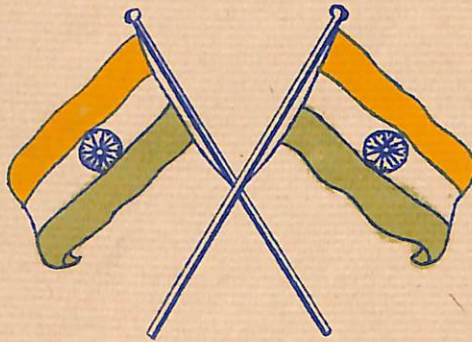


# GOVERNMENT OF ASSAM



## BUDGET SPEECH 1961-62

BY

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## BUDGET SPEECH—1961-62

With your permission, Sir, I rise to present the statements of the estimated receipts and expenditure of the Government of Assam for the year 1961-62.

### Review of Economic Condition

2. Following the practice I have hitherto followed, I propose to digress a little and give a brief survey of the economic condition of the Country because Assam's economy can hardly be reviewed in isolation when the State is a part of the Indian politico-economic entity. For the Indian nation the year 1960-61, with all its trials and tribulations, is a memorable year. It marks the termination of a decade of planning for economic development of the country. India's national income, in terms of 1948-49 price, has been estimated to be Rs. 12,471 crores in 1960-61 as against Rs. 11,690 crores in 1958-59. The *per capita* income has also, during this year, risen to about Rs.306 from Rs.294 in 1958-59, representing a rise of more than 10 per cent in 2 years. The instruments of this achievement are both agriculture and industries. In the field of food-grains, the production, which is nearly believed to be about 76 million tons, is not expected to reach the revised target of 80 million tons set out in the Second Plan. The industrial production, in 1960, rose by nearly 11.9 per cent over the preceding year and, in August, the index of industrial production (base 1951 = 100) reached a peak figure of 172.1 compared to 122.4 in 1955. The position, however, in respect of foreign exchange still remains precarious. The sterling balances came down to a low figure of 139 crores in September 1960 and the foreign exchange reserves, which continuously declined from Rs. 388 crores in December, 1959 to Rs. 308 crores in September 1960, stood at a level of Rs. 319 crores in December, 1960. Alongside this critical foreign exchange situation, the behaviour of prices continues to be a matter of anxiety. Though recently, the price level has shown a slow decline, the inflationary elements in the machinery have retained their potency indicating the need for continuous vigilance on the price front.

3. While the economy of Assam generally followed the trend of that of India, the temporary deterioration in the law and order situation, resulting from the disturbances within the State, caused considerable diversion of scarce financial and man-power resources of the State to unproductive channels. In addition to scarcity conditions till the time of Autumn harvest,

in Mizo District, which inevitably was the outcome of the large-scale rat menace of the previous year, a large part of the State, during the year under review, was in the grip of the unfavourable climatic and drought conditions which greatly handicapped timely agricultural operation and affected the output of tea, jute and other crops. The State National Income, in terms of 1948-49 price, which had risen in 1958-59 by 4.2 per cent to Rs.272 crores, declined to Rs.270 crores or by 0.7 per cent in 1959-60. Compared to 1955-56 the National income in 1959-60 was only 3.4 per cent higher and, as compared to 1950-51, it represented an increase of 21 per cent. The *per capita* income, which had risen to Rs.276 in 1958-59, declined to Rs.271 in 1959-60. The uneven trend of movement of the State National Income only reflects the fact of over-whelming preponderance of agriculture in the economic life of the State. The seasonal fluctuation of the agricultural out-put naturally dictated the rise or fall of the State National income. There was a general set-back in agricultural production in the State. The index number of agricultural production (base 1949-50=100), which had gone upto 108 in 1958-59, declined to 107 in 1959-60. This was due to the fact that crops had been greatly affected due to unfavourable climatic conditions during the year 1960. Tea and jute, the two most important commercial crops of the State in particular, suffered heavily. Tea production, which had slightly come down to 376 million lbs. in 1959 from a record of 379 million lbs. in 1958, tumbled down to 323 million lbs. or by 15 per cent in 1960. Jute, which also created a record in 1959-60 with a production of 11 lakh bales, suffered greatly with its production lowered down by 26 per cent to 8 lakh bales in 1960-61 season. Oil seeds production also went down by 35 per cent in 1959-60. On the other hand production of food-grains, rice in particular, registered some increase in 1960-61, the provisional estimate of production being of the order of 16.38 lakh tons as against 16.2 lakh tons in the preceding year. We had a good autumn crop which even exceeded the market demand for a certain period of the year.

4. Following the trends evidenced elsewhere in the Country, the price situation in Assam, both in regard to food and non-food commodities, continues to cause anxiety. The combined action of the strained food situation, the increased money supply warranted by development needs and the resultant speculative activities led to the prevalence of high prices almost throughout the period of the Second Plan. The wholesale price index in Assam (base 1953=100), which rose from

104 in 1955 to 128 in 1957, stood at a level of 124 in 1958-59. The food price index rose from 102 in 1955 to 130 in 1958 but came down to 129 in 1959 and stood at this level in the first 10 months of 1960. The position in regard to food price thus has not materially changed. In fact, as compared to first 10 months of 1959, the general price level in the corresponding period in 1960 was about 6 per cent higher. Later, however, signs of easing have become visible perhaps in the expectation of better food prospect for the current year. To meet the strained food situation, witnessed over the past 10 years, 25 thousand tons of rice and 63 thousand tons of wheat had to be imported in 1959. And in 1960, 35 thousand tons of rice and 50 thousand tons of wheat were imported. In the coming year, however, the gap between internal supply and demand for food grains is likely to be narrowed down in view of the good rice crops in the current year.

5. The high prices, witnessed during the Second Plan period, were also reflected in the high living cost in the State. Compared to 1955 the cost of living of the general working class in the State was 17 to 21 per cent higher during the last 5 years. In comparison to 1955, the cost of living at Gauhati and Tinsukia, in 1960, was 18 per cent higher, at Silchar it was 25 per cent higher. But, compared to preceding year 1959, except for Gauhati where it was 5 per cent higher, the position has remained largely unchanged. For the rural population the cost of living in 1960 remained more or less at the previous year's level. But compared to 1955 it was about 12 per cent higher. The trend of farm incomes, as measured by the parity ratio between prices received from the sale of the produce and prices paid for consumption needs and cost of cultivation, was encouraging during 1960. The index of parity (base 1944=100) in 1960 was about 8 per cent above par and, compared to 1959, it was about 9 per cent higher.

6. With the decrease of tension on the southern border, some improvement in Indo-Pakistan border trade is visible. But it is still a mere trickle compared to 1952-53 and earlier years. The total value of the border trade, in the first 9 months of 1960, was about 50 per cent higher than in the corresponding period of 1959 and this was mainly due to an appreciable rise in our imports. Even now our exports still remain at a very low level between Rs.20-30 lakhs annually.

7. In the sphere of industrial and mineral production, the position has been largely maintained. Coal production recorded

only a slight decline from 53,600 tons monthly, in 1959 to 53,000 tons per month in the first 7 months of 1960. Match production increased from 46,000 gross boxes in 1958 to 49,000 gross boxes in 1959. The achievement of the Oil Industry has been spectacular. After the two Refineries go on stream, though it is estimated that 3.25 to 3.75 million tons of crude oil annually would be extracted, I feel the State will be capable of producing much more than what has been estimated.

8. The un-employment situation in the State is not so serious as elsewhere in the country. The survey of urban employment, conducted in 1959, placed the number of un-employed at about 7,000. The bulk of the un-employed are non-matric, having a little or no technical skill at all and seeking mostly white collar jobs and those requiring little technical skill. On the other hand, the employment market service in the State has been, repeatedly, reporting that there is a large scale demand for technically skilled and trained personnel. In the rural areas the problem is more of under-employment and disguised unemployment than of not finding work at all. According to the survey conducted in the early month of 1960, the number of persons available for but not seeking work was about 2.4 lakhs. Against this the number reported as not able to find work was 80,000 the bulk of whom may be those un-employed in the tea gardens whose number according to survey conducted in 1959 was about 66,000. The current unemployed position in the State may, therefore, be of the order of 86,000 persons.

9. To sum up we have passed the year in retrospect through considerable difficulties. The achievement as well as the short comings reveal the need of accelerating the tempo of investment, appreciating the value and dignity of work and, above all, realising that development and improvement can be achieved only under peaceful conditions and within the frame work of an expressed discipline. The economy is now gathering strength for efficiently mobilising the resources of the State. The developments, during the past few years, further point out the need for keeping food prices, which form the core of the wholesale price structure, at stable level. The measures for price stabilisation are called for to bring about a healthy effect but, if I may venture to say, a permanent solution lies in increasing food production at a rate matching the pace of increasing demand for food.

## Accounts of 1959-60

10. I shall now deal with the actuals of 1959-60 and the revised estimates for the current year. In the original Budget estimates for the year 1959-60 the receipts on revenue account were placed at Rs. 3,395.05 lakhs, and expenditure from revenue at Rs. 3,054.01 lakhs, leaving a revenue surplus of Rs. 341.04 lakhs. The year, however, closed with the revenue surplus of Rs. 303.81 lakhs. The actuals of receipts and expenditure in revenue section of the accounts stand as follows as compared with the Budget estimates—

		1959-60	
		In lakhs of Rupees	
		Budget	Actuals
Revenue receipts	... ..	3,395.05	3,683.32
Revenue expenditure	.. ..	3,054.01	3,379.51
Surplus (+)	... .. (+)	341.04	(+ ) 303.81

It will be seen that, compared with the Budget estimates, the actual receipts and expenditure were higher by Rs. 288.27 lakhs and Rs. 325.50 lakhs respectively. The increase in receipts was due to improved collection of the State taxes and revenue from Forests. The important items under which there has been an increase are indicated below, counter-balanced by variations under other heads—

State taxes, Forests and share of Central taxes	...		144.71 lakhs.
Miscellaneous	... ..	... ..	163.79 „
Total			308.50 „

The increase in expenditure by Rs. 325.50 lakhs is mainly due to expansion of activities. The variations in details have been explained in the Budget memorandum minor headwise.



On the capital side the actual receipts came upto Rs. 978·62 lakhs against the original estimate of Rs. 863·05 lakhs recording an increase of Rs. 115·57 lakhs. Capital expenditure came down from Rs. 1,157·64 lakhs of the original estimate to Rs. 1,122·45 lakhs showing a short-fall of Rs. 35·19 lakhs. The bulk of the increase in the receipt side was due to floating of public loan of Rs. 2·76 crores counter-balanced by short-fall of Rs. 1·50 crores of loan estimated for the procurement scheme which was ultimately not necessary. The short-fall on the capital expenditure is small and is due to variations under different heads.

Out of the total expenditure of Rs. 4,501·96 lakhs on revenue and capital accounts, Rs. 1,084·65 lakhs and Rs. 355·93 lakhs represent expenditure incurred on State Plan Schemes and Centrally Sponsored Schemes during the year.

### Financial year 1960-61

11. The House will remember that the Budget for the current year placed the revenue at Rs. 3,760·45 lakhs and expenditure from revenue at Rs. 3,587·73 lakhs, leaving a surplus on revenue account of Rs. 172·72 lakhs. According to the estimate, framed on the basis of actuals of the first eight months and the anticipated receipts for the next four months, the revenue receipts come to Rs. 4,041·45 lakhs and revenue expenditure comes to Rs. 4,066·90 lakhs recording a revenue deficit of Rs. 25·45 lakhs. The increase of Rs. 281·00 lakhs in the anticipated revenue, as compared with the original Budget, is the result of increases mainly under the following heads counter-balanced by variations under various other heads as indicated in detail in the Budget Memorandum—

	Rs.
1. Share of Income Tax ... ..	85·38 lakhs.
2. Transfer from Contingency Fund ..	223·00 lakhs.

The excess in expenditure of Rs. 479·17 lakhs is mainly due to increase of expenditure on account of Mautum Famine, Language-disturbances and transfer to Contingency Fund.

Reasons for variations are given in detail in the Budget Memorandum.

On the capital side, the revised receipts come to Rs.1,159·59 lakhs against original estimate of Rs.1,040·97 lakhs showing an increase of Rs. 118·62 lakhs which is mostly due to a loan of Rs.50 lakhs from the Centre for agricultural operations and more loan of Rs. 80 lakhs from Small Savings Scheme. Capital expenditure is anticipated to rise by Rs. 283·44 lakhs. This is mainly due to increased expenditure on account of large scale procurement in the current year, loan issued for agricultural operations and loan in connection with language-disturbances and Mautum Famine.

### **Review of progress under the Second Five-Year Plan**

12. With barely a month to go, the Second Five-Year Plan is fast coming to an end. As one looks back at the progress that has been made, during the decade, since planning assumed importance to solve our economic problems and to help us in our development, the picture, in its broad perspective, is one of hope. I shall, however, not hesitate to admit that there was scope for achieving better results and greater measures of success in many of the activities we have undertaken, attempted or could not undertake. Nevertheless, the achievements made so far warrant an optimistic future. While the First Plan merely restored in our State the equilibrium caused by the partition and the great earthquake of 1950, the living standard at the end of the First Plan was still very low. The population continued to increase at a fast rate and the employment opportunities could not keep pace with the increase in the labour force. The Second Plan, in our case, was a mere continuation of the First. The outlay pattern of the Plan, which was  $2\frac{1}{2}$  times more than of First Plan and which is shown along with the outlay of the First Five-Year Plan in the table below to indicate the sectoral allocation and shift in priorities was worked out with due regard to the resources in sight and formulated to provide the immediate pressing needs of the State.

## Distribution of Plan outlay by major heads of development

	First Plan		Second Plan			
	Total outlay (Rs. crores)	P. C. to total	Plan provision (Rs. crores)	P. C. to total	Total outlay (Rs. crores)	P. C. to total
1. Agriculture and Community Development.	4.85	23.7	14.88	25.7	12.69	25.3
2. Irrigation and Flood Control	3.39*	16.5	0.64	1.1	0.98	1.9
3. Power .. .. .	1.21	5.9	3.80	6.6	4.51	8.9
4. Large and Medium Industries	..	..	1.33	2.3	1.15	2.3
5. Village and Small Scale Industries.	0.10	0.5	3.80	6.6	2.67	5.2
6. Transport and Communication.	3.49	17.0	7.70	13.2	6.88	13.5
7. Social Services ... ..	7.46	36.4	23.71	40.9	20.35	39.9
8. Miscellaneous .. .. .	..	..	2.09	3.6	1.51	3.0
Total ..	20.50	100.0	57.95	100.0	50.94	100.0

\*Includes expenditure for protection of Dibrugarh.

13. The above table gives only a picture of the plan outlay by the State Government but, in considering the overall position, we should also take into account the expenditure incurred by the Government of India in executing the Centrally sponsored State Schemes, Central Sector Schemes and outlay in the private sector. A sum of Rs. 3.6 crores was allotted to the State as Central Government's share of expenditure for Centrally sponsored Schemes. Out of this Rs. 3.3 crores is expected to be utilised by the end of the Second Plan. Allocation for the Flood Control Programme, which also is not accounted for in the State Plan, amounted to Rs. 5.3

crores. It is expected that the entire amount will be spent. In addition, substantial amounts have been allotted by the various Central Boards, such as Central Social Welfare Board, Khadi Commission, Indian Council of Agricultural Research, etc. From the Khadi Commission alone 0.67 lakhs has been received upto the end of January 1961. In the Central Sector, many schemes, such as, Oil Refinery at Gauhati, bridge over Brahmaputra, stabilisation and strengthening of Assam Rail Link, North Bank Railway, oil exploration in Upper Assam, crude oil pipeline project, were taken up. The private sector responded to the call for the investment by participating in the Industrial Estate as well as setting up various new industries on its own. Mention may be made of a steel re-rolling mill, bicycle factory, paper pulp factory, flour mills, saw mill, small engineering industries, etc., but most of the Central and private sector schemes were put into operation only towards the closing year of the Second Plan and their full impact will be discernible only in the Third Plan period. Judged in relation to the immediate objectives, the achievements in the Second Plan were far from encouraging. The State National income, at constant price, is expected to increase by about 9.9 per cent as against 15.8 per cent envisaged and *per capita* income is expected to increase by 3.4 per cent as against the target of 9.2 per cent. The Second Plan, however, has made a larger effort than the First Plan and, as earlier stated, the benefits of a number of projects will be realised only sometime after it comes to a close.

14. The agricultural production as may be judged from the figures given at Appendix 'A', has not responded to the extent of the efforts made and success achieved in executing a number of agricultural programmes in the Plan. The net area irrigated will increase from 10.3 lakh acres in 1955-56 to 16.9 lakh acres in 1960-61. About 12 lakh acres of land have been protected from the ravages of flood. About 13,000 acres of land have been reclaimed. The total length of embankments and drainage channels constructed upto the last working season of the Plan was 330 miles under each category including work executed under Community Development programme. In the Autonomous Hill Districts, apart from small irrigation and contour bunding schemes, about 200 irrigation projects have been executed, demonstration farms to help the people in the hills to take to improved methods of cultivation have been established and 170 model farms started by private individuals have been subsidised. To extend paddy cultivation

in the hill areas two schemes, wet paddy cultivation and extension of high altitude paddy, have been taken up under which 5,580 acres of land have been brought under cultivation. For the first time soil conservation works have been taken up to control erosion, to induce settled cultivation in the hills and to develop the forest wealth of the State. It is expected that by the end of the Second Plan period about 2,000 acres of land will be under cash crop cultivation and 1,270 acres of land will be planted by the Forest Department. To develop forest villages 216 miles of forest roads have also been completed.

15. Under the Community Development programme 84 Blocks will be in operation by the end of 1960-61 covering 14,737 villages and an area of 26,341 sq. miles and serving a population of 45.3 lakhs or in other words 57 per cent of the area and 55 per cent of population. There will be at the same time 12 more Blocks in the pre-extension stage. Twenty-two of these 84 Blocks will be in the Autonomous Hill Districts amongst which there are 6 multipurpose blocks for each of which additional grant of Rs.15 lakhs is given by the Home Ministry for intensive development. The expansion of co-operative movement is illustrated by the increase in the number of Co-operative Societies from 1,935 in 1955 to 2,578 in 1960. During this period membership increased from 30,000 to 14,62,000. By the end of the Plan period the number of Societies is expected to be about 4,000. The working capital of the societies, at the end of 1959, with loans and advances made by them reached a level of Rs.1.9 crores in 1959 as against Rs.0.5 crores in 1955.

16. Substantial progress has been made in the sphere of communication and transport facilities. The capacity of the Assam Rail Link, which was limited to 170 M. G. wagons each way, is expected to be raised to 400 M. G. wagons per day together with the stabilisation of the link by the end of the Plan. As a step in this direction, construction of a road-cum-railway bridge over the Brahmaputra is nearing completion. Another project for the North Bank is already in hand. During the Plan period there has been significant expansion in roads and road transport. The mileage under motorable road would be about 8,000 miles by the end of 1960-61, compared to 6,965 miles at the end of 1955-56. Against the target of 23 major bridges, envisaged in the Second Plan, 9 have already

been completed and another is expected to be completed by the end of this year. 600 miles of low standard roads have also been improved. Before Independence there were only a few roads connecting different parts of Hill areas to the important towns and markets. Apart from 6 roads undertaken for construction from State revenue, 5 from Petrol Tax Funds and 2 under Motor Vehicle Tax Funds, a number of roads have been constructed from grants under Article 275. Some of the important roads and bridges constructed in the Hill areas are given at Appendix 'B'. Appreciable progress has also been made in nationalising road transport. The nationalised roads now stand at 1,137 miles. The State Transport Organisation is now handling on an average traffic of 25,000 passengers and 10,000 maunds of goods, luggage and parcels daily. Till the end of 1959-60 the State Transport have contributed Rs. 2.36 crores by way of profits to the State Government's exchequer.

17. In the field of technical education, Assam practically started from a scratch. During the Second Five-Year Plan, two engineering colleges were started with an intake capacity of 240 students. Three new Engineering Institutes and Polytechnic have been established increasing the intake capacity to 660 students per year. Two industrial training institutes, one each at Tura and Diphu, are being established in the Autonomous Hill Districts.

18. Though Assam commands about one-fourth of the total 40 million Kwt. Hydro power potential in the country, the *per capita* consumption of electricity is still the lowest in India. In 1959, this was 2.5 Kwt. in Assam as against 32.9 Kwt. for all India. In addition to this the State has rich power resources in oil, coal and gas. With the completion of the Umtru Hydel Project in 1957, the only hydro-electric project of the State located in the Khasi and Jaintia Hills, at the cost of Rs. 206.40 lakhs and an estimated capacity of 8,400 Kwt. the total generating capacity for electric power in the State has increased to 24,724 Kwt. as against 7,500 Kwt. in 1955. The position will be retrieved to a considerable extent during the Third Plan when the 7.2 crores Umiam Project in Khasi and Jaintia Hills, which was started in 1959-60, and the Nahorkatiya Project in Upper Assam are completed. A number of electrification projects throughout the State including those at Diphu, Aijal and Jowai, in the Autonomous Districts, were taken up during this period.

19. In the field of industrialisation, Assam stands very much backward despite its natural resources, when judged by the All-India perspective. Apart from tea and oil, the industries now existing are not worth the name. However, a start has lately been made to set up a number of factories. Amongst them, the Oil Refinery, the Spun Silk Mill, Paper and Paper Pulp Mill in the Plains district, Fruit Preservation Plants in Shillong and Tura, a Toy Factory in Diphu in the Autonomous District, may be mentioned. But except the Fruit Preservation Plants, which have already started functioning, these will not start production during the period of the Second Plan. Therefore, whatever output has been made in the field relates to the existing industries like tea, oil, coal, etc., and this is indicated in the table below—

### Industrial and Mineral Production

	Unit	1955	1956	1957	1958	1959	1960
1. Coal .. ..	'000 tons	548	570	583	565	643	640
2. Tea .. ..	Million lbs.	367	370	356	379	376	323
3. Matches .. ..	'000 case of 50 gross boxes.	43	46	..	46	49	..
4. Silimanite .. ..	Tons	2,428	3,337	4,917	6,322	6,587	..
5. Index No. of Industrial production.	..	149.8	157.8	163.6	165.5	170.0	..

(Base 1951=100 excluding tea).

20. In Social Service the progress in the Second Plan period has been significant. The percentage of children attending school to all children in the age group 6-11 years at the end of 1960-61 is expected to be about 60. The number of children attending school has increased by 35 per cent from 10.3 lakhs in 1955-56 to 13.9 lakhs in 1960-61. In the Autonomous Hill Districts there are about 2,500 Government lower primary schools and private lower primary schools out of which 225 schools were established from Article 275. There are 173 Government and non-Government middle english schools in the Hill areas out of which 30 middle english schools were established under grants from Article 275.

Progress in the field of general education in the Hills can be seen from the following table—

	1951-52	1955-56	1958-59
Enrolment in Primary Schools.	30,942	89,831	1,07,246
Enrolment in Middle Schools.	7,609	13,426	16,439
Enrolment in High Schools.	7,848	10,630	16,072

The Hill tribal students enjoy free tuition and over 2,000 students enjoy scholarships. In education, however, improvement rather than expansion is a pressing need of the hour. During the period of the Plan only 19 schools could be converted into higher secondary schools.

21. In the field of Health the progress made is also satisfactory. The number of hospitals and dispensaries increased from 178 in 1955-56 to 500 in 1960-61. During the same period the number of hospital beds increased from 2,500 to 2,700, the number of registered doctors increased from 2,872 to 3,200 and the number of nurses and midwives increased from 1,464 to 1,992. Fifty-two dispensaries are expected to be established in the Autonomous Districts by the end of the Plan. The Jowai Hospital, a First Plan Project, was also completed in 1957-58. In the First Plan, the Health Services were mostly confined to the urban areas but in the Second Plan the main objective has been to extend the services to the rural areas. Emphasis was laid on the training of technical personnel, medical graduates, nurses, midwives, pharmacists, etc., for arduous work in the rural areas. Lately the clinical classes for two new Medical Colleges at Gauhati and Silchar have also been started to meet the growing requirement of the medical personnel. The malaria control programme of the First Plan in the State was switched over to an eradication programme in the Second Plan. Only a small beginning has been made in extending water supply and sanitation facilities to the rural areas.

22. It will not be out of place to refer here that maintenance expenditure on completed schemes under the Second Five Year Plan will become a committed expenditure from next year and will have to be borne by us. From the available figures it



appears that Rs.417 lakhs including Rs.52·5 lakhs in respect of expenditure under Sixth Schedule areas will be our committed expenditure per year which we shall have to meet in future years from the State's general revenue.

23. The Second Plan period 1956-1961 has been one of challenges and successes through determined efforts even though the phenomenon of rising prices, during the past few years, has tended to eclipse the achievements of the Plan. I have already dealt with this matter relating to rising prices and I do not wish to repeat these figures again. It will however be sufficient to say that, during the Plan period, the price level in the State rose by 26 per cent as against an increase of about 10 per cent in the State national income. The economy of the State is now in a transitional stage and everything will depend on the efforts we can put in during the Third Plan period and thereafter. Paradoxically, success in some fields has brought forth new problems. For instance, emphasis laid on social services has reduced the death rate considerably without a corresponding decrease in the birth rate. This has made the problem of food for the increasing population more and more difficult. Expenditures on development projects have increased the purchasing power of consumers without simultaneous and commensurate increase of consumer goods, thus leading to an inflationary pressure. The success, in future, will therefore greatly depend upon our efforts on the food and price fronts. At the same time unless the State is industrialised and particularly is covered by cottage, small and medium industries the economy will remain unbalanced and will not be able to provide for adequate income and employment generation in the long run. Broadbasing of the economy and diversification of employment opportunities is capable of achievement by properly directing and accelerating the pace the economy has already gathered. A better co-ordination of the efforts made for mobilising the underutilised human and material resources is an essential prerequisite in this regard.

### **Third Five-Year Plan**

24. In my last Budget Speech I had indicated a broad approach and placed certain basic considerations for the formulation of our Third Five-Year Plan. These were, as far as practicable, taken into consideration by the Advisory Board, this august House and the Government at the time of preparation of our Draft Plan. We have, in our Plan of Rs.150 crores, attempted to take up such schemes as will

not merely consolidate and secure the fruit of existing investments and efforts but also help us to convert these investment into real things which mean something to the people. We have got to convert power, oil and gas, in which we propose to increase considerably our investment, into various things, tools for the agriculturists with food following, better roads and bridges, consumer goods and education, etc., which means something to the real life of our people. As against the proposed outlay of Rs. 150 crores in the State Draft Third Five-Year Plan, the Planning Commission has agreed to a State Plan for Rs. 120 crores in which the share of Central assistance will be Rs. 87 crores and the balance of Rs. 33 crores will have to be met from the State resources. A further sum of Rs. 7 to 8 crores will be available for execution of schemes under the Central sector. For projects like the Brahmaputra Bridge, the Refinery and crude oil pipeline from Nahorkatiya to Gauhati (which projects have already been undertaken and are to be completed during the Third Five-Year Plan) and fertiliser factory, will be executed by the Central Government and for these purposes another sum of Rs. 40·3 crores has been allocated. Thus out of the total India's outlay of Rs. 7,500 crores under the public sector, Rs. 167 crores will be available for investment within the State during the Third Plan period. It may be noted that Central share of assistance will be 72·5 per cent of the total allocation as against Central share of assistance of 62 per cent for the Second Five-Year Plan. In rejecting our claim for Central assistance over Rs. 87 crores, the Planning Commission appreciated the reason for such claim that it was not possible for an undeveloped State like Assam, with poor financial resources, to contribute for the Plan and to develop the State as much as other advanced States could do, but stated that this was the maximum that could be agreed after taking into consideration the special circumstances prevailing in our State. During the Second Plan period, our expenditure on social service accounted for about 44 per cent of the total expenditure against the all-India average of 18·7 per cent. During the Third Five-Year Plan, expenditure on social service has been reduced to 33 per cent of the total allocation against the all-India average of 17·2 per cent in order to make available more funds for investment on productive schemes. In course of scrutiny of the proposed Plan expenditure, it was pointed out by the Planning Commission that our expenditure on revenue account form 43 per cent of the total outlay as

against the all-India average of 33 per cent. This is to some extent inevitable because of the emphasis on social service and as the State was under-staffed in the development departments in the past in comparison with other States. As we have now improved our staff structure under the Second Plan and have also improved, to some extent, the standard of social service, we shall gradually curtail our expenditure on current outlay and emphasise on expenditure on capital account for investment in productive schemes. Most of our production schemes included in the Draft Plan have been accepted by the Planning Commission. In the matter of power, which is of basic importance for industrialisation, the Commission has even agreed to increase the original provision. The power programme envisages increase in installed capacity from 25,000 Kwt. at the end of the Second Plan to 1,44,000 Kwt. at the end of the Third Plan. Number of towns and villages to be electrified will be increased from 56 at the end of Second Plan to 116 at the end of Third Plan. In the field of technical education the Planning Commission have approved 2 additional medical colleges, 2 additional poly-technics, 2 commercial institutes and 6 junior technical schools. For Backward Classes a Central contribution of Rs. 2.40 crores will be available in addition to the Plan provision of Rs. 19.3 crores. Additional production of 4 lakh tons has been fixed as the target for agriculture. One thousand and two hundred more service co-operatives are to be set up and the N. E. S. Blocks under Community Development programme are to cover the entire State. For the first time a provision for a medium irrigation project, Jamuna, has been made in the Plan. The primary schools are expected to be increased from 14,600 at the end of the Second Plan to 18,000 to the end of the Third Plan.

### Annual Plan for 1961-62

25. The Planning Commission had indicated a Central assistance of Rs. 12.5 crores (14 to 15 per cent of the total allocation under the Plan) for the Annual Plan of 1961-62. We have proposed a plan of Rs. 18.75 crores for 1961-62, agreeing to contribute Rs. 5.16 crores from our resources which would mean that the Central assistance will have to be increased by Rs. 1.09 crores beyond Rs. 12.5 crores. We had moved the Planning Commission for the additional assistance which has been rejected. We shall again take up the matter. Our contribution of Rs. 5.16 crores towards next

year's annual plan does not include the cost of maintenance of completed Second Plan Schemes, which also will have to be borne by the State as committed expenditure. We are already spending Rs. 94 lakhs from normal resources for the maintenance of Plan Schemes completed upto 1959-60. Additional provision of Rs. 3.23 crores has been made in next year's budget for maintenance of other completed Second Plan Schemes. Our total committed expenditure on completed Second Plan schemes therefore comes to Rs. 4.17 crores. Thus our total contribution for next year's annual Plan and on account of committed expenditure will be Rs. 9.33 crores.

### **Third Finance Commission**

26. As Hon'ble Members are aware the Third Finance Commission has been recently set up under the Constitution to recommend the principles of distribution of certain revenues between the Centre and the States and for Grant-in-aid to the different States out of the Central revenues. We have already submitted our memorandum before the Commission stating our case and emphasising the necessity and justification for larger share of revenues and increased financial assistance. The grants and share of revenue allocated to our State, on the basis of recommendation of the Second Finance Commission, are not proportionate to the expenditure we have to incur in discharging our responsibility and obligation as a Border State, with long international frontier, to the contribution which our State makes to the Central revenues, apart from our claim for special consideration because of the various pressing needs of our State. Our grievances, particularly, relate to the total denial of any share from the Excise duty on crude oil and from the export duty from tea, the inadequate share from Excise duty on Tea, the Central Government's apathy to increase royalty on crude oil, the inequitable imposition of West Bengal Entry Tax on Assam Tea not consumed in that State but merely auctioned in Calcutta for the purpose of export, the deprivation of full share of income-tax collected from the profits of tea companies registered outside our State though earning profit from tea produced in Assam, absence of proper assessment of our needs, the scant consideration given to the high cost of living and the high expenditure on construction works, due to bad communication and unfavourable climatic conditions, and failure of appreciation of the enormous burden and strain we are repeatedly subjected from the recurring devastations of

floods, earthquakes and famine. Notwithstanding the State being rich in natural resources our sources of revenue are more or less inelastic and we are therefore deprived from deriving benefits out of these assets. Over and above this, a good share of our revenue has to be spent for the development of such vast areas in the State as yield little or no revenue. The standard of general administration under the different Departments is low and has to be raised to catch up to, at least, the all-India standard. Our police requires re-organisation and general administration also requires expansion. For all this we require more revenue and substantial financial assistance till we can develop and expand our resources. The denial of a share from the Excise duty on oil, though it is extracted from the State and is an exhaustible natural asset, is most unjust and has to be remedied. Our claim for a larger allocation of income-tax and other divisible Excise duty, is equally strong. To drain a State of its resources, to deny it even a share out of its revenues and to withhold adequate aid for serving its needs and for exploiting natural resources within its area is not the path of the <sup>the</sup> real democratic plan. We propose to place before the <sup>the</sup> Planning Commissions our grievances, needs and requirements and press our case for equitable share from revenues and for adequate financial assistance. In this respect if Hon'ble Members have any suggestion to offer we shall welcome them. We cherish our freedom and are conscious of our obligation and responsibility for keeping this freedom by working hand in hand and in co-operation with the rest of India but when, in time of need, difficulty or in case of injustice, we ask for help and redress we hope it will not be denied.

### **Steps taken for speedier plan implementation**

27. To execute developmental schemes involving an outlay of Rs. 120 crores including Rs. 8 crores for the Central sector a massive effort on all fronts will be necessary. For quick execution of schemes, increased financial powers have been delegated to different Departments and Heads of the Departments. They have also been provided with financial advisers to help them in the exercise of these powers and in other financial matters. To cope with the problems of man-power, a Committee has been set up to assess the man-power needs of the Plan under different categories and, on their report, necessary action will be taken by the Education Department to take up training schemes. As construction cost, at present,

swallows up a big proportion of expenditure under the Plan Schemes, it is necessary to make reduction in such cost so that more funds can be released for real productive work. Further, in order to expedite construction work simplification of Public Works Department procedure with respect to sanction, etc., is necessary. It has, therefore, been decided to appoint a small official committee to explore ways for reducing construction cost and to suggest measures at all levels for expediting the construction work. In order that some commercial concerns, under the Industries Department, may operate business more quickly without being required to come to Finance for sanction for purchase of raw materials, etc., working capital has been provided under personal ledger accounts. A proposal is also under the consideration of the Government for starting an evaluation wing under P. & D. Department for assessing the actual results of the different schemes undertaken under the Plans on independent basis so that this evaluation reports may be a guide in the matter of planning and execution. On the resources side, in order that we may be able to contribute our share for the plan from the State resources, steps are being taken to tighten up the collecting machinery of taxes, stop evasion and to realise the arrear revenue more expeditiously. Steps are also being initiated to avoid unnecessary expenditure and waste by curtailing expenditure on contingency travelling allowance and entertainments.

### **Border and Internal Law and Order**

28. Except for sporadic cases of trespass committed by individuals for the purposes of stealing cattles, burglary and kidnapping, the situation in the Indo-Pakistan border of the State continues to show an appreciable improvement. Three hundred miles of Indo-Pakistan border have been demarcated up-to-date and demarcation of the 622 miles border is in progress. We have opened 46 border outposts on our side as against 78 outposts on the Pakistan side.

The frequent raids, resulting in crimes and acts of violence, by Naga Hostiles still continue and cause anxiety. During the period under review, the number of such raids in Sibsagar and United Mikir and North Cachar Hills Districts was 22. Property, worth Rs.26,486 is reported to have been looted. Fire-arms and ammunition from villagers have been robbed and there have been some cases of kidnapping. The hostiles have also opened fire on running goods trains causing death to some and bullet injury to others. The army and police continue to

carry on intensive patrolling on the border and with the help of the intelligence staff, have often succeeded in ambushing batches of Naga Hostiles after exchanges of fire. To prevent further influx of Naga Hostiles into the border villages of these districts, 35 outposts manned by Assam Police Battalions and Border Security Forces have been opened under the control of the army commander posted at Diphu in Mikir Hills. Needless to say that these operations have resulted in a drain of the State exchequer.

29. The law and order situation in the State during the year under review was practically normal till May 1960. The series of meetings, processions, demonstrations and hartals held in Brahmaputra Valley, demanding declaration of Assamese as the official language of the State and the counter propaganda through similar processes at Shillong and in Cachar District against such declaration, particularly after the Assam Provincial Congress Committee had passed a resolution for declaring Assamese as the official language of the State, spoilt the atmosphere of peace and amity which prevailed in the State. Bitterness and hatred gained momentum and ultimately, the sporadic and isolated cases of assault, intimidation and violence which occurred during the second half of June 1960, assumed intensity both in form and size from the 4th July onward for a week to 10 days resulting in large scale arson, loot, violence and other offences. About 13,195 houses, mostly thatched in rural areas, were burnt or damaged and 40 persons were killed. About 16,250 families were affected. A large number of these, who left their places of residence, were evacuated in camps within the State and some left for West Bengal. Once again I take this opportunity of condemning this temporary out-break of lawlessness and of expressing our profound sorrow and indignation over these incidents and our concern and sympathy for all those who have been subjected to immense suffering and loss during this period. As Hon'ble Members are aware, curfew and 144, Cr. P. C. were imposed in all such places where disturbances had taken place. Over 5,000 persons were arrested for various offences and some gazetted and non-gazetted officers were suspended after enquiries for negligence of duties. Eighty-nine camps which during the peak period accommodated 79,000 persons were started within the State to provide shelter and relief to those who were rendered homeless and who left their places out of panic. These camps have been disbanded and all the persons have now returned to their places except a few in one camp at Silchar and have been rehabilitated. For rehabilitation of the affected persons,

Rs.60,20,500 on loan and Rs.8,63,600 on grants have been spent upto 21st February 1961, as against the sanctioned amounts of Rs.95,13,750 and Rs.9,83,500 respectively. Expenditure on relief up to the same date was Rs.17,50,600 against the sanctioned amount of Rs.20,71,160. A considerable number, out of those who had left for West Bengal, have also returned to their places and have been rehabilitated. The number of those affected during the disturbances and are now in West Bengal camps as given by West Bengal Government, is at variance with the actual figures. In order to settle this we have mutually agreed that forms requiring information about the names, addresses, occupation, the number of patta or municipal holding, etc., will be provided to those in West Bengal Camps and when these forms are filled, they will be sent to us for verification. These forms have now been received and a considerable number out of them have also been returned by us to the Central Rehabilitation Ministry after verification. Those confirmed as *bona fide* migrants will be offered facilities by the Central Rehabilitation Ministry to return to Assam within a specified period and such of these who had suffered damages during the disturbance after they reach their places, will be given similar rehabilitation facilities by us as have been provided to others in similar circumstances. It was a source of great relief that the situation was brought under control within a week with the assistance and co-operation from many non-official organisations and persons, the help of the army and Assam Rifles, Police Force and the constant and painstaking vigilance by our officers at all levels notwithstanding the continuous provocation from some mischievous, unsympathetic and uncharitable quarters from outside the State. A Commission of Judicial Enquiry consisting of Chief Justice of Assam High Court was set up for enquiring amongst other things into the causes and the nature of disturbances resulting into the firing at Gauhati on 4th July 1960. The Commission has since submitted its report which is now under the consideration of Government. Another Commission of enquiry consisting of a High Court Judge has been set up to enquire into the incident that took place at Goreswar in North Kamrup. The Commission has submitted its report recently. For all this Government had to incur a very heavy expenditure which has obviously put a heavy strain on our economy at a time when we wanted every possible pie for our development. We have approached the Central Government for sharing some of this expenditure and we hope some assistance will be available.



### Police

30. The Police Force of the State is still composed of most young and inexperienced officers both in gazetted and non-gazetted ranks and its weaknesses became glaring during the recent disturbances. Efforts are therefore being made to intensify training of Officers. It is proposed to start a Detective Training School and Forensic Laboratory in the State for which some provision has been made in the next year's Budget. In the meantime officers are being deputed to the Central Detective Training School at Calcutta for training. During the year under review, 24 officers were trained in the detection of forged currency notes pressed at Bombay. Further steps taken to strengthen the Department include the appointment of more officers in all ranks of armed and unarmed branches and opening up of 3 new Police Stations, 12 outposts and 2 patrol organisations. It has also been decided to gear up the entire police organisation by equipping it by adequate transport, telephones and wireless communication and provisions of adequate reserves both in the district/subdivisional headquarters and at the interior police stations so that the whole machinery may act swiftly in emergency. The intelligence branch is also to be reorganised to place it on a footing of real efficiency. For all this and other improvements more funds are necessary than the present state of our finance can bear and therefore we propose to press before the Third Finance Commission for adequate assistance to enable us to undertake this difficult and expensive task. Housing accommodation of police force under the Police housing scheme has been improved. A sum of Rs.9,81,331 has been sanctioned during the current year for construction of quarters of Police officers of subordinate ranks. The Village Defence Organisations continue to do valuable work in aiding the police in maintaining law and order by patrolling and supply of intelligence. The Fire Service Organisation in the State is being improved and steps have been taken to open new fire stations at Nowgong, Tezpur and Dhubri and sub-stations at Sibsagar, Goalpara and Dergaon. With the strengthening of the Anti-Corruption Branch under the Police Department the number of cases of corrupt practices taken up for enquiry has decreased. The total number of enquiry made by this Branch during this year upto 15th January 1961 was 161 as against 274 in the previous year upto 31st December 1959.

### Food

31. During the year under review, the general food condition in Assam was fairly good and prices of the food

stuff were maintained at a level lower than those of the previous years, despite the overall deficit of about 4.59 lakh maunds of rice in 1959-60. The situation for a short time, early in the year, caused anxiety due to damage of Ahu and Boro paddy resulting from an unprecedented drought; but it was soon brought under control by the timely release of rice from the buffer stock for distribution to needy consumers at a fixed price through Fair Price shops and Service Co-operatives. The allotment of 6.75 lakh maunds of rice by the Central Government also helped the situation. The outbreak of Mautum Famine in the Mizo district was the major event, during the year, which was successfully tackled with the allocation of 2.7 lakh maunds of rice received from the Central Government exclusively for the Mizo District. The National Christian Council also gave a free gift of 54,000 mds. of rice. The total quantity of rice supplied to the Mizo District was 2,66,429 maunds by road, 1,82,823 maunds by air and 91,245 maunds by boat, in addition to 17,825 mds. of paddy by road and boat by the end of October 1960. As decided by the Food Advisory Committee, out of the marketable surplus of 75.6 lakh maunds of winter rice, Government exercised control over the wholesale trade of 60.75 lakh maunds of rice in order to stabilise effectively, the market prices during the last year. Out of this 60.75 lakh maunds of rice, the target for the buffer stock during 1960 was fixed at 21.6 lakh maunds of rice or 35 lakh maunds of paddy. The remaining 39.14 lakh maunds of rice was left with the licensees and its distribution controlled directly by the movement control, price control and allocation to industries, etc. Besides making an effective allocation of 3.23 lakh maunds of paddy from millers stock to the tea and other industries, Government were able to procure a total quantity of 29,87,874 maunds of different variety of winter paddy. Government also procured 2 lakh maunds of Ahu paddy as a price support scheme to help the growers. It will, thus, appear that target of procurement of 35 lakh maunds winter paddy was actually reached in spite of difficult food position in the Cachar District. The scheme of State Trading of paddy was extended during the year 1960 to the Districts of Cachar, Darrang and Kamrup and also to the Subdivisions of Goalpara (South Bank) and North Lakhimpur under Assam Co-operative Apex Marketing Society which was entrusted with the task of procuring paddy and rice in these areas and which purchased the total quantity of 44 lakh maunds of winter paddy as against the target of 28.5 lakh maunds. We propose to continue the procurement scheme during the Kharif year in 1960-61. A buffer stock

of 35 lakh maunds of winter paddy and 8 lakh maunds of Ahu and Ekra paddy will be built up in addition to carry over of 12 lakh maunds of paddy from 1960. Distribution of resultant rice will be done by the Co-operative Department according to a scheme to be formulated by the Supply Department. It is expected that, with the carry over of this year's stock, it will be possible to meet the requirements of rice during 1960-61 without imports, provided there are no unforeseen demand for natural calamities. With the installation of 4 roller flour mills in the State, supply of wheat and wheat product has also improved. It is expected that the situation will improve further with the setting up of 2 other roller flour mills now in process of completion. There was occasional shortage in the supply of salt due to various factors, but the situation was met by immediately bringing salt from Calcutta on priority basis through railways and steamer. The supply of iron and steel materials remain insufficient as before. During 1960-61 the State Government obtained an *ad-hoc* allocation of 1,500 tons of Galvanised Corrugated Iron sheets from Government of India for rehabilitation of the victims of recent disturbances. Supply of cement registered a steady flow during the first half of the year but showed a sharp decline during the second-half, due to disturbances, railway strike and other transport bottleneck. All possible steps were, however, taken to increase the tempo of despatches as a result of which there was some improvement in supply but, in the meantime, the State allocation made by Government of India has been reduced because the overall demand for cement all over India has gone up for accelerating the work of construction at the close of the Second Five-Year Plan. In order to meet the position, permit system for the distribution of cement at the stockist level, which was abolished in 1959, had to be re-introduced with effect from October 1959. Supply position of sugar was satisfactory all throughout the year.

### **Agriculture, Animal Husbandry and Fishery**

32. During the current year 1960-61, Rs. 20.98 lakhs have been spent by the Agriculture Department till the end of September 1960 against the Plan allocation of Rs. 105 lakhs. This includes the expenditure made under Public Works Department, Revenue and Soil Conservation Schemes. Against the target of 87,690 tons food grains for 1960-61, 9,800 tons have been achieved upto September 1960. The expenditure provided is expected to be spent and target laid down for the year is expected to be achieved as most of food grains are

produced and the food production schemes are started in the winter months. For organising food production, Field Management Committees have been set up and an intensive programme for training of farmers has been taken up through Gram-Sahayak Training Camps and Seminars at District and Subdivisional levels. Upto August 1960, 8,300 Field Management Committees have been formed against the target of 10,000 within the Plan period. A short-term loan of Rs. 50 lakhs has been sanctioned for disbursement to the cultivators by the Co-operative Department in the shape of fertiliser, seeds and pesticide and some additional cash amount. Co-operation from the tea estates was also obtained in the food production by utilising their surplus land and they have been provided with required improved seeds, manures and pesticides. During 1959-60, 80 per cent of paddy crops were damaged in the Mizo District, resulting in an acute shortage of food and seed. Nine thousand maunds of seeds of maize, kochu, ground nut and paddy were distributed in the Mizo District by the Agriculture Department to meet the situation and also rat-killing campaign was carried out. An expenditure of Rs. 3 lakhs is expected to be spent on this account in the current year in addition to Rs. 2.99 lakhs spent during 1959-60. A land settlement scheme was launched at Fallangani at Golaghat Subdivision for rehabilitating landless agriculturists and flood affected people. Till March 1960, about 6,000 bighas of fallow land were reclaimed and 4 villages were established with about 300 families. By the end of the fourth year of the Plan, Rs. 6.2 lakhs were spent on this purpose against the total provision of Rs. 23.57 lakhs. During 1960-61 upto September 1960 the expenditure was Rs. 10 lakhs. An additional Integration Training Centre was started at Arunachal in Cachar District for the training of field staff of the Community Project and Agriculture Department.

33. The Department of Animal Husbandry utilised fully the Annual Plan allocation of Rs. 23 lakhs in 1959-60. In the current year, it is expected that it would be able to spend Rs. 38 lakhs for the plan project as against the annual allocation of Rs. 28 lakhs. In the current year, 9 veterinary dispensaries, 4 hospitals, 2 mobile dispensaries, 4 fodder farms and one key village Block will be added for all round development of livestock. Programme under Article 275 has also been intensified by gradually extending the benefits of improved methods of animal husbandry in the remote Tribal areas. Large number of poultry, pigs, cattle of improved varieties are being distributed in these areas. During the next financial year emphasis will be laid on

the implementation of dairying and milk supply, poultry development and key village schemes.

34. The pisciculture has shown progress in production of fish seed, renovation of old tanks, development of fishermen co-operatives and in the training of field staff. During the current year, the Department is expected to spend the entire allocation of Rs. 9 lakhs. Adequate funds have also been provided for development of pisciculture in the Sixth Schedule areas of Autonomous Hill Districts.

### Co-operation

35. In pursuance of the decision of the National Development Council, small-sized Village Co-operatives, confined to one or more villages, are being established in place of large-size co-operative societies. Upto March, 1960, 2,578 such Service Co-operatives have been organised in the State. Under the new policy it is expected that about 4,000 such societies will be organised before the end of the current year. The branches of the Assam Co-operative Central Land Mortgage Bank at Nalbari, Barpeta, Silchar and Sibsagar have been converted into primaries during 1959-60 and they have been given a subsidy of Rs.6,000. It is proposed to convert six new sections of the Land Mortgage Bank into Primaries in 1961-62. During the last four years, 117 Primary Marketing Societies and Apex Marketing Society have been established out of which the Apex and 95 Primaries received share capital and subsidy and 89 of them, including the Apex, received loan and subsidy for the construction of godowns. In the districts of Nowgong, Darrang, Kamrup, Cachar and the subdivisions of North Lakhimpur, Diphu and Goalpara, the State Trading in food-grains has been taken up through the agencies of Co-operative. In the last year the Apex Society procured 45.39 lakh maunds of paddy upto 30th November 1960. The programme for the current year is to procure 75 lakh maunds of paddy and establish 16 new Primaries. The Assam Co-operative Sugar Mill produced 1,16,864 maunds of sugar in 1959-60 season as against 48,000 maunds of sugar produced in 1958-59. A Milk Pasteurised Plant has been started at Gauhati and it is now supplying milk in Gauhati town. Another such Plant is being started at Jorhat. A second Cotton Ginning Mill is being established at Diphu in the United Mikir and North Cachar Hills. A Co-operative Society for a Jute Mill in Assam has been formed in the district of Nowgong with Jute growers as members. Government of India have issued the license and steps are being taken to raise sufficient

share capital and to obtain the requisite machinery. The Assam State Ware Housing Corporation, constituted in 1958-59, is taking steps for construction of two Ware Houses. It is now storing paddy, procured under the State Trading Schemes, in hired godowns at different places. Twelve Industrial Weavers Co-operative Societies and similar other societies are being helped by the Khadi Board with financial assistance. Bell-metal, brass, black-smithy industrial co-operatives are being looked after by the Cottage Industries Department. Active steps have been taken for organising farming co-operatives. Pilot Schemes have been drawn up for all the districts in Assam and provision has also been made for financial assistance. Two Pilot Projects, having 10 co-operative farms in each, are proposed to be taken in 1961-62. The State Co-operative Union is now engaged in training members of the office-bearers of Co-operative Societies and also non-official members with the help of eight instructors in eight districts. They have so far trained 10,152 persons. Under the Border Relief and Rehabilitation Schemes, six godowns at Rs. 20,000 each are proposed to be constructed in the border areas of United Khasi and Jaintia Hills, Garo Hills and Mizo Hills. A sum of Rs.1,50,000 and Rs.1,00,000 as grant-in-aid towards share capital and subsidy towards costs of management respectively will be sanctioned to the district and regional Co-operative Marketing Societies in the above districts. The Co-operatives are intended to provide credit facilities, particularly, to rural population but this purpose can only be served when the institutions are properly managed and keep the door open for receiving loans and subsidy by timely and prompt payments of their outstanding and overdues. The overdues and outstanding position of rural credit in the State, as disclosed on 31st December 1960, are very alarming and likely to hamper seriously the agriculture production programme and development of villages. Of the total amount of Rs.4,26,94,644 disbursed on account of short term loan, medium term loan and special medium term loans, the amount over-due has reached the figure of Rs.1,31,71,052 towards the end of 1960 while the amount outstanding at that time was Rs.1,52,12,129. A gigantic effort for realising these big over-dues and out-standings is called for but this effort can only yield result with the co-operation of the people.

### **Community Project**

36. The Community Project Schemes, which have been undertaken to overcome torpor of rural India will have a

new vigour and drive with the coming up of the Anchalik and Gaon Panchayats, establishment of Service Co-operatives and formation of Field Management Committees. It is expected that with the co-operation of these three agencies, the village level worker, who is the pivot of the Community Project administration, will be able to show much better performances. Effective steps are being taken for training of the Gram Sevaks and village workers in the existing four Integrated Training Centres and in addition arrangement have been made for their refresher's training for short period. The Japanese method of cultivation was introduced in 15,000 acres of land and 13,000 acres of land were covered under the chemical fertiliser programme. Over 1 lakh acres of land were covered under Minor Irrigation Programme. About 97,000 maunds of pesticide have been distributed all over the State and 30,000 acres of land have been placed under the horticulture programme. Fifty primary health centres and 75 maternity and child welfare centres are functioning. About 200 artificial insemination centres and breeding centres have been started. A new programme of setting up Vigyan Mandirs for popularising scientific technique and three Pilot Projects, in North Lakhimpur, North Gauhati and Goalpara, for productive purposes are being taken up. Women and children programme is also being pushed up. It has been decided that during the Third Five-Year Plan period, all the blocks to be taken up in the Autonomous districts will be multipurpose blocks with an additional grant of Rs 10 lakhs for each over and above the usual allocation from schemetic budget.

### Panchayat

37. The Assam Panchayat Act 1959 came into force with effect from 1st October 1959. After the formation of 2,546 Gaon Sabhas in the Plains, in consultation with the rural population, these have been linked with 120 Anchalik Panchayats and 16 Mohkuma Parishads. Elections were held at all the three levels throughout the Plains in the State and by now elections in all the districts have been practically completed. Gaon Panchayats have been given the entire local rates and 15 per cent of land revenue realised within their jurisdiction, in addition to their own income from minor hats, taxes on tea stall, sale of fire-woods and thatch, slaughter houses, etc. The Anchalik Panchayat will get 10 per cent of the land revenue in addition to a substantial portion of receipts from major hats, revenue from cart taxes, etc. Further the entire

amount of schematic budget of Community Development Block is also at the disposal of the Anchalik Panchayat, where National Extension Service Blocks have been taken up. In addition to all these, specific grants-in-aid for specific development are being placed at the disposal of the Anchalik Panchayats for works to be executed, as far as possible, through the Gaon Panchayats. During this year about Rs. 13 lakhs for rural water-supply, about Rs. 2.6 lakhs for self-help work, Rs. 4.8 lakhs for rural road development schemes and about Rs. 12 lakhs as grant-in-aid to Panchayats, in addition to grants for Exhibition and for repair of Local Board roads have been given. From share of land revenue Rs. 14.28 lakhs have been given to Anchalik Panchayats and Rs. 21.42 lakhs to Gaon Panchayats while the latter has also received Rs. 14.22 lakhs from local rates. It is proposed and expected that other Departments will also channelise their activities through the Panchayats. In order that these Panchayats manage their work efficiently, arrangements have been made for systematic training programme of the Presidents, Members and the Secretaries of Gaon and Anchalik Panchayats. Two-day training camps are being organised at the village level for the Gaon Panchayat members whereas 7-day training camps are being started for the members of the Anchalik Panchayats subdivision-wise. In addition to this, State Level Seminars are being held for training of the office-bearers. Side by side with the camp training, arrangement has been made for longer course training of the officials and non-officials of Panchayats in the Training Institute at Joysagar. As only one Training Institute is not sufficient, another one is being set up at Kahikuchi near Gauhati for training of the Panchayat workers. It is contemplated to have a training scheme separately for each district in future with Central assistance. Under the Annual Plan 1961-62 an amount of Rs. 21 lakhs has been provided for loans to Panchayats and for creating remunerative productive assets and for other purposes such as the training of the Panchayat people. The healthy foundation laid down for the working of the Panchayat system, if taken advantage of properly and worked in active, co-operative and proper spirit, will change the phase of rural area.

### **Education**

38. The Aided College Teachers have been given the scales of pay according to the University Grants Commission's recommendation, in addition to dearness allowance at the rate admissible to Government servants. Teachers of aided secondary



schools have also been given the scales of pay and dearness allowance as admissible to teachers of Government Secondary schools. A sum of Rs. 70 lakhs has been provided in the next year's Plan Budget to increase the dearness allowance of lower primary and middle vernacular school teachers. It has also been recently decided to give separately higher pay scale to matriculate and Normal passed middle vernacular school teachers and Intermediate passed school teachers in middle english and high schools. The reservation of fee income of aided colleges and schools has been raised from 25 to 40 per cent to enable the institutions to have more funds for capital expenditure. Substantial expenditure will have to be incurred by the State Government for introducing the three-year degree course in the colleges. The phased programme is being drawn up and the first phase will be implemented during the next financial year. The scheme for conversion of high schools into higher secondary and multipurpose schools continued during the year under review. The total number of High Schools taken up for development is expected to be 23 multipurpose and 22 higher secondary by the end of the year. Provision has been made in the next year's budget for upgrading more high schools and for introducing agricultural gardens as craft subject in selected secondary schools and for improving facilities for teaching science in schools having qualified science teacher and staff. Provision has also been made to meet the increased demand for more facilities for secondary education by means of grants-in-aid. Four hundred and sixty venture lower primary schools and 14 venture middle vernacular schools will be taken over by the State Basic Education Board and 80 venture lower primary schools in the tribal areas will be brought under the aided list. The provision for primary education in the normal budget during 1961-62 has been raised by 21.14 lakhs over the provision of previous years. A phased programme for introduction of universal and compulsory primary education throughout the State has been drawn up and provision has been made for implementing the first phase of the programme to cope with the increased demand for trained teachers. The annual intake capacity of existing teachers' training Institute has been increased and the training programme has been taken up to orient the primary school teacher to the basic pattern. The Inspectorate staff has been strengthened by creation of posts of two more Inspectors, 8 more additional Deputy Inspectors and 28 more Sub-Inspectors of School. The number of Sub-Inspectors of School is being proportionately increased every year till a staffing pattern of one officer for 50-60 schools is achieved. Sixty scholarships for special studies inside India in

various subjects have been created. Further provision has been made for granting Central post-matric scholarship to students of scheduled castes, tribes and other communities.

Out of a total plan allocation of Rs.72.47 lakhs for technical education and craftsman training for the current financial year, Rs.12.44 lakhs were spent upto quarter ending 30th September 1960. A second Engineering College at Jorhat and a third Poly-Technic at Silchar have been started. Due to the difficulty in the matter of acquiring land, the Nowgong Poly-Technic could not be started but, as land has now been obtained, it is expected that the classes may start partially in 1961-62. Four Technical Schools at Tezpur, Nowgong, Bonggaigaon and Gauhati have been taken over by the Department and developed into full-fledged industrial training institutes. The total number of seats for craftsmen training have been raised from 860 to 1,344 in 1961-62. Industrial training Institutes are being established at Tura and Diphu.

### Medical

39. The expenditure likely to be incurred during the year under review for implementation of various development schemes will be about Rs.163 lakhs. One Medical treatment centre at Mairang and one dispensary at Barapani (both in United Khasi and Jaintia Hills) have been recently opened. Another dispensary at Pynursla, in Khasi and Jaintia Hills, will shortly be constructed. Eight new dispensaries will be established in the four autonomous districts during the current year and the dispensary at Dawki will be shifted to Lamin with the addition of 12 beds. Two new subsidised dispensaries have been established. Decision has been taken for taking over subsidised dispensaries and conversion into regular State dispensaries with a view to extending better medical facilities to rural area. This will have to be done in phased programme, taking into consideration the regional needs, and it is proposed to take over 13 dispensaries during the next financial year after proper selection. This will involve an expenditure of Rs.9,10,000. A two-years' Pharmacists' training course has been started in Assam Medical College, Dibrugarh, in substitution of the one year Compoundary Training Course. The research Department of the Ayurvedic College, which has now shifted to the new building, has been strengthened and 18 subsidised dispensaries have been set up. Fifty-seven Family Planning Clinics have been established upto-date and 10 more will be soon taken up in the current

year. Lokapriya Gopinath Bordoloi T. B. Hospital has been granted subsidy of Rs. 4.25 lakhs. Some additional building in the R. P. Chest Hospital, Shillong, have been completed and the existing T. B. clinic at Tezpur has been upgraded. Drug control staff has been sanctioned for enforcement of Drug Act and Rules. Eight doctors have been selected for training abroad. A pre-clinic class for two medical colleges have been started to meet the demand for more doctors. Under various training programme maximum possible number of Pharmacists, nurses, mid-wives, etc., are being placed for training.

### **Major Industries and Power**

40. There has been considerable progress in the matter of industrialisation of the State during the year under review. In spite of the disturbances and acute shortage of cement and steel, work on the Gauhati Refinery is proceeding satisfactorily and the Refinery is likely to go on stream in 1961 and oil pipe line from Nahorkatia Oil Field is also likely to be completed. A number of ancillary industries, oxygen plant, a sulphurdioxide and the like, are being set up in the private sector. In the Naharkatia and Namrup area sufficient progress has been made for starting the fertiliser plant, the construction of which has been entrusted to Hindusthan and Fertiliser Co. Ltd. The project for distribution of natural gas by the State Government in Tinsukia and Dibrugarh areas for domestic and industrial field has since been approved and the work on the project is expected to commence during the next financial year. We also propose to undertake a project for the stripping and fractionisation of natural gas so that the common fraction can form the base for the manufacture of a large number of petro-chemicals. It is expected to commence work during 1961-62 on this project. The Spun-Silk Mill, a State Government undertaking, is expected to go on production by the middle of this year. The machinery erection has already commenced. A project for manufacture of ceramic and insulators is also proposed to be undertaken in Goalpara and Garo Hills district area during the course of the next year. In the private sector, a number of major industrial projects—synthetic rubber, poly-ethylene, synthetic plastic and carbon black have been approved and licensed during the last year. These projects are likely to be established by 1963-64 in the Upper Assam area and are expected, together with gas based thermal project, to fully utilise the natural

gas which will be available after the Refinery goes on stream. Other chemical industries, super-phosphate and sulphuric acid plant and a project for calcination of petroleum, coke and manufacture of graphite paste, have also been set up in Gauhati area. Licenses for two additional pulp projects, including rayon pulp, have been issued and Cachar region is expected to develop industrially once these projects are completed by 1964. These projects will also utilise the various resources of the Mizo District. A pulp project of Assam Pulp Mill had to be shifted to Cachar from the North Cachar Hills owing to extensive bamboo flowering in that district. It is expected that another pulp project, based on bamboo of North Cachar Hills, will be taken up as soon as the bamboo regeneration is found to be satisfactory after investigation for which a detailed survey will be taken in the next year. Other industries, in various stages of implementation include a small paper mill of 10 ton capacity, a hard board plant, a cheap board unit, besides expansion of manufacture of commercial ply-wood. Two Cotton spinning Mills, in Kamrup and Darrang districts, are likely to go into production during this year. The Fruit Preservation Industry is expected to receive a considerable fillip, with the substantial extension of two local units, through financial assistance from the State Government, and a major unit to be set up in private sector in Cachar. Machinery orders have been placed for the Cement factory at Cherrapunji and it is expected that the project will go into production by April 1963. The project for manufacture of refractory material in Assam has also been approved and work in this project will commence shortly. A Cycle Factory has gone into production at Gauhati and steps are being taken to revive a local tannery unit at Gauhati through substantial capital participation. The techno-economic survey of the State has been completed by national council of applied economic research and a final report is expected to be published shortly. Policy of Government, in the matter of industrialisation, is to implement certain basic industries in the public sector, to encourage the co-operative sector to extend, as far as possible, and to allow and assist other industries to be undertaken by the private sector. Provision is made, in many instances, for direct capital participation through purchase of preference or equity shares, besides securing participation, to an adequate extent, for intending local share holders in the share issue. It is also being ensured that industries started in the private sector will give preference to local persons in employment and provide opportunities to local persons for receiving technical education and training. It is

expected that with the implementation of these projects, the pressure of unemployment will be considerably reduced. With the growing industrialisation and increasing need for local employment, a Liaison Officer has been appointed, with a separate office, for taking up the question of employment of the local people with private industries. And for the tea industry, a Committee has been appointed with the representatives of industry to screen local candidates desirous of joining the tea industry. A detailed assessment has been made, category-wise, of the requirements of trained technical personnel for the industries of the State, during the Third Five-Year Plan, and the training programme to cover these requirements is being drawn up by the Education Department. The Industries Department is also separately taking up programme for apprenticeship and in plant training for local persons in industries which have sufficient scope in Assam. As Hon'ble Members are aware, oil has been recently struck by the Oil and Natural Gas Commission in Rudrasagar area of Sibsagar District with great possibility for the future. It must, however, be noted that most of the major projects will not be completed before 1963-64 as the power from the Uiam Hydrel and Nahorkatiya Thermal Station will not be available before then. Nonetheless, the establishment of so many large industries, with ancillary and subsidiary industries, towards the end of Third Plan into which we are stepping, will undoubtedly change the face of Assam and usher in a new era of industrial employment, progress and prosperity, beside facilitating the exploitation of the State's natural resources.

### **Small and Cottage Industries**

41. Small and Village Industries deserve even more attention than the Major Industries. The reason for giving them more importance is too wellknown to require any reiteration here. It will be sufficient to say that organised and extensive efforts in this direction will pay us more dividend. The growth of small-scale industries, which continues to be satisfactory, has to be carefully planned and pursued. A number of light engineering units and steel processing units, foundry, cycle parts, wire goods, canvass goods, batteries, paints, etc., have been set up at Gauhati in addition to units at Tezpur and Sibsagar. The Central Workshop is expected to be completed this year. The Marketing Corporation, which has started functioning quite effectively, is bringing better co-ordination in the marketing programme. Two more industrial estates have been

sanctioned, one each at Nalbari and Badarpur, under the rehabilitation programme and work has been started in both these projects. A total amount of Rs. 10,71,700 has been spent for loan for assisting these small industries upto December 1960. Further, Government extended all necessary facilities through the training-cum-production centres, service facilities through the industrial estates and service workshop and marketing facilities through the marketing corporation. Raw materials were also supplied through the Central stores. The training programme, initiated by the Department, covered 105 persons upto September 1960 and another batch of 64 boys will complete their training by the end of the year. During the Third Plan, the activities of the marketing corporation are expected to cover the entire State together with the setting up of the designs units and a large production centre for handloom and other local products. An important programme proposed to be taken up, through the State Small Industries Corporation, which is being constituted shortly, is the setting up of a number of Small Industries units directly by the agencies which could after completion be operated and managed by local persons. Under Sericulture and Weaving altogether 22 schemes of different categories have been taken up during 1960-61 involving an expenditure of Rs. 22.54 lakhs and the progress has been satisfactory. According to the decision of the Central Silk Board, the higher diploma course in Titabar Sericulture Training Institute has been discontinued from this academic year and now only the certificate course will be conducted in this Institute. The Research station at Titabar has been continuing investigation with profitable results. Progress is noticeable in the implementation of Khadi and Village Industries Schemes, taken up by the Assam Khadi and Village Industries Board, with financial assistance from the Khadi and Village Industries Commission and the State. Total expenditure for the current financial year is expected to be Rs. 48.36 lakhs out of which Rs. 12 lakhs were sanctioned by the State Government. Altogether 24 Khadi and Village Industries Schemes have been taken up under the Second Five-Year Plan at an estimated cost of Rs. 1.20 crores.

### Labour

42. Industrial relations in the State, on the whole, remained steady, notwithstanding an unprecedented drought which affected the tea industry leading to lay off by 39 tea estates involving 65,593 labourers. For general welfare of working

classes, apart from statutory obligations, several welfare schemes under the Plan have been undertaken and financial assistance given to non-official organisations. The State Government have approached Government of India for bringing about legislation to assume powers for going into cases of closure of tea gardens due to mismanagement. Some progress has been achieved in introducing schemes for mobilising the available surplus labour within the State for employment in tea estates which are deficit in labour without recruitment from outside. The Assam Tea Plantation Provident Fund Scheme has been working successfully and invested Rs. 5,67,00,000 on National Savings Certificate out of Rs. 16 crores collected as Provident Fund and Bonus. The live register of Employment Exchange, which stood at 33,501 at the end of October 1959, came down to 29,199 at the end of October 1960. There was a corresponding fall in the number of registration of the unemployed effected by the Employment Exchanges and a rise in the number of vacancies received and placements effected. According to a study made by the employment service organisation, the total estimated employment in the public sector in Assam (including non-regular and daily wage workers) rose to 1,58,387 on 30th June 1960 from 1,37,546 on 30th June 1959 showing 15.2 per cent rise in the new employment in the public sector.

### **Public Works Department (Roads and Buildings)**

43. During the year several building projects have been taken up by the Public Works Department under the Second Plan involving an expenditure of Rs. 183 lakhs. The progress in execution of works was considerably hampered during the early part of the year because of disturbed conditions in the State and non-availability of steel and cement. The work, undertaken out of Plan provision during this year was, more or less, in continuation and attempted completion of incomplete works of the previous year. Works, financed out of the State revenue and relating to mostly construction of buildings of various departments are likely to be completed during the current financial year. The most important programme of work that was taken up by this Department during the year is the construction of Border Roads. This work, which was started towards the end of 1959-60, is in good progress and will continue during the Third Five-Year Plan. Apart from this, a sum of Rs. 140 lakhs was provided for expenditure on road schemes which included an expenditure of Rs. 7.20 lakhs by the District Councils and Panchayats on village roads.

Another programme, costing Rs. 50.5 lakhs, for construction of roads, was drawn up, in consultation with the Assam Road Communication Board, out of savings in the Plan and sanctioned towards the later part of the last financial year. It is expected that a major part of the work will be completed during the current year. Under Centrally sponsored schemes, an amount of Rs. 48.80 lakhs has been provided for execution of the projects taken up under the programme of construction and development of State Roads of economic and inter-State importance. It is expected that the entire amount will be utilised during this year. Some projects, which cannot be completed, will have to be spilled over to the next Plan. Such projects include, amongst others, the completion of a permanent bridge over Jia Bhorali river on North Trunk Road at Tezpur Subdivision and of Barak Bridge in the Cachar District. This latter bridge could not be completed in time due to difficulties in getting foreign exchange, revision of specification and change of the contractor. The work has now been allotted to a new Firm, Messrs. Gannon India (Private) Limited and is expected to be completed soon. The protection work in Jia Bhorali is in progress and the bridge is expected to be started towards the end of this financial year. The projects for execution of the bridges and road work, out of Central Road Fund (Ordinary) Reserve and State revenue on 50:50 basis, which were started last year with the approval of the Government of India, are in progress and will be spilled over to the Third Five-Year Plan. Current year's provision of Rs. 21.20 lakhs for improvement of roads in the Plains Tribal Areas is also expected to be utilised within this year.

### Transport

44. Makum-Digboi-Lekhapani Route (32 miles) and Gola-ghat Dergaon Route (14 miles) are proposed to be nationalised during the next financial year. Steps are also being taken for construction of a Central Workshop at Gauhati with modern equipment together with divisional workshops at other places. Gradually, quarters will also be constructed for the State Transport staff in all places. At the instance of the State Government, the Government of India have directed the officer in charge of Seismological Observatory at Shillong to conduct meteorological observation at Umwanhum site near Umroi village as a preliminary for the purpose of establishing an Air Field for serving Shillong. The work of extension of the Borjhar Air Port, in order to enable it to



receive bigger air-crafts, is nearing completion. The capacity of the Hill section of North-East Railway for handling traffic is being increased. Construction of Railway line to North Lakhimpur is under quick progress and we have pressed Central Government to extend it upto Murkongselek. Brahmaputra Bridge is expected to open to traffic by the middle of 1962. A second traffic survey in respect of proposed Railway line from Pandu to Derandire *via* Amjanga has been completed by the Railway Board and we have requested the Central Government to include this project in the Third Plan. In the field of inland water transport, construction of Pandu Port is in progress and a sum of Rs. 6 lakhs is expected to be spent for this purpose during the current year. Survey of Dhaleswari river in Mizo District is expected to be completed during this year. It has been decided to bring a naval expert from U. S. A. for advising the State Government on inland navigation programme and for preparing the project report for establishing a dock-yard at Pandu for repairs of steamers. For this purpose necessary foreign exchange has been already released by Government of India. The project report for the first phase of rope-way project from Shella to Shillong was submitted to the Planning Commission after completion of ground and engineering survey and the Planning Commission has sanctioned an amount of Rs. 1.25 crores for the execution of the scheme during the Third Plan. The second phase of the project, Shillong to Pandu, will be considered by the Planning Commission after the progress of work of the first phase.

### Flood Control and Irrigation

45. During the current year, new Flood Control Schemes, estimated to cost Rs. 112.67 lakhs, have been undertaken, of which Rs. 58.7 lakhs is for construction of 8 new embankments, which include the pressing schemes for construction of dykes along both banks of Puthimari River at a cost of Rs. 25.34 lakhs and Rs. 23 lakhs for re-storing formation of some of the affected existing dykes in Kamrup and Cachar Districts, Rs. 5.31 lakhs for two Drainage channels, Rs. 1.88 lakhs for a River Training Scheme, Rs. 5.95 lakhs for investigation of dam site on the Barak River for Flood Control works and also Rs. 18.8 lakhs for 3 new town protection schemes. For formulating the Flood Control Schemes investigation for collection of hydrological and minimum data are being carried out both by the C. W. and P. C. and the State Flood Control Department. For this purpose, no new scheme, except

the collection of hydrological data of the river Brahmaputra and Barak by the C. W. and P. C. for two years from 1st November 1960, at a cost of Rs. 36.15 lakhs, has been taken up during the current year. The survey and investigation works taken up before were continued and some progress achieved. Preliminary investigation of Subansiri and Tirap and the Namphuk in the Dihing basin has been completed. Investigations of the dam site on the river Barak for Flood Control are being continued. The project report for Jamuna Irrigation Scheme is being finalised by the C. W. and P. C. for obtaining approval of the Planning Commission for its execution during the next Plan. Total allocation for Flood Control work for the Third Plan is Rs. 5 crores against which Rs. 75 lakhs have been allocated for 1961-62. Due to Flood Control works in 1961-62, the total area likely to be benefited is 69,500 acres.

### **Forests**

46. Progress under schemes for provision of sleeper and supply of other timbers to D. G. & S. and disposals were satisfactory. Special operation in the Patharia Hill Forest Reserve continued in full tempo. In addition to works likely to bring revenue to Forest, the Department executed plan schemes by construction of low-income group hostels and rest houses on behalf of the Tourism Department. Work on the Timber Treatment Scheme, in the Centrally sponsored sector, at an expenditure of Rs. 4.29 lakhs went on satisfactorily. Thirty-five miles of new forest roads were constructed during the year. In the State Zoo at Gauhati, various constructions for housing birds and animals are in progress. Development work was also undertaken in the Kaziranga and Manas Game Sanctuary. Seventy acres of regeneration work will be completed during the year and 975 acres will be maintained, bringing the total achievement during the Second Plan period to 5,429 acres. To gear up the administrative machinery, the Lakhimpur Forest Division has been splitted up into two Divisions—Dibrugarh and Digboi. It has also been decided to shift the headquarters of the two Conservators of Forests to Gauhati and Jorhat and separation of records for this purpose has already been taken up.

### **Soil Conservation**

47. Importance of Soil Conservation in the matter of promoting of cultivation in the Hill areas cannot be over-emphasised. The Directorate for Soil Conservation has been

strengthened by creation of a separate Soil Conservation Division for each Sixth Scheduled District under Divisional Forest Officer of the rank of D. F. O. Some officers of the Department were also sent outside the State for training. The Department's programme hitherto has been to grow wood-cover over the bare hill tops, which is done by afforestation, to take steps for growing of non-perishable cash crops, such as rubber, cashew nut, and to encourage cultivation of crops which require retention of tree shade such as coffee, black pepper and cardamon. Growing of these crops is being encouraged by supplying cuttings from Government nursery and providing funds to intending cultivators under a land-cum-subsidy scheme. Considerable interest is being shown by people in the hills in such processes and possibilities of such cultivation have been appreciated by the Indian Council of Agricultural Research and the Coffee Board. Booklet in hill languages are also being printed and distributed, publicising the benefit of the cultivation of such cash crops. Efforts are also being made to set up a Fodder Farm to minimise the erosion caused by professional graziers.

### **Excise and Prohibition**

48. The Prohibition Act was extended to Nowgong District with effect from 1st April 1960. In areas other than Kamrup and Nowgong Districts, various restrictive measures have been taken for discouraging drinking and for preparing ground for prohibition. The bottling system of liquor, introduced in the Dibrugarh Subdivision and Sibsagar District to check corruption and various shop mal-practices has proved a success. No opium passes are issued now and the pass holders are instructed to get their habits cured by medical treatment in the treatment centres opened by Excise Department or in the Civil Hospitals.

### **Town and Country Planning**

49. Master Plans for Gauhati and Tinsukia have been prepared and finalised. The Assam Slum Areas (improvement and clearance) Bill, 1959, which has been passed by the State Legislature, is awaiting Governor's assent. Schemes for development authorities to be set up under these acts are being drafted. In order to meet the need of trained personnel for this Department, scholarships are being awarded to suitable candidates. So far 5 students have completed their classes and joined the Department as Assistant Town Planner. This

Department also prepares and lays out plans for different block headquarters under Community Project and for selected villages in N. E. S. Blocks under Rural Housing Project Schemes.

### **Publicity and Film Studio**

50. The Publicity Department participated for the first time in 1960 in the World Agriculture Fair at New Delhi. The Assam Pavilion secured a gold medal as the second prize and the Exhibition Officer was awarded the gold medal as a token of his contribution towards the success of the Exhibition. The construction of the building for a film studio, the first of its kind, will start shortly. For this purpose a plot of land, covering an area of 150 bighas, has been acquired. Besides facilitating production of documentary films by the State Government, the Studio will also be available to private producers of film on hire.

### **General Administration**

51. An Administrative Training School at Gauhati for training of all categories of administrative officers will soon be set up and this will help in increasing the efficiency of the officers. The Principal has already been appointed and action is being taken for acquiring land for the building. Government have sanctioned a 10 per cent compensatory allowance, with effect from 1st April 1960, to all Government servants stationed at United Khasi and Jaintia Hills drawing pay not exceeding Rs 450 per month subject to a minimum of Rs.10 per month on condition that pay and compensatory allowance do not exceed Rs.500 per month. Similarly the minimum limit of winter allowance has been raised to Rs 10 per month with effect from 1st November 1959 to give relief to the low-paid Government servants. Recently a decision has been taken to decentralise the administration in the area east of the Subansiri, comprising some Mouzas of North Lakhimpur Sub-division, Dibrugarh Sadar Subdivision and the Murkongselek Transferred area, by setting up a Magistrate Court, a lock-up and the headquarters of a Police Inspector's Circle.

### **Relief and Rehabilitation**

52. During the year under review the State was affected by two floods, in June and September. Relief measures were undertaken on extensive scale to meet the situation. Apart from the agriculture loans disbursed amongst the cultivators

by Co-operative Department, Rs.7.69,200 were given for Seed loan, Rs.10,39,300 for rehabilitation loan, Rs.5,83,851 for gratuitous relief, Rs 2,09,727 for test relief and Rs.69,000 for agricultural loan. Work for Relief and Rehabilitation of displaced persons from East Bengal, during the current year, was confined to carrying out the residual portion of different schemes already undertaken as Government of India have decided to wind up the rehabilitation activities in the State with effect from 31st March 1961. Work in this connection was hampered due to recent disturbances as the officers were engaged for arranging for rehabilitation of the disturbance affected persons. The question of integration of the activities of this Department with the permanent allied departments of the State Government was actively pursued. In view of the dislocation of departmental work, Government of India have now agreed to provide under the Third Five-Year Plan finance for implementation of land acquisition schemes already sanctioned and for maintaining a rehabilitation cell for the gradual handing over the residual work to the normal Departments in 1961-62.

### **Welfare of Scheduled Castes and Scheduled Tribes**

53. There was a plan allocation of Rs. 703 lakhs in the State Sector and Rs. 202.99 lakhs in the Central Sector for the hill tribes against which Rs. 592.32 and Rs. 94.54 lakhs are expected to be spent. The Plan allocation for the welfare of the Plains Tribal in the State Sector was Rs. 199.50 lakhs and Rs. 26.75 lakhs in the Central Sector against which Rs. 193.61 lakhs and Rs. 26.97 lakhs are expected to be spent. The Plan allocation for Scheduled Castes was Rs. 47.57 lakhs in the State Sector and Rs. 10 lakhs in the Central Sector against which Rs. 38.88 lakhs and Rs. 15.56 lakhs are expected to be spent. The Plan allocation for other Backward Classes in the Central Sector was Rs. 1 lakh, the whole of which will be spent. In addition to the above, programme known as border and economic relief programme for the benefit of the border people of United Khasi and Jaintia Hills, Mizo Hills and Garo Hills was initiated in 1959-60 with the Plan outlay of Rs. 2 crores. It is expected that this entire amount will be utilised by the end of the current year. The current year's plan ceiling for welfare of backward classes is Rs. 200 lakhs in the State Sector and Rs. 72.62 lakhs in the Central Sector. With a view to raising the tempo of development schemes, additional programme of Rs. 80 lakhs has been taken up with the approval of the State Planning Department and the Home Ministry.

Out of this additional allocation, Rs. 40 lakhs have been allocated for the hill roads programme and the balance for different schemes for the welfare of the Backward Classes. This additional allocation is included in the figures of anticipated Plan expenditure mentioned before. The scheme for free tuition for all Scheduled Castes and Scheduled Tribes students, whose parents' and guardians' annual income does not exceed Rs.360 is in progress and will be continued in the Third Plan as well. Under the Central Post-Matric Scholarship Scheme all the Scheduled Castes and Scheduled Tribes students studying in post-matric course are awarded scholarships whereas the first division students belonging to other backward classes are eligible for scholarship subject to merit and means test. The Home Ministry and Education Ministry will meet the cost of the scheme in respect of Scheduled Castes and Scheduled Tribes but only an amount of Rs. 2.16 lakhs has been received from the Government of India in respect of other Backward Classes. The State Government have decided to award scholarship to the first division and second division students belonging to other backward classes as well. In cases of more backward communities like the Moran, Matak, Rajbonhis, Koch of Goalpara and Garo Hills district, tea garden labourers including *ex-tea* garden labourers scholarship will be given to the third division students. The entire educational expenditure for such relaxation in favour of other backward classes is being met by the State Government and a total amount of Rs. 26.53 lakhs has been provided in the current year for this purpose. Out of this provision Rs. 3.26 lakhs will be utilised in granting free tuition to third division students of other backward classes. As there is no separate programme for the welfare of other backward classes under the State Sector, we had to take up, out of our resources, a Welfare programme last year at a total financial outlay of Rs. 5.5 lakhs. This amount is in addition to our contribution towards the post-matric scholarship scheme in respect of other backward classes. The Planning Commission has approved the plan ceiling of Rs. 12.70 crores for the welfare of backward classes during the Third Plan under the State Sector and the Central Sector special programme. In the current plan, there was no provision for the District Councils to take plans of their own independently and only *ad-hoc* grants were made to them from year to year for executing small schemes. In the next plan, a separate provision has been made to help the District Councils in taking up their own plans approved by Government, Government assistance to be given in the form of matching contribution. Government of India have been pressed for

continuing the special programme, under border and economic rehabilitation schemes, in the Third Plan as they had indicated that such programme will be discontinued in the Third Plan. This is not possible due to the Plan allocation under Article 275 being drastically reduced. In anticipation of Government of India's approval, the State Government have submitted a programme with a total plan outlay of Rs. 3 crores to the Home Ministry under Border Relief for the Third Plan. It is expected that Government of India will accede to it.

### **Taxation**

54. Supreme Court by its majority judgement declared the Assam Taxation (on goods carried by roads and inland waterways) Act 1954 void on the ground that the Act levied a direct tax on the movement of certain goods and trade which infringes the freedom of trade, commerce and intercourse throughout the Indian territory guaranteed by Article 301 of the Constitution and that prior sanction of the President for introduction of the Bill into the State Assembly and his subsequent assent to the Act was not obtained. In order to validate the tax so far realised and to continue its levy a Bill was introduced after obtaining the required assent of the President. This Bill has been passed by this House.

### **Budget Estimate, 1961-62**

I shall now turn to the Budget Estimates for the next year. For the year 1961-62 the receipt in Revenue Account has been estimated at Rs. 3,687.49 lakhs against the revised estimate of Rs. 4,041.45 lakhs for the current year and expenditure on Revenue account at Rs. 3,701.51 lakhs against the revised estimate for the current year of Rs. 4,066.90 lakhs.

The decrease in revenue, as compared with the revised for the current year, is mainly due to less estimates, for Grant-in-aid from Government of India for border relief schemes by Rs. 89 lakhs, for *ad-hoc* increase in dearness allowance by Rs. 18 lakhs, and less amount transferred from the Contingency Fund by Rs. 223 lakhs and minor and counter-balancing variations under other heads. The explanation of variation in details is indicated in the Budget Memorandum.

The Revenue Expenditure during 1961-62, as stated earlier, is estimated at Rs. 3,701.51 lakhs and the capital expenditure at Rs. 1,622.46 lakhs thus giving a total of Rs. 5,323.97 lakhs.

The above amount of revenue and capital expenditure includes Rs. 1,852·91 lakhs for the State Annual Plan and Rs. 103·68 lakhs for the Central Share of Centrally Sponsored Schemes. The Revenue and Capital contents of the State Plan of Rs. 1,852·91 lakhs, as provided for in the Budget, stand at Rs. 855·43 lakhs and Rs. 997·48 lakhs respectively. In addition, there are new schemes outside the Plan involving an outlay of Rs. 56·64 lakhs. The list of new schemes included in the Budget will be found in Appendix 'A' to the Budget Memorandum.

As in the case of the current year, before finalisation of the list of new schemes, the representatives of the District Councils were invited to Shillong for consultation about the schemes relating to the Autonomous Hills Districts.

The Budget provides for a total Capital expenditure of Rs. 1,622·46 lakhs during 1961-62. Of this amount Rs. 318·55 lakhs represent provision for repayment of loans by the State Government, Rs. 659·68 lakhs for new loans and advances by the State Government and the balance of Rs. 644·23 lakhs for Capital Expenditure on schemes taken under the Plan and outside. The total debt of the State Government to the Centre on 31st March 1960 was Rs. 39·64 crores.

Of the total Capital Expenditure, the expenditure proposed under the Plan is Rs. 1,020·07 lakhs including Central Sector Schemes. For financing the Plan Schemes, Central loan assistance has been estimated at Rs. 925·34 lakhs. The State's share of Small Savings Collection has been estimated at Rs. 21 lakhs.

### Ways and Means

The year 1959-60 closed with a balance of Rs. 80·59 lakhs. During the current year, there is an anticipated deficit, on Revenue Account of Rs. 25·45 lakhs. Outside the Revenue Account, a deficit of Rs. 428·58 lakhs is expected. The year is therefore likely to close with an overall deficit of Rs. 454·03 lakhs. This will bring down the closing balance at the end of the current year to Rs. (—)373·44 lakhs which is the anticipated opening balance of the year 1961-62. The Budget estimate for 1961-62 reveals an overall deficit, as shown in Appendix 'C' of Rs. 231·07 lakhs, which consists of deficit of Rs. 14·02 lakhs under Revenue Account and a deficit of Rs. 217·05 lakhs outside Revenue Account.



### Summing up of the Financial Position—Steps taken for relief

Deterioration of the closing balance for 1960-61 to (—)373.44 lakhs under revised from Rs. 80.59 lakhs for 1959-60 has been due to heavy expenditure on account of Mautum, language disturbances and additional procurement operations not provided for in the original Budget. For Mautum and language disturbances, Rs.1,97,63,882 and Rs.1,25,68,410 have been sanctioned respectively in the current year up-to-date under different items. In addition, Rs. 1.50 crores extra has been provided for procurement operations. We have moved Government of India for 75 per cent financial assistance on account of expenditure for Mautum, excluding expenditure on air-dropping operations for which we have claimed full reimbursement. With regard to language disturbances as well, we have approached Government of India for substantial grant-in-aid. If and when necessary financial assistance is received from Government of India, the closing balance will be improved. But, in spite of expected help from Government of India, there will be still a good gap to be met for which we shall press Finance Commission for aid.

Unlike other years, the Budget for 1961-62, which is the opening year of the Third Five-Year Plan, has to meet the committed expenditure of Rs. 4.17 crores for the completed schemes of the Second Five-Year Plan and to contribute Rs. 5.16 crores as State's contribution for the Third Plan for 1961-62 in addition to meeting the normal expenditure of the administration. Over and above these, additional liabilities have been thrown upon State Finance on account of continuance of *ad-hoc* Dearness Allowance in respect of which Government of India's assistance has been withdrawn and due to expenditure for grant of compensatory allowance, revision of limit of Winter Allowance, increased procurement operations and taking up of some smaller Police Reorganisation Schemes. All these factors created conditions for a deficit Budget. To meet the situation the State Government have decided that a 5 per cent cut should be imposed on the normal non-plan expenditure as an economy measure while preparing the Budget for 1961-62. In actual practice, however, its implementation was found difficult and though provision of expenditure in the next year's Budget, under T. A., Contingency, etc., has been reduced to some extent consistent with the needs of efficiency, the overall

effect on the total expenditure is negligible. It is, therefore, proposed to meet only a small portion of the overall deficit of the next year by increasing tax on petrol and diesel from 7 nP. to 8 nP. per litre and from 5 nP. to 7 nP. per litre respectively, for which a bill is now placed before the House. These measures are expected to yield only about Rs. 14.5 lakhs which will almost cover the deficit under Revenue Account. In the present state of our economy it will not be possible for the State to meet the deficit under other than Revenue Account unless the Finance Commission comes to our aid by allocating a larger share of Central taxes and grants-in-aid in consideration of the urgent need of expanding and improving the administration of this backward State.

### Conclusion

The year under review was marred by deplorable disturbances, which plunged the State in such atmosphere that all the progress and developmental activities have been hampered and obstructed. Instead of making all out effort, so essential for the progress, some people were so wrapped up with local trouble, local quarrels and local problems, of communalism, linguism, regionalism and the like, that they were forced to think in terms of some narrow objectives, which may be good in their view, but which came in the way of larger objectives. Further these disturbances, while revealing more glaringly the heterogenous nature and composition of our population, weakness of cohesive forces and the marked absence of bond of community life, emphasised the need for unity and amity to ensure integral development of all sections of the people. I venture to say that we lose much by this constant diversion of effort, by constantly bringing issues before the people in some form or other, which may be good or bad, but which are secondary, tertiary and not certainly helpful to the objective we have set before us. Whatever some may say, I think there are within our State vital elements of common obligation and common interest which can and should be turned to forge unity, amity and co-operation amongst all the people of the State. This is all the more essential because of the greater effort we have to put forward in order to take future approach to a success—an approach which aims not at mere projection of what has flowed from the two previous Plans but also emphasises the need for increasing the pace for the attainment of objectives, such as, rise in national and *per capita* income,

increase in utilisation of man-power and natural resources of the State, expansion of power and industries, expansion of employment opportunities—all of which the House has accepted. This State of ours, which lies in the fertile region of the country, has ample mineral and natural resources, plentiful livestock and large valuable forest area and which holds a population, full of vigour and life, cannot lag behind despite being situated in one corner and cut off from the rest of the country and facing various difficulties for being surrounded by foreign territories. We have overcome many difficulties in the past and we should be prepared to overcome still more and greater difficulties in the future. We shall do so but we should realise that the future of Assam is vitally linked with people's capacity to unite, sacrifice, work and to engage in the marathon race of development for which stability, stamina, consistency and strenuous effort are prerequisites. Our people, let us hope, will rise to the occasion and show this capacity and the urge to build a prosperous Assam. In these endeavours, let us also hope that such sympathy, assistance and help, as are necessary, will be available from the Central Government, Finance and Planning Commissions.

JAI HIND.

## APPENDIX 'A'

## Index of Agricultural production—(Base 1949-50—100)

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61 (expected)
Food crops ..	94.5	99.1	90.9	93.9	93.4	99
Non-food crops ..	113.4	113.9	119.0	124.6	121.5	120
All-crops ..	103.2	105.9	103.9	108.1	106.5	108

## Production of Major Crops

Commodity	Unit	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61 (expected)
1. Rice	'000 tons	1629	1710	1565	1620	1618	1638
2. Sugarcane	"	660	670	860	967	897	900
3. Oil seeds	"	52	56	56	60	39	55
4. Potato	"	135	89	120	160	105	150
5. Jute	'009 bales	1094	1049	1094	989	1114	813

## APPENDIX 'B'

## Roads in Hill Areas

Name of roads	Total length construct- ed or improved (miles)	Name of the civil Subdivision where the roads are located
Medhipura-Phulbari Road	... 77.42	Tura.
Phulbari-Hallidayganj Road	... 33.30	Tura.
Dalu-Baghmara Road	... 44.45	Tura.
Medhipura-Tikirkilli-Phulhari Road.	31.00	Tura.
Shillong-Jowai-Garampani Road	47.00	Jowai.
Jowai-Badarpur Road	... 50.13	Jowai.
Mawphlang-Ballat Road	.. 55.00	Shillong.
Mawsmai-Shella-Isamati Road	27.00	Shillong.
Mairang-Markasa Road	... 18.00	Shillong.
Aijal-Lungleh Jeep Road	... 51.00	Lungleh.
Silchar-Aijal Road from Vairen- gate to Aijal.	113.39	Aijal.
Aijal-Lungleh Jeep Road (Portion in Aijal Subdivision).	76.63	Aijal.
Shillong Silchar Road (Garampani- Dolia section).	99.50	North Cachar Hills, Haflong.
Mahur-Maibong-Kalachand	... 31.00	North Cachar Hills, Haflong
Harardisa-Kaladis Road	...	...
Mohendijua-Dimapur Road	... 60.13	...
Barpathar-Dimapur Diversion Road.	33.12	Mikir Hills. Mikir Hills.

## Bridges in the Hills Districts

Name of the Bridge	Total length	Total cost (Rs.)	Name of the District where located
Jamuna Bridge	.. 127'	44,831	Mikir and North Cachar Hills.
Lungit Bridge	.. 211'	70,412	Do.
Jamuna Bridge	.. 227'	71,000	Do.
Mukdangra Bridge	.. 186'	77,826	Garro Hills.
Garobadha Bridge	... 225'	81,174	Do.
Bakla Bridge	.. 180'	56,455	Do.
Dalcham Bridge	.. 180'	63,047	Do.
Rajabata Bridge	.. 200'	55,000	Do.
Bridge No.7/5	.. 110'	1,00,000	United Khasi and Jaintia Hills.
Balat Bridge	.. 105'	67,600	Do.

## APPENDIX 'C'

## Assam's Budget, 1961-62

(In thousands of Rupees)

	(1)	Actuals, 1959-60	Budget, 1960-61	Revised, 1960-61	Budget, 1961-62
Receipts—	(2)	(3)	(4)	(5)	
Opening Balance..	...	(—) 13.81	80,52	80,59	(—) 3,73,44
Revenue Receipts	..	36,83,32	37,60,45	40,41,45	36,87,49
Receipts from Debt raised in India		9,31,73	9,59,91	10,32,41	13,43,94
Recoveries of Loans and Advances by the State Government.		46,89	81,06	1,27,18	85,06
Receipts from Contingency Fund and Public Account.		1,21,85,78	94,94,03	98,44,42	92,78,83
Total	..	1,68,33,91	1,43,75,97	1,51,26,05	1,40,21,88
Expenditure—					
Revenue Expenditure	..	33,79,51	35,87,73	40,66,90	37,01,51
Capital Expenditure	..	5,39,08	5,62,46	6,18,14	6,44,23
Expenditure on Re-payment of Debt raised in India.		2,09,57	2,49,48	2,63,29	3,18,55
Loans and Advances by the State Government.		3,73,80	4,66,34	6,80,29	6,59,68
Expenditure on Contingency Fund and Public Account.		1,22,51,36	93,27,92	98,70,87	93,02,42
Closing Balance	..	80,59	1,82,94	(—)3,73,44	(—)6,04,51
Total	..	1,68,33,91	1,43,75,97	1,51,26,05	1,40,21,88
Net Results—					
Surplus (+) Deficit (—)					
(a) On Revenue Account	..	(+) 3,03,81	(+) 1,72,72	(—) 25,45	(—) 14,02
(b) Outside Revenue	..	(—) 2,09,41	(—) 71,20	(—) 4,28,58	(—) 2,17,05
(c) Net Excluding opening balance.		(+) 94,40	(+) 1,01,52	(—) 4,54,03	(—) 2,31,07