an able, efficient and dedicated leadership is required. At present, the co-operative leadership in the State is weak, inefficient and even corrupted. But it must not be forgotten that the social structure of Manipur is not very unfavourable for the development of co-operative leadership. In States where there is a sharp cleavage between the urban and the rural population and between class and class or between caste and caste, the problem of co-operative leadership assumes an enormous proportion. "The classes such as the intellectuals, professionals, administrators or leaders in trade and industry from among whom leadership for pioneering in the co-operative field could most easily come" do not

understand the problems of peasants, artisans or labourers - the classes of people to whom leadership is provided - since the former classes are not in close and continuous touch with the latter and the poorer classes have a deep distrust in out-side leadership (of the higher classes) since they (poor classes) have "lasting memories of oppression, exploitation or at least of neglect or indifference of the urban and the advanced caste and classes" 19 towards their problems. Nor are the poor classes able to produce immediately leaders from among themselves. Such problems do not arise in Manipur since there are no sharp cleavages between the rural and urban people and between one class or caste and another in the State. The few intellectuals, professionals and business leaders come from amongst the peasants and artisans, and as such, they have sympathy for the poorer sections. But this does not mean that Manipur has no problem of co-operative leadership. It is a pity that at present co-operative leadership is not provided in Manipur by intellectuals and professionals most of whom are engaged in public services and professions which are more paying. At present, co-operative leadership in the State is in the hands of politicians and their followers whose sincerity and honesty are very often questioned. As a matter of fact, honest and hardworking people keep aloof from the (co-operative) movement since they do not like to join hands with the so-called progressive people whose integrity is highly doubtful. Nor are

19. Ibid., p.72.
the former allowed to form new co-operative societies of their own since the existing co-operative law of the State requires that there should not be more than one society of the same type in one village. The solution to the problem, therefore, lies partly in drawing the educated and professional classes into co-operative movement and giving them the opportunity to get a good technical knowledge about the problem and to do some amount of original thinking on the same and partly in removing the legal restriction to start new societies which will eventually eliminate the existing ones under the guidance of men of dubious character. Since the ultimate objective of development of co-operative leadership is to acquaint the people with the philosophy of the movement as the cure of their economic ills and since the movement is at present under the paternal care of the Government, it would be necessary to emphasise here the responsibilities of co-operative leadership in relation to the Government and the general public. Co-operative leadership should, in the words of U Nyi Nyi, "never relax in making honest and sincere efforts to spread the co-operative message among the people, to clarify any doubt or controversial issues that may arise and to counteract all hostile and biased propaganda against the movement. In its relation with government, co-operative leadership should not allow any legitimate co-operative cause to suffer by default of vigorous and skillful presentation". 20 A new leader-

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ship with this sense of responsibility will go a long way in solving both organisational and entrepreneurial problems.

Yet another measure for developing entrepreneurship is that the State should make liberal provisions for development of the basic social and economic overheads. Once this is done individual or institutional entrepreneurs will come forward and enter the field of production. Lastly, the State may directly enter the field of industrial production. In these days of State enterprises, the Government of Manipur does not have any industrial enterprise. Nor is there any Central project within the State. It is high time that some important State enterprises are established in Manipur.

Thus with the intensification of developmental efforts increasing demands have to be made on the Government. But, as noted earlier, the Government of Manipur is one of the weakest of its kind. Therefore, something must be done to improve the administrative machinery of the State. The following suggestions may be made in this connection.

First, the Government of India may spare a few senior officials with a sense of dedication to public service to serve in the key posts of the State Government, and to make the best use of their vast administrative experience in the interest of the State. These officials should be required to acquire sufficient knowledge of the local conditions of the State within a
reasonable period of time. 21

Second, for appointment in subordinate ranks (like undersecretaries and extra assistant commissioners) preference may be given to domiciles of the State. And these local men who are normally expected to infuse fresh blood should be given a sort of on the job training under the guidance of the senior officials from the Centre.

Third, a few meritorious young men in the State may be recruited to the junior ranks of Central services, with a primary object of giving them a kind of in-service-training.

Fourth, senior officials of the State who are essentially few in number should not be sent outside the State. 22

Last, the integrity of public servants and their loyalty to public cause should be emphasised. Being the enlightened servants of the people, they should strictly abide by the decisions of the representatives of the people on public policies. At the same time, political interference in the normal working of public servants should be scrupulously avoided.

21. Youngmen below 40 years of age are often sent to Manipur to serve as Chief Secretary, Secretary, District Magistrate etc. as if the State were the training ground of the young civil servants belonging to the I.A.S. cadre. Moreover, most of the officials do not care to learn local language or to know the conditions of the State.

22. The usual practice is to send outside the State the senior officials who belong to the State.
provided in the form of road transport. For this purpose, the following measures are, among other things, considered essential.

(i) Construction and development of some interstate roads of the standard of national highways. The National Highway No.39, the Kamagaon-Kareth road which runs through the heart of Manipur and which is at present below the standard of a national highway should be fully developed. And serious attempts should be made to complete the construction of two new interstate roads—the New Cachar Road and the Churachandpur—Tipaimukh Road as early as possible.

(ii) Improvement of the existing State highways and district roads to the status of at least waterbound macadam and vigorous implementation of the Twenty Years' Road Plan, referred to earlier, for construction of new roads.

(iii) Strengthening of the technical staff of the Public Works Department, Manipur and better equipment of the Department with road building machines and tools.

(iv) Making of satisfactory reciprocal arrangements between the governments of Manipur, Assam and Nagaland for smooth operation of inter State transport.
(v) Strengthening the fleet strength of the Manipur State Transport and other organised transport operators and replacement of overaged vehicles.

(vi) Overhauling of the management of the Manipur State Transport and the transport co-operative societies in the State.

(vii) Insistence on the individual owners of motor vehicles that they should fulfil the minimum conditions of maintaining efficiency of transport services and bringing them within the co-operative fold wherever possible.

(viii) Installation of fuel depots at convenient points.

(c) Since bullock carts will remain for a long time as the principal means of transport for the poor men in villages, some means of modernisation of carts e.g. use of wheels with ball-bearings, application of brakes etc. should be introduced.

(d) Inland water transport with country boats may be revived. And when the economy of water transport is fully realised, the country-boats may be gradually replaced by motor boats.

(e) The carrying capacity of air transport between Imphal and Calcutta needs to be increased. Also, since the topography and climate of the north eastern frontier of India
are not very favourable to air transport special safety measures ought to be devised.

2. Improvement in power-supply has two important aspects—steps to increase the quantum of power available and measures to make better utilisation of the power already available. For increasing the power supply hydro-electric schemes already taken up should be completed as early as possible and the possibilities of new schemes are to be explored. However, emphasis has to be laid on the completion of schemes already started because it is meaningless to take up a number of projects without completing any one. Among the new schemes proposed to be undertaken special mention may be made of two schemes. One is the Loktak project which is expected to generate more than 60,000 Kw. of power. But the scheme will take a long time to materialise. Therefore, a second scheme of purchasing power from Assam has been proposed. The scheme is well-conceived. It envisages the construction of a transmission line across the western hills of Manipur to purchase power from Assam upto 1970-71 and to sell power to Assam afterwards i.e. when the Loktak scheme is fully implemented. But because of the difficult law and order situation in the western hill regions of Manipur through which the transmission line has to pass, the feasibility of the scheme is open to question. Under the present circumstances, it would be more meaningful to concentrate attention on the Loktak scheme so that the scheme may be implemented at an early date.
For better utilisation of power already available the priority of the claims of the different types of consumers will have to be changed. At present domestic consumption is given priority over industrial use. This ought to be reversed. Also, loss of power has to be minimised. At present a large percentage of the power generated is lost due to technological lapses which result in higher losses of power in transit. The loss of power is also partially accounted for by administrative laxity which fails to detect illegal use of power by unauthorised persons. This ought to be checked.

3. For development of minor and medium irrigation, the schemes already started ought to be completed. It is a pity that not a single scheme has been completed so far although some schemes were taken up as early as the middle of the Second Five Year Plan. The implementation of these schemes should not be further delayed. Among new possibilities to be explored attention may be drawn to the feasibility of (i) sinking tube-wells in different parts of the Valley and (ii) launching a river valley project. We noted earlier how the physical environments of the State were not favourable to both these types of schemes. However, since they are the only methods by which perennial irrigation can be had, their technical feasibilities ought to be further explored.
Capital being one of the scarcest but the most important factors of production in Manipur and private savings in the State being extremely meagre, the State has to assume the primary responsibility in ensuring a regular supply of capital through well-organised channels and at reasonable rates of interest. For this purpose it would be necessary to assess the extent of credit needs in agriculture and industry, to modernise and strengthen existing credit institutions and to establish new ones and to bring about an effective co-ordination of the credit supplied through different channels. It is, therefore, essential (a) to undertake a comprehensive survey of the rural and urban credit in Manipur, (b) to strengthen the apex co-operative credit institutions like the Manipur State Co-operative Bank Ltd. (c) to establish new primary credit societies both industrial and agricultural and to strengthen existing ones (d) to establish a land mortgage bank and a State (Industrial) Finance Corporation and a few joint stock banks for Manipur (e) to channel Takavi loans through the Manipur State Co-operative Bank; (f) to reduce the procedural delays in Government loans to industry (under the State's Aid to Industries Act) and agriculture (under the Land Improvement Loans Act and the Agriculturists' Loans Act) and (g) to co-ordinate effectively the credit supplied through different channels. If these measures are vigorously pursued we may expect that an integrated system of rural credit and also an equally integrated structure of urban credit will emerge in Manipur in due course.
All these measures will have to be synchronised with attempts to increase the capital-absorbing capacity of the State. The various measures suggested in this chapter will undoubtedly help in increasing the capacity of the State to assimilate more and more capital into her economic system.

All the above measures will result in an increasing generation of income. The next step will be mobilisation of an increasing proportion of the incomes generated into the pool of investible funds which will be utilised for the purpose of further development. This aspect of the problem will be discussed a little later.

Measures on the development of agriculture in Manipur may be directed in three directions - (1) reclamation of new lands, (2) increasing the production of land already in use and (3) diversification of cropping pattern.

From available statistics of land utilisation in the Valley given in chapter III we find that in 1957-58 66.7% of the entire area of the Valley was under cultivation. This means that land utilisation in the Valley has almost reached the saturation point and that except a few thousand acres of land in swamps and silted lakes it would not be possible to bring more land in the Valley under cultivation without encroaching upon pastures and grazing grounds which should not
reclaimed because fodder problem has already become a headache and further deterioration in fodder supply should be avoided. The possibilities of reclaiming land in the hill areas are also limited since the areas of gradual hill slopes with good rainfall are limited.

Under these circumstances it would be more meaningful to rely more on increasing the productivity of land already in use. The scope for increasing productivity is also fairly large since the present level of productivity is very low. But the increasing of productivity in agriculture is not an easy job. It requires an extensive use of fertilisers, an adequate and timely supply of water, liberal provisions for agricultural credit, the reorientation of land tenure system, prevention of sub-division and fragmentation of holdings, reasonable rates of rent to enable the cultivator to have a margin of profit to be ploughed back into investment, control over natural calamities like flood and drought, protection of plants from pests and diseases, double and multiple cropping and the utilisation of better implements, improved seeds, especially those of high yielding varieties, and a host of other inputs. These problems have been discussed in the earlier parts of this thesis. Here, we may focus attention on the following points since they provide guidelines to future policy and action:

1. There is no problem of creating motivation in the cultivators in Manipur for using fertilisers, pesticides, improved seeds and other modern inputs. They have already appre-
elated the profitability of using them. The real problem lies in ensuring a regular supply of these inputs in sufficient quantities and at prices within the reach of the poor cultivators. Since transport bottleneck has proved to be a major hurdle and is likely to be so for a long time, the technical feasibilities of local production of inputs required in large quantities (e.g. chemical fertilisers, foundation-seeds of high-yielding varieties of crops like I.\. No.8 paddy, Taichung Native N.\2 paddy etc.) should be explored, and the transport of imported inputs required in small quantities (e.g. pesticides) may be subsidised.

(2) For a fair distribution of these inputs the establishment of a net-work of service co-operate societies, one society for every village, may be visualised. In view of the strong desire for individual ownership among the cultivators in Manipur production may better be continued under the existing system of peasant proprietorship; but servicing can be economically done only by co-operative societies.

(3) For an effective utilisation of the valuable inputs, constant studies of the local conditions should be made. For instance, for a profitable utilisation of chemical fertilisers, a complete soil survey of the State is called for.

(4) The poor performance of the State in the field of irrigation is mainly due to lack of earnestness on the part of the Irrigation Division of the Public Works Department, Manipur, the un-
co-operative attitude of the Revenue Department in the matter of land acquisition and lack of co-ordination between the Departments of Irrigation, Agriculture and Revenue. Some steps to tone up the efficiency of these departments will, therefore, be necessary.

(5) Equally with irrigation, flood control and drainage must be emphasised. We noted earlier how floods have assumed an enormous proportion in the Valley of Manipur during the last few years because of deforestation in the catchment areas (of rivers), reclamation of lakes, which in the past used to absorb surplus water, for cultivation and encroachment upon riverbanks and adjoining areas. But so far very little has been done to control floods. Along with the strengthening of river bunds, which is at present the only method of fighting floods in Manipur, river channels should be widened and deepened. If the channels remain narrow and shallow and the free flow of water is obstructed, the rivers will overflow embankments of any height and strength because they rise in high mountains. The real solution, therefore, lies in widening and clearing the river channels by checking encroachment and even by acquisition of settled lands wherever necessary. This process must synchronise with the widening and deepening of the Chingmunghut, the gorge through which the Imphal river passes into the Burmese territory to join the Chindwin as this gorge is the only outlet of all the surplus water of the Valley of Manipur.
(6) An integrated system of rural credit needs to be evolved on the lines suggested earlier under policy measures on the development of infrastructure.

(7) The increasing insecurity of land tenure witnessed during last few years in the Valley of Manipur arises mainly from the increasing propensity of the land owners to resume land for personal cultivation which is in turn due to abnormal rises in agricultural prices and the potential danger involved in letting land to tenants who have been given many legal rights. The rights of the tenants must not be reduced. On the other hand, the land owners’ genuine need for personal cultivation must be recognised. Therefore, to ensure security of tenure along with the satisfaction of the land owner’s claim for genuine personal cultivation, a restrictive definition of "personal cultivation" in the Manipur Land Revenue and Land Reforms Act, 1960 in mean cultivation, by the land owner himself and by the members of his family and a reduction in the size of the 'permissible limits' i.e. the maximum amount of land resumable by the owner for 'personal cultivation' are called for. Also, in order to reduce the land owner's propensity for resuming land for personal cultivation, the prices of agricultural produces should be kept within reasonable limits.

(8) For prevention of fragmentation of holdings we require not only a strict enforcement of the foolproof provisions of the Manipur Land Revenue and Land Reform Act but also changes in certain provisions of the Act which now tend to increase fragment-
(9) Since rising rents result from failure to implement the relevant provisions of the Land Reforms Act and from increasing pressure of population on land, the problem demands both legal and economic solutions. Legally, the Land Reforms Act should be strictly enforced. Economically, something has to be done to transfer population from agriculture to industry and services. This demands industrialisation of the State's economy which will not only result in an expansion of the secondary sector but create the conditions for growth of the primary and tertiary sectors as well.

The diversification of cropping patterns is yet another means of improving agriculture in Manipur since the State depends today upon only one major crop viz. paddy. Although it is difficult to suggest an ideal cropping pattern in the absence of any past experience, it is possible to suggest a few crops such as sugarcane, tobacco, potato, vegetables, oil seeds especially mustard and some rabi pulses such as gram and peas. It is also perhaps possible to grow medium staple cotton. On the basis of experiments conducted by the Department of Agriculture, Manipur, it is found that the purbani variety of medium staple cotton does well on lands situated up to 4000 ft. In the hill areas different types of valuable fruit may be introduced; some success has already been achieved in the cultivation of apples in Ukhrul.

sub-division. But any scheme of diversification of cropping pattern should be based upon agronomic trials of the crops proposed to be introduced.

As a part of the programme of development of agriculture, the development of livestock raising needs to be emphasised since livestock constitutes a significant proportion of the wealth of the rural people of the state and since the success of crop farming depends to a large extent, upon the improvement of livestock industry.

Turning to the problems of industrialisation of the State, it may be observed that since there is an extreme dearth of private entrepreneurship in Manipur, the Government has to play a very active role (more active than elsewhere) in the industrialisation of the State. The measures which the Government may take to encourage the growth of industries may be broadly divided into three categories - (1) creation of basic overheads and conditions for the growth of industries, (2) establishment of institutions which would give a fillip to the development of industries, and (3) actual construction and management of industries. These have been spelt out earlier.

We shall now chalk out a broad approach to the types of industries to be encouraged. While considering the type of industries to be encouraged we are guided by two objective cri-
teria viz. availability of local raw materials and existence of
local demand, effective as well as potential. These criteria are
necessary because it is likely that for a considerably long period
of time, transport difficulties will stand in the way of import
of heavy and bulky raw materials and export of finished products.
It is also unlikely that newly established industries in Manipur
will be able to compete successfully with established industries
in other States in the outside market. There are, however, a
few industries in Manipur which have already got a fairly large
market outside the State. Revitalisation and modernisation of
these industries should be given top priority in any programme
of industrialisation of the State.

On the basis of these considerations and some other
relevant factors the following types of industries deserve special
encouragement.

(1) Industries which have considerably large outside market like
handloom industries and handicrafts. These industries need modern­
nisation and some degree of specialisation to enlarge or retain
the outside market.
(2) Industries which process agricultural produces, e.g. rice,
oil and dal milling, cornflakes-making, fruit preservation, dehy­
dration or canning of vegetables, khandasari sugar production etc.
These industries have a good scope since the supply of raw mate­
rials and the demand for the products are gradually increasing.
(3) Industries which produce inputs of agriculture, e.g., produc­
tion of chemical fertilisers, pesticides, agricultural implements
etc. The demand for the products of these industries are gradually rising, the local supplies of raw materials are not also very small. However, their technical feasibilities need to be explored.

(4) Industries which process forest produce e.g. manufacture of turpentine oil, wood seasoning and saw-milling, paper and pulp making, carpentry, match making etc. These industries have a bright prospect since the local supply of raw materials is quite adequate and the demand for the products is expanding.

(5) Industries based on livestock products e.g. milk pasteurisation, leather works, manufacture of brushes from pig bristles etc.

(6) Mineral-based industries like brick and tile making, cement manufacturing etc.

(7) Building hardware of various description like hinges, bolts, and nuts, wire nails, screws, bolts etc. The existing demand for these individual items is not very large, but is fast growing. But to develop these industries improvement in the supply position of power and iron and steel is immediately called for.

(8) High-volume articles like steel trunks, suitcases, buckets and hollow glassware etc. have rising demand in the State. Being voluminous and heavy, their transport costs are high. In the case of brittle articles like glass-ware there is the additional transport cost due to heavy breakages in transit. The local manufacture of these articles from imported metal sheets and glass
blocks, therefore, hold out high prospect.
(9) Industries which produce articles the demand for which will rise along with the growth of the middle class, e.g. soap making, manufacture of cosmetics, hair oils and stationery articles etc. With the rise in the living standard of the people the demand for these products is increasing.
(10) Among other demand-based industries which hold out good prospects, special mention may be made of manufacture of distilled water for batteries of motor vehicles, light engineering industries for repair and assembling of motor vehicles, manufacture of cycle parts, printing press and spinning mills, since the demand for the products of these industries is rising at a considerable pace.

G

We may now turn to the question of the development of hill areas and economic integration between the hills and the Valley. The fact that about nine-tenths of the total geographical area of Manipur are hilly, that more than 30% of the State's population are tribals and that there is a glaring disparity in the living standard between the hill and the plain people deserves a central place in any plan for the economic development of the State. This underlines the necessity of developing the hill areas and of an economic integration between the hills and the Valley.
The patterns of the socio-economic life of the different tribes in the State are different. Thus while the Nagas live in compact villages and take to settled cultivation (by terracing the hill sides) and have recourse to jhooming (= shifting cultivation) only as a supplement to settled cultivation, the Kukis are migratory and they take jhooming as a way of life. Because of such differences in the economic conditions and social set-up of the various tribes, tribal problems demand tribe-wise solutions. "Thus, while settlement in colonies is a major problem for the Kukis, it is not so far the Nagas. The Maring and the Lamgang who are hereditary horticulturists, need to be helped on other lines: first, by providing their areas with easy means of communication and secondly, by creating adequate marketing facilities for their produce." Such tribe-wise solutions will in turn, demand socio-economic and ethnical studies for more than 30 tribes who inhabit the hills of the State. Such studies would obviously be outside the scope of the present work. Nevertheless, it would not be meaningless for the type of studies we are making to chalk out a broad approach to the tribal problem as a whole since the various tribes have close affinities in their socio-economic life. Broadly speaking, the objectives of tribal welfare in Manipur would be as follows: gradual replacement of shifting cultivation by settled cultivation wherever possible with a view to inculcating upon the tribals the advan-

25. Ibid., p.100.
tages of settled life and putting a stop to the burning of valuable forests and putting them to better use, to enable the tribesmen to produce enough food for themselves, to enable them to have a sort of specialisation in cultivation and industry, to make the necessaries of life readily available to them and to help them market their goods through better transportation and greater marketing facilities. To achieve these objectives concerted efforts will have to be made by the Government, tribal leaders and their brethren in the Valley.

The first step in these efforts would be the opening up of tribal areas through quick and cheap transport, since inaccessibility is the greatest handicap to bringing the amenities of modern life to the tribal people and to the development of the favourable aspects of tribal culture and their display to the outside world. Once the tribal regions are opened up frequent socio-economic contact and exchange of ideas between the hill and plain people will become possible. This will undoubtedly enrich the lives of both. And to open up the tribal areas as early as possible the Twenty Year's Road Development Plan referred to earlier should be vigorously implemented.

This will have to be synchronised with the introduction of a combined practice of agri-sylviculture designed to reduce the destructive effects of jhooming (=shifting cultivation), to regenerate forests and to prevent soil erosion. According to this practice the hill tops may be left covered with permanent
forest growth and the foot hills with gradual slopes may be converted into terraced fields for settled cultivation. The hill sides between the foot and top of the hills may be used for a variety of purposes. "Belts of forests, 10 feet to 50 feet wide across the contours, at intervals of 100 feet to 500 feet according to the gradient of the slopes...... may be left uncultivated on the slopes. In between these belts jhooming can be allowed interspersed with more forest trees of economic value." This practice will have many beneficial effects. Forests will be regenerated to the extent jhooming is regulated and controlled. The flow of water down the slopes will also be regulated and to that extent soil erosion may be checked. To complete the work of prevention of soil erosion, some more effective steps like contour bunding, fencing and drainage will have to be taken. Cultivation of permanent crops like fruits and plantation of economic forests are other means of utilising jhoom lands more effectively.

This scheme, however, requires a two-pronged attack for its success, motivational and economic. The former attempts to bring about a psychological change in the tribeman's attitudes towards jhooming and settled life. To some extent jhooming is necessitated by the physical environment in which the tribal lives. But its widespread prevalence is partly due to the tradition and ignorance of the hill people. If they are convinced of the superiority of settled cultivation over jhooming through

26. Ibid., p.15.
education, propaganda and demonstration, jhooming will be gradually given up. This approach will provide a lasting solution but it requires a long time for its success. Therefore, immediate economic incentives in the form of financial assistance, supply of seeds, fertilisers and implements, better opportunity to sell goods at remunerative prices etc., need to be provided to encourage the tribal people to take more and more to permanent cultivation.

Along with this some degree of specialisation in cultivation may be visualised. The soil and climate in the hills of Manipur are suitable for cultivation of maize, fruits, potatoes and cotton. The tribal people may specialise in the production of these crops and they may take rice, pulses, etc. from the Valley. But the idea of specialisation and exchange presupposes the opening up of the hill areas through cheap and quick transport.

Simultaneously with the development of agriculture, the development of industry needs to be attended to. Existing tribal industries and handicrafts should be encouraged and modernised. Along with this, new lines of production easily adaptable to tribal skills and way of life should be gradually introduced.

With the development of the hill areas and the increase in their capacity to sustain more people, a transfer of population from the Valley to hills may be visualised. This is intended to relieve the excessive pressure of population in the Valley and to bring the socio-economic integration between the hills and plains nearer to completion.
At present, disturbed law and order situations in the hill areas are a big handicap to development efforts. Therefore, the solution of law and order problem deserves priority.

We may now turn to the question of augmentation of resources. Augmentation of resources has got three important aspects - generation of an increasing flow of State income, mobilisation of rising proportions of the income stream into productive channels and economy in public expenditure. Assuming that an increasing flow of income will be forthcoming if the policy measures suggested earlier are vigorously pursued, we shall concentrate, here, on the second and the third aspects of the question.

Mobilisation of income (saving) into investment may be done by the private investors and by the Government. To encourage private investments some fiscal and monetary measures like the modification of the corporate income tax to attract venture capital, 'pump priming', 'compensatory spending', cheap money policy etc. are often taken in advanced economies facing depression. But most of these measures are of little relevance to a small undeveloped region like Manipur, firstly, because if these measures are to be adopted, they should be adopted at the national level and not at the State or regional level, and secondly because, whereas the success of these measures largely depends upon the
successful operation of the 'multiplier and acceleration' principle in the social and economic environment of a region like Manipur is not favourable to the smooth operation of the multiplier. Therefore, some alternative measures like the introduction of better economic organization, laying of infrastructure etc. which have greater relevance in the particular context of the region may be suggested for encouraging private investment.

But in an undeveloped region like Manipur where the private enterprise is very weak or almost non-existent, the Government will have to bear the main or even the entire responsibility of economic development. The Government has to find resources for investment through taxation, borrowing and a number of other means. If the machinery of taxation is to be utilised, it must be examined whether it would be possible to raise more tax revenue by more efficient administration of the existing taxes or by raising the rates of existing taxes or levying new ones and by rationalizing the whole tax structure. To do this it would be necessary to examine the existing position of the incidence of taxes in the State as compared with that of taxes in other States, the performance of its tax collecting staff, the main features of the existing tax structure and a host of other relevant factors. An inter-State comparison of the tax incidence in India is given in the table on the next page.

It is clear from the table 95 that by criteria like the overall burden of State taxes, the incidence of the principal
### Table 95

Inter-State disparities of Tax Incidence in India.

<table>
<thead>
<tr>
<th>States</th>
<th>State Tax per capita (in rupees)</th>
<th>Increased over the 5 year period</th>
<th>Per capita Land Revenue (in rupees)</th>
<th>Per capita sales tax (in rupees)</th>
<th>Per capita Income (in rupees)</th>
<th>Proportion of per capita sales tax to per capita income (%)</th>
<th>Proportion of tax per capita sales to tax per capita income ($)</th>
<th>Proportion of per capita sales to tax per capita income ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>11.20(6)</td>
<td>12.62(9)</td>
<td>5.09</td>
<td>2.68(7)</td>
<td>2.32(5)</td>
<td>3.84(19)</td>
<td>1.64(6)</td>
<td>2.77(13)</td>
</tr>
<tr>
<td>Assam</td>
<td>10.66(7)</td>
<td>17.62(7)</td>
<td>5.20</td>
<td>2.72(7)</td>
<td>1.37(12)</td>
<td>3.37(12)</td>
<td>1.04(5)</td>
<td>0.42(3)</td>
</tr>
<tr>
<td>Bihar</td>
<td>7.64(12)</td>
<td>10.64(12)</td>
<td>5.80</td>
<td>2.80(12)</td>
<td>2.10(11)</td>
<td>3.96(12)</td>
<td>1.56(5)</td>
<td>0.76(5)</td>
</tr>
<tr>
<td>Bombay</td>
<td>14.20(1)</td>
<td>25.77(1)</td>
<td>6.06</td>
<td>2.37(11)</td>
<td>2.67(5)</td>
<td>3.05(12)</td>
<td>1.15(5)</td>
<td>2.09(12)</td>
</tr>
<tr>
<td>Delhi</td>
<td>12.62(6)</td>
<td>12.62(6)</td>
<td>5.75</td>
<td>2.75(12)</td>
<td>1.46(6)</td>
<td>2.87(12)</td>
<td>1.07(5)</td>
<td>0.61(5)</td>
</tr>
<tr>
<td>Madras</td>
<td>11.34(10)</td>
<td>12.84(10)</td>
<td>10.61</td>
<td>1.92(12)</td>
<td>3.20(12)</td>
<td>3.52(12)</td>
<td>1.22(5)</td>
<td>0.78(5)</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>10.57(9)</td>
<td>17.70(9)</td>
<td>7.12</td>
<td>2.20(12)</td>
<td>2.00(12)</td>
<td>4.05(12)</td>
<td>1.44(5)</td>
<td>0.64(5)</td>
</tr>
<tr>
<td>Orissa</td>
<td>9.44(15)</td>
<td>10.16(15)</td>
<td>4.19</td>
<td>2.15(12)</td>
<td>2.91(5)</td>
<td>4.65(12)</td>
<td>1.08(5)</td>
<td>0.75(5)</td>
</tr>
<tr>
<td>Punjab</td>
<td>15.28(5)</td>
<td>25.66(5)</td>
<td>10.68</td>
<td>3.16(15)</td>
<td>3.00(12)</td>
<td>5.02(12)</td>
<td>1.39(5)</td>
<td>0.84(5)</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>10.57(9)</td>
<td>17.70(9)</td>
<td>7.12</td>
<td>2.20(12)</td>
<td>2.00(12)</td>
<td>4.05(12)</td>
<td>1.44(5)</td>
<td>0.64(5)</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>7.64(12)</td>
<td>11.65(12)</td>
<td>5.84</td>
<td>2.80(12)</td>
<td>1.32(12)</td>
<td>3.87(12)</td>
<td>1.56(5)</td>
<td>0.76(5)</td>
</tr>
<tr>
<td>West Bengal</td>
<td>12.28(6)</td>
<td>22.58(6)</td>
<td>8.19</td>
<td>2.80(12)</td>
<td>1.50(12)</td>
<td>5.25(12)</td>
<td>1.46(5)</td>
<td>0.78(5)</td>
</tr>
<tr>
<td>Maharas</td>
<td>5.08(14)</td>
<td>4.16(14)</td>
<td>6.86</td>
<td>2.72(7)</td>
<td>1.72(15)</td>
<td>5.25(12)</td>
<td>1.46(5)</td>
<td>0.78(5)</td>
</tr>
</tbody>
</table>

**Notes:**
1. Figures within bracket indicate the ranking of the States.
2. Income per capita for States are at current prices, regarding other States, Mr. S. Chandrasekhar does not specify whether the incomes are at current or constant prices.
taxes in the State sphere (e.g. sales tax), the proportion of State taxes per capita to the per capita income etc., Manipur is the most lightly taxed among the States taken up here for examination. This suggests that there are considerable room for increased taxation in the State, especially in the field of sales tax.

It would also be possible to raise more revenue by improving the efficiency of tax collection. This will be evident from the following statement of collection of land revenue in the state.

Table 96
Collection of Land Revenue in Manipur (1960-61 to 1965-66)

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (Rs. lakhs)</th>
<th>Collection (Rs. lakhs)</th>
<th>Balance (Rs. lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Arrears</td>
<td>Total</td>
</tr>
<tr>
<td>1960-61</td>
<td>15.04</td>
<td>18.48</td>
<td>33.52</td>
</tr>
<tr>
<td>1961-62</td>
<td>14.67</td>
<td>18.27</td>
<td>32.94</td>
</tr>
<tr>
<td>1962-63</td>
<td>13.60</td>
<td>19.47</td>
<td>33.07</td>
</tr>
<tr>
<td>1963-64</td>
<td>14.20</td>
<td>17.18</td>
<td>31.38</td>
</tr>
<tr>
<td>1964-65</td>
<td>14.69</td>
<td>19.67</td>
<td>34.36</td>
</tr>
</tbody>
</table>

Sources: Govt. of Manipur: Manipur Administration Reports (Annual) 1960-61, p. 5; 1961-62, p. 4; 1962-63, p. 3; 1963-64, p. 3; 1964-65, p. 2; and 1965-66, p. 4.

The above table shows that in all the years under study (except 1960-61) the total collection of land revenue was less than 50 p.c. of the total demand; the proportion of current
collection to current demand was even less, so that the outstanding balance to be collected went on increasing (except in the year 1962-63) from Rs. 16.62 lakhs in 1960-61 to Rs. 26.26 lakhs in 1965-66. It is, therefore, evident that it would be possible to collect more revenue by toning up the efficiency of the tax collecting staff.

Another possible way of raising more tax revenue is the reformation of the existing tax-structure in which there is considerable room for reform. For instance it would be possible to raise additional revenue and to introduce elements of progressiveness in the rural taxes say, by doubling land revenue on holdings above 5 acres, by introduction of taxes on agricultural rent, and of graduated agricultural income tax. Likewise, taxes on urban property may be reformed by assessing taxes on the basis of the annual capital value and not on rental value basis. While devising these reform measures care should be taken to ensure that the incentives to work and produce of the tax assesses are not stifled.

The State may also increase its non-tax revenues by a more careful management of State transport, electricity schemes, State trading etc.

Public loans are still unknown to Manipur. The State Government may launch a scheme of public loans to tap the savings of the middle class people.

Along with attempts to raise more revenue, the State has to learn to observe economy in public expenditure. But it
should be noted that in an undeveloped State like Manipur where the Government has to do nearly every thing for the social and economic advancement of the people, it is neither possible nor desirable to impose a blanket cut of public expenditure by a given percentage. The cut will have to be selective and confined to non-productive and non-essential ones. Drastic cut in the expenses on official tour, both by ministers and public servants, postponement of acquiring of new vehicles for official use, strict control over use of public vehicles, postponement of annual repair of buildings, bridges etc. where the damage arising from the postponement will not be large, retrenchment of unnecessary personnel etc. are some of the economy measures that deserve consideration.

Thus ends our long search for the solution of the problem of backwardness of a tiny State in the northeastern corner of India. The problem emanated from the long isolation of the State from the rest of the country and the long slumber of its people under the benumbing weight of the native rulers who cared little for the economic advancement of the people. Also, the people themselves were not conscious of the degree of their poverty, nor did they have any opportunity for economic self-assertion. Now that the political integration of the State with the rest of the country is complete and its economic isolation has been gradually broken, the State may hope to move at a faster pace. Another hopeful feature is that the people of
Manipur are becoming acutely conscious of their economic backwardness and are ready to assert themselves for their economic advancement. If this urge for economic development is properly directed and profitably utilised, a great deal can be achieved. But the extent to which this can be done depends not only upon the degree of realisation of balanced regional development as a central problem of national economic development but largely upon the emergence of local leadership to put forward effectively the problems of the State before the national leadership and the sympathy of the Central leaders towards the State and their capacity to appreciate the State's problems and their earnestness to solve them, because, for a considerably long period of time, the economic development of Manipur would hinge upon the quantum and effectiveness of Central assistance.

This consideration brings us from the region of economics into a political area. Here we have to stop proceeding. But it is not surprising that we arrive at political considerations because the development of a backward State like Manipur is much more than a purely economic problem.