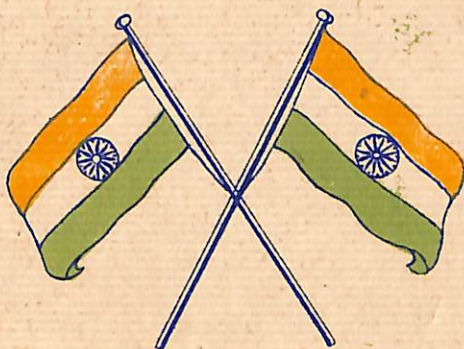


GOVERNMENT OF ASSAM



BUDGET SPEECH

1960-61

BY

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Finance Minister, Assam

March 1960

GOVERNMENT OF INDIA



BUDGET SPEECH

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Shri Jawaharlal Nehru

Prime Minister, India

1960-61

SIR,

I rise to present the statement of the estimated receipts and expenditure of the Government of Assam for the year 1960-61.

2. Before availing the privilege and honour of presenting the Annual Budget, I should like to refer briefly, with profound grief, to the sad death of two of our colleagues in this House, Rev. J. J. M. Nichols-Roy and Shri Thuamluiwa and of the late Governor, Syed Fazl Ali Saheb, since I presented the Budget last year. I have no doubt that Hon'ble Members will miss them and feel the gap left behind by them, more particularly by Rev. J. J. M. Nichols-Roy, who, with his continuous membership of Assam Assembly, was rightly known as Father of this House. In him we have lost not only a guide and leader of Khasi and Jaintia Hills District and an able administrator but also an experienced legislator whose counsel and guidance were sought and appreciated by the Hon'ble Members of this House.

Review of Economic Conditions

3. Hon'ble Members may recall that last year I gave a brief survey of the economic condition of the country as also of the State as a background for studying and considering the proposal contained in the Budget. For the same reason I propose to give a similar survey this year as well. Last year I described the economic condition, in a nutshell, as one of growing strain and also pointed out that there were signs of slackening of economic activities in certain sectors. The House will note with satisfaction that, during 1959, there has been a break-away from stagnation and somewhat recessionary trend in production of previous two years. The Indian economy has staged a modest recovery. Both industrial and agricultural output have recorded expansion and the internal and external resources for the development plan have gained momentum. The foreign trade gap was substantially reduced and the foreign exchange reserves have also recorded increase. Agricultural

production in the country, which declined in 1957-58, recorded a marked rise by 17 % in 1958-59. Latest estimates, place foodgrain production at 73.5 million tons in 1958-59. The price situation, prevailing for most part of the last year, was, however, one of great concern though, towards the close of the year, signs of easing were discernible. Bumper crops during 1958-59 and better prospect for the current season together with sustained measures to fight inflation have induced downward trend on the price line towards the closing months of the year when the general price index (base 1952-53 = 100) is reported to have come down from 120 in October, to 117 in December. In the industrial sphere production registered a further increase of 1.7% in 1958 though the rate of increase was much lower compared to 3.5% in 1957 and 8% in 1956. During the first 6 months of 1959 the rate of increase however made some recovery to about 4% over corresponding period of 1958. In the monetary field there was an expansion in money supply from Rs.2,350 crores at the end of 1958 to Rs.2,470 crores in October 1959. This expansion was largely the result of a decline in the country's balance of payment deficit and a substantial expansion of bank credit. As I mentioned last year, the strains on the country's balance of payment began to ease off in August 1958. This was projected also in the first half of 1959. In the first half of 1959 there was an overall rise of Rs. 12 crores in the reserve as against decline of Rs. 28 crores in the preceding half year and a much larger decline of Rs. 77 crores in the first half of 1958. After a fall in July 1959 the reserves recorded an increase during the period from August to October. In October the reserve increased by as much as Rs. 21 crores. The national income of the country (at constant price) made significant recovery in 1958-59 which was 6.8% over 1957-58. The net rise in the national income in the course of first 3 years of the Second Plan was 10.4 per cent as against the target of 25 per cent envisaged for the Second Plan Period as a whole. The *per capita* income rose from Rs.276 in 1957-58 to Rs.291 in 1958-59 representing a rise of more than 5 per cent in one year.

4. The improvement of the national economy had its impact on the economy of our State though not on full-scale. Our agricultural production in 1958-59 increased barely by 1 per cent over 1957-58 as against 17 per cent for the country as a whole. Production of rice rose by 3.5 per cent to 16.5 lakh tons in 1958-59 as against 15.7 lakh tons in 1957-58, but compared to 1956-57 our rice production was still lower

by 80,600 tons. Sugarcane production recorded a marked increase from 8.6 lakh tons in 1957-58 to 9.7 lakh tons in 1958-59, while oil seeds production rose from 56 thousand tons in 1957-58 to 60 thousand tons in 1958-59. Jute production, which was 10.9 lakh bales in 1957-58, is likely to decline to 9.9 lakh bales in 1958-59 in view of unfavourable conditions obtaining in Jute growing areas. Production of pulses over the last 3 years remains practically in the same level. Coal production in the State, which fell by about 3 per cent in the first 10 months of 1958 recorded a 15 per cent increase in the 10 months of 1959. In physical terms, coal production in the first 10 months of 1959 was 5.4 lakh tons. Tea production, which declined heavily in 1957, recorded a rise to 380 million pounds in 1958. Its production in 1959 is however not expected to exceed the last year's level in view of the reported early onset of cold weather in the tea producing areas. The increased production of food-grains, though marginal, was, however, not fully reflected in the prices which have been a cause of great concern for most part of the year. The declining trend of price, which was noticed since October 1958, was again reversed in May 1959. The All-India index of wholesale prices (base 1952-53 = 100), which stood at 111.5 in April 1959, rose to 118 in the last week of September 1959 while that for the State (base in 1953 = 100) rose from 121.4 in April to 128.2 in September but came down to 125 in November. Food prices in Assam rose by 11 per cent between April and September in 1959 but declined by 4 per cent in November. Wholesale prices of rice at Gauhati, nerve centre of distribution in the State, rose from Rs.19.25 per maund in April 1959 to Rs.24 in August and Rs.24.50 during the third week of September 1959 while that of sugar from Rs.38.75 nP. in February to Rs.46.12 nP. in July 1959. Though the distribution and price of sugar were controlled through Fair-Price Shops till recently, it was reported that open market also operated for sugar in certain centres where price of sugar was as high as Rs.1.75 nP. to Rs.2 per seer. Recent enquiries revealed that this rise in food prices in the State was not due to any one cause. To meet this strained situation food-grains had to be imported into the State and about 45 thousand tons of rice, 60 thousand tons of paddy, 62 thousand tons of wheat had to be released from Government Godowns up to the middle of December 1959. This measure together with good crop prospect in the current season have resulted in a downward trend of prices towards the close of the year. Price of rice is currently running between

Rs.18 and Rs.26 per maund depending upon the quality and variety of rice. The result of taking over control of sugar distribution by the State towards the end of 1959 has also to a large extent been successful in keeping the price of sugar steady so far. The movement of the national income at constant price, which can be regarded as the most comprehensive single indicator of the basic trend in the economy, reflected progress of 3.6 per cent in 1958 over the preceding year. According to quick estimate, prepared on the basis of trend displaced by the major components, the State National Income of Assam in 1958-59 is tentatively fixed at Rs. 267.9 crores. *Per capita* income in the State in the year 1958 was at Rs.272 against Rs.266 in 1957-58. The impact of expenditure on development schemes during the first 3 years of the Second Plan on the production side of economy cannot be fully felt immediately because of the comparatively lesser emphasis on productive investment than on Social Services and also because of the longer gestation period of a good part of the plan investment specially in the industrial sector. As a result of high prices ruling during the year, the cost of living of working class also tended to be high in general. During 1959 the economic condition of the farmers, as revealed by the parity ratio between the price received from sale of their farm produces and price paid by them to meet consumption and cost of cultivation, appeared to be less favourable than in 1958. On the average, index of first 11 months of 1959 was only 98.9 as against 110 in the corresponding period of 1958. Border Trade between Assam, Manipur and Tripura, on the one hand, and East Pakistan, on the other, continued to trickle in small volumes and in some months it nearly came to a standstill. Compared to the corresponding period of 1958 border trade in the first 11 months of 1959 improved by about 10 per cent but, when compared with the figures of 1952, the border trade can be said to have become non-existent. It is, however, expected that the trade shall grow again following the improved relation between the two countries of the sub-continent. Though the position of border trade was much below the normal, the tempo of domestic trade seemed generally to have been maintained during the year. The supply position in respect of essential commodities, for which the State has still to depend on outside supply, appeared to be generally satisfactory. During the first 8 months of 1959 by river alone about 6.5 lakh maunds of cement, 2.1 lakh maunds of corrugated iron sheets and 2.8 lakh maunds of other iron materials were imported. Amicable settlement of industrial dispute continued to be the policy of Government. Compared to 1958 labour management relationship in 1959 is more congenial and many cases of disputes were

settled through arbitration and conciliation in the first 11 months of the year. Disputes numbered as many as 21 and 26,000 man-days lost as against 15 disputes and 32,000 man-days lost in the corresponding period of 1958. Last year I drew the pointed attention of the Hon'ble Members to the growing unemployment problem in the State. Even though unemployment in urban areas is not as serious as in the rural areas, it is fast increasing. In the live register, which practically stood around 20 thousand in the first 4 months of 1959, suddenly short upto about 26 thousand in May, 32 thousand in June and 34 thousand in October. This phenomenon was, however due to sudden rush of registration at the Exchanges in certain Centres by persons who expected that the Oil Refinery, which is being set up at Gauhati, would provide an enormous job opportunities of all kinds. The number of placements stood at 2,490 in the first 10 months of 1959 which was higher than 2,163 in 1958 as a whole. While shortage was reported to be widespread in respect of technical, skilled and trained personnel there was overwhelming surplus in respect of clerks and unskilled persons. As usual the excess supply of educated applicants comes from freshers from Schools and Colleges. This is specially true in these centres where morning and evening facilities for higher studies are available. It is, however, to be noted that over the past 3 years the employment in the public sector in this State has increased by over 23 per cent. In 52 per cent of the public sector establishments, employment has arisen from a little over 55 thousand in 1956 to over 70 thousand in 1958. On the basis of this finding and data collected from other sources, it has been estimated that employment potential during the first 3 years of the Second Plan might have been of the order of 54,600 job opportunities as against the target of 1.92 lakh job originally stipulated for the whole Second Plan period. In the rural sector there has been very little improvement over the situation which I narrated last year in this House. Where the problem is one of under-employment and disguised unemployment, implementation of various agricultural and other development schemes in the rural areas have however brought about a certain amount of relief to rural people. For relieving unemployment in the Tea Gardens and to ensure mobility of surplus labour to garden deficit of labour force, the Government issued, from time to time, suggestion to both industries and labour unions to create incentive by payment of a settling allowance of Rs.50 per labour by the employers. The services of Employment Exchanges have also been utilised in the task of placement of surplus labour.

Embargo was placed for sometime on the recruitment of labour from outside the State and repatriation of labour was encouraged. But as the problem appears to be a growing one, the Government first assessed its magnitude by conducting a sample survey and consequently propose to deal effectively through a Tripartite Committee already constituted and composed of representatives of employers and employees and Government. The Committee has since made some suggestion. In accepting the major recommendations of the Committee the Government have initiated action on: (1) canalising recruitment of surplus labour through the Employment Exchanges against the vacancies in Tea Estates and in different Government Projects requiring unskilled labour, (2) arranging vocational and technical training—reservation of seats in suitable trades, (3) regular and systematic study of employment and unemployment in Tea Industry.

5. To sum up, except the great distress caused to our people in North Kamrup, part of Darrang District, Golaghat subdivision and entire District of Cachar due to devastating floods in June 1959 and to our people in Mizo District due to food scarcity resulting from the luxurious flowering of bamboos, multiplication of rats and destruction of about 60 per cent to 80 per cent of the year's crop—matters about which I shall deal in detail, hereafter, at the appropriate places—the year 1959 itself was in many respects better than the preceding year. The sectoral development, however, in the economy of the State during the year as also during the previous three years of Second Plan Period reveals that still much remains to be done. Considering all the handicaps, with which we embarked upon development efforts and continue to pursue, it would seem fair to conclude that our efforts at increasing our national income both in the aggregate and *per capita* terms have paid some dividend though the rate of progress is not satisfactory. Developments in economy in the recent years have clearly revealed the need for stepping up the tempo of investment, better timing of our outlays and securing adequate flow of essential materials for making a more intensive efforts in harnessing the scarce and unutilised resources of the State. From the national economic point of view, there is also the need for removing economic disparities so as to enable rapid and balanced growth in different regions of the country. The behaviour of prices, particularly of food, in the recent years makes it imperative to make the big leap in regard to food production to meet the demand of our ever-growing population and to help to planned development of the country.

Accounts of 1958-59

6. I shall now give a brief account of the financial position of 1958-59 and in the current year.

7. In the original Budget Estimates for 1958-59, the receipts on revenue account were placed at Rs.2,926·58 lakhs and expenditure from revenue at Rs.2,839·18 lakhs leaving a revenue surplus of Rs.87·40 lakhs. The year, however, closed with a surplus of Rs. 319·88 lakhs. The actuals of receipts and expenditure in the revenue section of the accounts stand as follows as compared with the Budget Estimate—

		1958-59	
		In lakhs of Rupees	
		Budget	Actuals
Revenue receipts	... ..	2,926·58	3,197·43
Revenue Expenditure	... ..	2,839·18	2,877·55
Surplus (+)	... ..	(+) 87·40	(+) 319·88
or			
Deficit (—)			

It will appear that during 1958-59 as compared with Budget Estimates, the actual receipts and expenditures were higher by Rs.270·85 and Rs.38·37 lakhs respectively. The increase in receipts was due to improved collection of the State taxes and revenue from Forests. The important items are indicated below, counter-balanced by variations under other heads—

	Rs.
Taxes on Agricultural Income by	154·92 lakhs.
Forest by	31·24 lakhs.
Sales-tax and Other Taxes and Duties by	189·73 lakhs.
	<u>375·89 lakhs.</u>

The increase in expenditure by Rs.38·37 lakhs is mainly due to expansion of activities.

On the Capital side, the actual receipts came up to Rs.650·76 lakhs against the original estimate of Rs.920·32 lakhs recording a shortfall of Rs.269·56 lakhs. Capital expenditure came down from Rs.1,279·42 lakhs against the original estimate to Rs.877·23 lakhs showing a shortfall of Rs.402·19 lakhs. The bulk of the reduction in the receipts side was

mainly due to the fact that no treasury bills were issued and no ways and means advances were drawn from the Reserve Bank during the year. As regards expenditure, the shortfall was due mainly to less expenditure under loans and advances by the State Government to the extent of Rs.141.08 lakhs and other capital expenditure by Rs. 48.62 lakhs and saving of Rs.220.00 lakhs under Treasury Bills and ways and means advances which were not floated. There was, however, higher expenditure on repayment of loans by Rs.7.51 lakhs.

Out of the total expenditure of Rs.3,754.78 lakhs on revenue and Capital accounts Rs.870.03 lakhs and Rs.289.61 lakhs represent expenditure incurred on State Plan Schemes and Centrally sponsored Schemes during the year.

Financial Year 1959-60

8. The House will remember that the Budget for the current year placed the revenue at Rs.3,395.05 lakhs and expenditure from revenue at Rs.3,054.01 lakhs leaving a surplus on revenue account of Rs.341.04 lakhs. According to the estimates, 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.3,637.42 lakhs and revenue expenditure comes to Rs.3,381.63 lakhs indicating a revenue surplus of Rs.255.79 lakhs. The decrease in the anticipated revenue surplus is the result of increase in revenue by Rs.242.37 lakhs and an excess in expenditure of Rs.327.62 lakhs. The increase in revenue is mainly due to increase of Rs.36.29 lakhs under the principal heads of revenue, under "Miscellaneous" owing to repayment of Rs.90 lakhs from the contingency fund and grant-in-aid of about Rs.116 lakhs from Government of India on account of border relief and road construction programme.

The main variation under the different heads of expenditure during the current year as shown by the revised estimates are indicated below—

	Budget	Revised	Increase
	Rs.	Rs.	Rs.
Police	291.54 lakhs	351.95 lakhs	+60.41
Education	544.32 "	549.59 "	+ 5.27
Famine Relief	46.92 "	54.92 "	+ 8.00
Agriculture	145.65 "	172.94 "	+27.29
Civil Works	540.56 "	592.44 "	+51.88

In respect of Education the revised expenditure will further be increased by Rs. 57.6 lakhs for which Supplementary demand is pending before the House.

Other variations are given in the Budget memorandum.

On the capital side the revised receipts come to Rs. 11,59.17 lakhs against original estimate of Rs. 8,63.05 lakhs showing an increase of Rs. 96.12 lakhs which is mostly due to floating of a public loan of Rs. 2,76.40 lakhs and a loan of Rs. 64.86 lakhs from the Centre for Agricultural Operation counter-balanced by shortfall under some other items. Capital expenditure is expected to rise by Rs. 1,45.31 lakhs. This is due mainly to increased expenditure on account of large scale procurement in the current year. There will be no expenditure on account of Treasury Bills and Ways and Means loan as no such loans were necessary during the year.

If we exclude the receipt of the public loan of Rs. 2,76.40 lakhs and the expenditure of Rs. 42.20 lakhs out of this in the current year, the over-all position in the revised estimate as compared with the original Budget Estimates for the year 1959-60 shows a receipt in all the three accounts of Rs. 93,44.03 lakhs and expenditure under all the three accounts comes to Rs. 9,483.90 lakhs, thus recording an over-all deficit of Rs. 1,39.87 lakhs. This deficit *plus* the minus opening balance of Rs. 13.81 lakhs on 1st April 1959 (total Rs. 1,53.68 lakhs) is to be covered by the balance of the public loan of Rs. 2,34.20 lakhs, leaving Rs. 80.52 lakhs, which is expected to be the closing balance of the current year.

Second and Third Five-Year Plan

9. The Second Five-Year Plan will by the end of the financial year 1960-61, have been completed. As Hon'ble Members are aware, projected development expenditure under India's Second Five-Year Plan has been reduced from Rs. 48 hundred crores to Rs. 45 hundred crores due to serious foreign exchange difficulties and shortage of resources. The House may also recollect that the Planning Commission had, originally, approved of development expenditure of Rs. 57.93 crores for Assam under the Second Five-Year Plan. This, however, did not include the provision for certain Central Sector Programmes like Flood Control which was outside the ceiling. When the national plan of Rs. 4800 crores was brought down to Rs. 4500 crores a proportionate cut in the size of the State

Plan become inevitable. For this reason the expenditure tempo hitherto has not been proportionate with the size of the original State Plan. Every year we had to go up with sizeable Annual Plan proposals only to find that the Planning Commission fixed the size of the Annual Plans at a much lower figure. Thus in the first three years of the Second Plan Period we have spent a sum of Rs. 27·6 crores against the Second Plan outlays. For the current year 1959-60 the Planning Commission agreed to make a somewhat better allocation of Rs. 12·25 crores as compared with the previous few years and we hope to incur an expenditure of Rs. 12·25 crores according to revised figures. For the final year of Second Plan, that is to say for the financial year 1960-61, the Planning Commission have agreed to an expenditure of Rs. 14·5 crores in view of the fact that we were able to convince the Planning Commission that we had not been treated hitherto properly and given the annual plan allocation anywhere near what we should have got according to approved State Plan outlay even after allowing proportionate reduction on account of shortage of overall resources. This outlay, together with expenditure expected to be incurred till the end of the current financial year, will take the overall plan expenditure to Rs. 54·6 crores which approximates the *pro-rata* cut on the State Plan on account of reduction in the size of the National Plan by about Rs. 300 crores.

10. In getting the Planning Commission to agree to this relatively increased outlay in the latter part of the Second Plan I had to increase our own commitment towards the Plan. For the original Plan of Rs. 57·93 crores our share of expenditure was fixed at Rs. 17·3 crores, the balance to be provided in the shape of Central assistance. In view of the overall shortage of resources experienced by the Central Government and in view of the fact that there was an uncovered gap of Rs. 400 crores of the national plan the burden of the State Governments perforce had to be increased. In the case of Assam the Planning Commission re-fixed the State's contribution towards the State Plan at Rs. 22·23 crores. In actual fact, however, we have contributed even more than this revised figure. The State's contribution committed by the end of 1959-60 was Rs. 17·2 crores. A further sum of Rs. 5·5 crores have been committed for the Annual Plan during the next financial year, thus raising overall contribution of the State Governments to Rs. 22·7 crores against the plan which has been reduced from Rs. 57·93 crores to Rs. 54·6 crores. We have taken on heavier financial burden for development of the State as we feel that this is the only way

for breaking the vicious circles of a backward State being hesitant in taking on more commitments. There was a time during the early part of the first Five-Year Plan when the State Government was hesitant to take Central Assistance in the shape of loan for State Plan for the fear that this would mortgage the future of the State. I, however, feel that there is no justification for such a pessimistic view in growing economy. Thus, despite of our increased commitment under the Second Plan, as agreed with the Planning Commission, and despite the fact that the Second Plan makes some better provision for industrial development than the First Plan, I found it necessary to go to the market for raising loan specifically for stimulating the industrial development of the State. In doing so we have not only been in favour of the desire to stimulate industrial development but also the desire to increase the resources of the State Government for further investment in the State's growing economy. Thus in the current year we raised a loan of Rs. 2.5 crores from the market which was over-subscribed and the final figure collected by us was Rs. 2.76 crores. Although it was the desire of the Planning Commission to include these resources in the outlay for 1960-61 Annual Plan, we have been able to make them appreciate the fact that this loan has been raised for specific industrial project including purchase of share by the State in the public and private sector projects. Out of this amount a sum of Rs. 12.2 lakhs is to be spent this year on acquisition of land for the Refinery at Gauhati which will be adjusted towards the State Government's contribution to the share capital of Indian Refineries, Ltd. Another sum of Rs. 30 lakhs is to be spent on contribution to the share capital of Assam Pulp Mill, Ltd. Out of this public loan, provision has been made in the next year's budget for expenditure of Rs. 10 lakhs on Fertiliser Plant based on Nahorkatiya Gas, Rs. 40 lakhs on Oil Refinery land, Rs. 10 lakhs on Assam Pulp Mill, Ltd., and Rs. 10 lakhs for utilisation of natural gas at Nahorkatiya. Further efforts will be made to invest the balance of the public loan on the aforesaid or similar industrial projects. All the above investments are in addition to plan allocations of Rs. 12.25 crores and Rs. 14.5 crores during the current year and next year respectively. Amongst the important Central Sector Programme taken up in Assam is the Flood Control Programme for which a sum of Rs. 8 crores was originally earmarked but the allocation has been drastically reduced to a little over Rs. 5 crores. I shall deal at length with this matter later when reviewing the work on Flood Control. For the present it may suffice to mention that in the expectation of the Planning Commission to make some further allocation we are incurring

further expenditure on Flood Control from out of the savings of the current year's Plan. Since the Second Five-Year Plan was originally approved we also had to take up a special programme of relief of Border Hill Districts. The expenditure under this relief programme during 1958-59 was Rs. 25 lakhs. An expenditure of Rs. 75 lakhs is likely to be incurred during 1959-60. For 1960-61 the Home Ministry have approved an expenditure of Rs. 1 crore. It is expected that, as in the previous years, the Home Ministry will make available to us the net requirement of Border relief over and above the normal Annual Plan Provision.

11. At this point of time it would be pertinent to ask ourselves whether the allocations under the Second Five-Year Plan, which have been proportionately less than what were provided for more advanced States and modest when compared with the need of the State particularly in the industrial sector, have been adequate and achieved the result intended. For this purpose it would be necessary to consider investment expenditure on various items and the result achieved by such investment. I would not like to burden the Hon'ble Members with figures of such investments expenditure on all items. It will, however, be sufficient for me to confine to few important activities undertaken under the First Five-Year Plan and the first four years of the Second Five-Year Plan beginning from 1956-57 to 1959-60. I do not wish to trouble the Hon'ble Members by giving allocated expenditures under each of the different heads in the two Plan periods but the actual expenditure incurred and percentage of total expenditures under some of the Heads are indicated below—

Expenditure incurred

	First Plan period		First four years of 2nd Plan period, 1956-60	
	In lakh	Percentage over total expenditure	In lakh	Percentage over total expenditure
	Rs.	Rs.	Rs.	Rs.
Agriculture	279·73	13·63	351·31	8·72
Roads	274·10	13·37	488·95	12·14
Education	113·87	5·56	567·01	14·08
Health	193·41	9·44	276·42	6·86
Welfare of Backward Classes	436·32	21·28	590·63	14·66
Flood Control and Irrigation	133·86	6·53	...	...
Power	120·75	5·89	300·14	7·45
Industries—				
(a) Large and medium ...	...	...	92·84	2·30
(b) Village and small ...	9·64	·47	191·98	4·77

It may be pointed out that, excluding colleges and institutions for higher education, the number of educational institutions of various categories taken over has already reached the figure of 1,757 in the first four years of the Second Five-Year Plan as compared to 639 similar institutions taken in the whole period of the First Five-Year Plan. Only during the current year as many as 1,066 institutions were taken over. With all the investment expenditure on the aforementioned and other different heads it may be mentioned that the overall impact of the Second Plan has been modest not only when compared with the needs of the State but also when compared with the overall likely national achievements. The State National Income at constant price is likely to be raised only by 10 per cent and the *per capita* income by 3 per cent as against the corresponding all-India figure of 25 per cent and 18 per cent respectively as envisaged in the Second Plan. In the sphere of employment against an anticipated addition and back-log of 1.9 lakhs the likely achievement is expected to be 1.1 lakhs. Against this background a discussion of policy involved in the investment allocation might seem rather unreal. But because we are on the threshold of the Third Five-Year Plan and the forces that shaped the First and Second Five-Year Plan are still amongst the dominant constituents of our Planning environment a discussion appears to be relevant. I have no hesitation in saying that our present embarrassment is the result both of under-estimation of our needs and the illogicality in the pattern of development so far undertaken. The investment allocations on social service have no doubt resulted in providing more education and medical facility to our people. To some extent it has helped our backward people, expanded communication and perhaps also introduced some variety in gainful occupation. And yet all these have served not so much to make life different or less intolerable to the man who lives in our villages. Our market has neither grown in size nor changed its dominantly agriculture and cellular character. Unlike many other States, where industrial development has gone hand in hand with changes in all aspects of life, the growth of industries even in the sphere of tea and production of oil at Digboi, which have been in existence since pre-Independence period, has been negligible. Even the negligible growth that has taken place has done little to change the ordinary business of life for most of our people. While this is so, the population is growing faster than in many of the States, swelling the rank of the unemployed and under-employed. Perhaps things would have been different if Assam had a slower increase in the population or if Assam had better communication and transport facilities

the broad outline for the National Plan it will not be difficult for us to draw up the future proposal for the Third Plan, more specially in view of the elaborate thinking that has been gone into the need of the different sectors in official working groups and in the State Planning Advisory Board and its sub-committees. There is a tendency, however, of losing sight of wood for the trees when we discuss of any particular sector of development. Our needs in individual sector are so vast that all the resources that could be raised could easily be utilised in a single sector like Agriculture or Education. We have, however, to adopt a balanced and integrated approach towards planning so that we do not have a lopsided development. Thus a system of priorities has to be adopted and accepted all round both by our departments and by the people in general. We will have to do without many things so that we may make quicker progress in the long run.

12. Keeping this broad approach in view a few basic considerations were placed before the State Planning Advisory Board and these were endorsed by that Body. These are as follows—

- (i) The prime need for stabilising the food situation and getting the cost of living at reasonable level.
- (ii) While providing for the minimum needs of the Third Five-Year Plan period, a longer prospective of 10-15 years may be kept in mind so that the aspect of planning for giving dividend over longer period are not neglected in the Third Plan. We have to plan for a break-through in the industrial development, for which we have abundant resources, and for which initial steps like improvement of our power supply position, communication and supply of technical personnel are requisite.
- (iii) The need for diversification of employment and provisions of additional employment opportunities and for addition to labour force in the Third Plan Period along with the provision of the back-log of the Second Plan Period.
- (iv) The necessity to reduce and bridge the gap between all-India figure of *per capita* income and the State *per capita* income. This is all the more necessary in view of the higher cost of living in Assam.

- (v) In the field of certain major programmes like National Extension Service, National Water Supply Scheme, compulsory Primary Education and various programmes for eradication of diseases the need to march shoulder to shoulder with the rest of India.
- (vi) The continuation of our effort for bridging the gap that exists between development of our weaker section of the population Scheduled Caste, Scheduled Tribes and other Backward Classes on the one hand and the rest of the population on the other as enjoined in the Constitution. Thus more development programme will have to be taken for them.

13. I hope the Planning Commission will be fully responsive to the needs of this Border State for not only the development is low, *per capita* income is poor and the state of communication almost pathetic but despite all the hardships involved, the State has been making greater efforts to increase its contribution towards the State's Plan.

Border and internal Law and Order

14. During the last Budget Session of the Assembly, I apprised the House of the situation then prevailing in the Assam-East Pakistan Border and of the action taken by the State Government. Since then unprovoked firing by Pakistani Armed Forces on the United Khasi and Jaintia Hills-Sylhet Border as well as Cachar-Sylhet Border continued intermittently almost upto the end of August, 1959. During this period our officers and their counterparts in East Pakistan met several times and arrived at the Cease-Fire Agreement but they were soon violated. On 1st September, 1959, President Ayub Khan met our Prime Minister and this meeting was followed by a Conference of Central Ministers of two countries in October, 1959. The decision taken at this Conference paved the way for the settlement of the outstanding dispute and restoration of better relationship between the two countries. The Governor, in his address, has dealt with the settlements arrived at and I do not wish to burden the Hon'ble Members with the repetition of the same. I wish to add that the agreement has, for the present, changed the situation, particularly, in creating an atmosphere for improved trade relationship between the two countries and in lessening a strain on our resources.

During the current year Rs.50,000 was sanctioned for relief to the victims of border trouble in Cachar District, Rs.20,000 for the affected people by Pakistani firing in the United Khasi and Jaintia Hills Border and Rs.10,000 for relief to the people for general distress caused due to lack of border trade. A scheme for rehabilitation of evacuees of Takergram, which has now been restored to us, has been drawn up and the Government have sanctioned Rs.45,080 as *ex-gratia* grant for their rehabilitation. I join our Governor in noting with satisfaction this improved relationship and in the hope expressed by him that this will continue and pave the way for the peaceful co-existence necessary for the development and progress of the two countries.

15. The series of aggressive movements by the Chinese Authorities all along our Northern Frontier, culminating in the occupation of Longju, a part of our State, have created a situation in our country and particularly, in Assam which have given us a rude shock and which call for more vigilance in the interest of security of our State. This will involve further strain on our resources and add to our responsibilities and duties which have to be discharged with courage, determination, unity and hardwork in order to prevent Chinese from further acts of aggression in our territory. This House has had the opportunity of discussing this matter at length on the 17th of December 1959 when a resolution was adopted supporting the stand taken by our Prime Minister in securing the restoration of Longju and other parts of Indian territory forcibly occupied by the Chinese. While we firmly believe in the peaceful settlement of all international disputes and in pursuance of which our Prime Minister has further taken steps since the resolution was adopted in the House—steps which we wholly support and consider are in keeping with our policy of peace and co-existence, we cannot and should not forget that our unpreparedness and blind faith in the friendship of Chinese cost us very heavily. Such further aggression cannot be allowed and has to be met, along with calmness, determination and courage, by full preparedness and unity, which alone, I feel will help us to get back what we have lost and can be a guarantee for future security.

16. Except for some considerable trouble in the areas bordering Naga Hills, internal law and order situation of the State of Assam in general was fairly satisfactory during the year 1959. The Naga Hostiles intensified the criminal

activities and raided the bordering villages of Sibsagar, United Mikir and North Cachar Hills and Cachar District for plunder and other lawlessness. I do not wish to present the Hon'ble Members with details some of which have been given by the Governor, but I desire to reiterate that security measures against the Naga Hostiles have been tightened up adequately to meet the situation which has put a considerable strain on our resources.

17. Except the unfortunate incident at Jorhat, cordial relationship between the different communities in this State prevailed throughout the year. Crime under all heads, specially organised and heinous crime, considerably decreased during the year as compared with the previous year. The vigilance and activities of the Anti-Corruption Branch were geared up to its capacity which yielded very satisfactory result. There has been special efforts to increase the efficiency of Police Administration and the scheme known as "Police Housing Scheme", meant for residential accommodation of the Police Force, is under implementation. The Village Defence Organisation, which was set up a few years ago, with a view to bridge the gap between the police and public and to make our people more self-reliant, was expanded by raising the number of Village Defence Parties. The number of Circle officers was also raised from 44 to 60. The members of the Village Defence Parties continued to do work, maintaining law and order in the State, particularly, in the disturbed areas bordering the Naga Hills.

Food

18. In 1959 the general food position in the State was fairly good till the occurrence of flood in the middle of June. The devastating flood caused heavy damages to the Ahu crops in the main Ahu producing areas of Kamrup and Cachar Districts. The rising prices of rice had to be controlled by arranging distribution of rice through fair-price shops at economic price from the buffer stock of 19,00,000 maunds of paddy procured by Government and from 25,000 tons of rice obtained from the Central Government. Resultant atta from imported wheat received from the Central Government was also distributed along with rice. Owing to the favourable harvest of the winter crop, the food position in 1960 is generally expected to be much better than in 1959. The market prices of rice and paddy have started declining with the arrival of new rice into the market. To meet any emergency and to control

the market during the lean months, the Government have decided to build up a buffer stock of paddy by procuring 35 lakh maunds against 22 lakh maunds of last year. This quantity will be procured at the maximum procurement prices fixed for different zones in the State by the Government of India. The Assam Co-operative Apex Marketing Society, Ltd., has been entrusted with the monopoly right of purchase of paddy in Kamrup, Darrang and Cachar Districts, North Lakhimpur Subdivision and in the South bank of Goalpara Subdivision in addition to Nowgong and United Mikir and North Cachar Hills Districts. Government is gradually approaching the ultimate objective of State Trading. In other areas procurement will be done through licenced millers and dealers but preference will be given to Co-operatives. This year the minimum price of paddy to be paid to growers has been raised to Rs. 9.25 in zone 1, Rs. 9.50 in zone 2 and Rs. 9.75 in zone 3 per maund against uniform rate of Rs. 9 per maund for all zones in the State for 1959 without any corresponding increase in the last year's procurement-cum-wholesale prices as well as the retail prices of paddy and rice. The minimum prices are subjected to reduction at $7\frac{1}{2}$ per cent in December, 5 per cent in January and $2\frac{1}{2}$ per cent in February on account of moisture. This year the Government of India have also fixed the maximum wholesale prices of different varieties of paddy and rice at different grades with a view to making all varieties of paddy and rice available to consumers at reasonable prices. Besides the buffer stock, the Government intend to exercise indirect control over about 62 lakhs maunds of winter paddy out of the total estimated marketable surplus of 1.21 crore maunds by means of movement control, price control and allocation to industries and other institutions.

19. Except sugar the prices of other foodstuffs remained more or less normal during the period under review. From the month of May 1959 there was scarcity and high price of sugar throughout the State. This was not an isolated phenomenon in Assam but was common to India. A number of reasons has been listed for this scarcity, of which one is various mal-practices resorted to by a section of the trade including sugar mills. The scarcity and high price of sugar continued till September 1959 and the Government had no alternative but to step in and introduce State Trading through the Assam Co-operative Apex Marketing Society, Ltd. With the introduction of State Trading in sugar there has been marked improvement in the situation and sugar is now available at controlled rates all over the State. Assam's monthly allotment of flour was 1,500 tons

upto October 1959 when because of the coming into operation of two Flour Mills, one at Sibsagar and one at Gauhati, the quota was reduced to 1,150 tons per month. All quantities are allotted from the Calcutta Mills to dealers selected by them but also approved by the Supply Department of the Government. The two Flour Mills have been given a monthly quota of 1,650 tons of wheat. The production of the above mentioned two Mills is allotted by the Supply Department to dealers in different places in Assam on the recommendation of the Local Officers. The monthly quota of whole wheat allotted to Assam by the Government of India is 5,000 tons. This is distributed to the different Chaki Mills in Assam which number about 137. Here also the resultant atta is distributed to different dealers on recommendations of Local Officers.

20. A rice Subsidy Scheme for Hill Districts is in operation in the State. Under this scheme rice is issued to consumers in the interiors of Hill Districts at economic price by subsidising the cost of transport. A total amount of Rs.25 lakhs was allotted for the current financial year to meet the transport subsidy. A sum of Rs.28 lakhs has been provided in the Budget of 1960-61 for the same purpose.

21. The Hon'ble Members are aware and have been informed in the Governor's address of the food scarcity now prevailing in the Mizo District owing to destruction of last crop by rats following flowering of bamboos. In the Aijal Subdivision 60 per cent of the crop and in the Lungleh Subdivision 80 per cent of the crop have been completely destroyed with the result that, out of a total population of 2,40,000 people, 1,60,000 people have been affected by shortage of food supplies and are in acute distress. Since the Government received report of distress in Mizo District, steps have been taken to help the people. My colleagues, the Chief Minister and the Minister, Tribal Affairs paid visits recently to the district to understand the magnitude of the relief and help to be provided and to issue necessary instruction for intensifying the measures to be taken to meet the difficult situation. I have no doubt that this House will not only extend its sympathy to our distressed brethren in Mizo District but also share our anxiety and endorse our action to provide them with maximum relief. The task before us is colossal, but, with our determination, generosity from the people throughout the country and help and co-operation from the Central Government and our neighbours in Pakistan and

Burma, we hope it will be possible for us to give adequate help to our suffering people till they are able to collect next harvest in October of this year. It has been estimated that about 4.5 lakh mds. of rice shall have to be transported to various places in the interior of the Mizo District in order to make food available to them till October next. Apart from this a buffer stock shall have to be built up at several places before the advent of the Monsoon. For this purpose the Government have been making all the efforts possible and moving the quantities of rice into various places in the District by Air, road and boat. The measures for reaching rice were intensified from the beginning of last month. From the figures available, it appears that till 18th February, 1960, out of 50,828 mds. of rice moved into the district, 18,851 mds. was taken by air, 24,748 mds. was taken by road and 7,229 mds. by boat. There are 6 Indian Air Force Planes and one Indian Air Corporation now operating for the purpose of air-dropping in the various places of the Mizo District. Due to the fact that Indian Air Force personnel have been staying at Masimpur, which is quite some distance from Kumbhirgram, the sorties possible have not been made. It is now being decided to build temporary houses near the Air-field itself at a cost of Rs.40,000. On completion of these temporary structures, the number of sorties will be increased with the corresponding increase in the supply required for air-dropping operation. The three tonner trucks and one jeep with trailer from the border relief fleet of the United K. and J. Hills and the Garo Hills have already been placed at the disposal of the Deputy Commissioner, Aijal for transporting rice from Silchar to Aijal. 10 Army Jeeps with trailers and 10 Army 15 CWT trucks have also been placed at his disposal. The Public Works Department are taking immediate steps to divert four of the development jeeps for Mizo District. Two trucks are being taken away from the Public Works Department for carrying rice from Silchar to Aijal. Steps are also being taken to divert more jeeps from other Departments for use in Mizo District. The Indian Tea Association at Silchar has kindly promised to spare 5 Jeeps with trailers for the same use. Orders have also been placed with M/S. Walford Transport, Ltd., Dibrugarh, for supply of 10 one ton Jeeps, 14 trailers and 10 power wagons to the Deputy Commissioner, Aijal for the same purpose and these vehicles are expected to reach Aijal by the end of this month. The Defence Ministry are further being approached to spare 10 more Jeeps and 10 trucks. Recently two petrol supply depots at Serchhip and Lungleh have been established to facilitate movements of the vehicles

in the interior of Lungleh. It would thus appear that the full impact of transport by air and additional service transport has not yet been fully felt. After these arrangements are completed and efforts in this direction are increased, it will be possible to increase further more the supplies hitherto made. The East Pakistan Government have agreed to allow the movement of 600 tons of rice to Demagiri in the southern portion of the Mizo District *via* Chittagong. Arrangements for movement of this rice are being made. The Burmese Government have also agreed to make rice available at Akyab or at Paletewa on the Kolodyne River in Burma, north of Akyab, if River transport from Paletewa to Mizo District can be arranged. Arrangements for such transport are being made. In order to keep the supply lines safe for road transport during the monsoon, roads shall have to be improved for which sanction has already been issued. The Agriculture Department is arranging seeds for the distribution before the month of May so that the people may raise the next crop successfully. Necessary medicine, diets, etc., such as multi-vitamin tablets, calcium tablets, milk powder, etc., are being supplied. Additional medical staff has been provided to intensify medical relief where necessary. Further arrangement for purchase of drugs are being made for which a sum of Rs.1 lakh has been provided. So far Rs.6,75,000 for Agricultural Loan, Seed Loan, etc., Rs.12,00,000 for Test Relief Work, Rs.1,35,000 for gratuitous relief, Rs.15,000 for purchase of raticides, Rs.5,000 for purchase of water pipes, utensils, materials for temporary latrines, etc., for the I. A. F. Staff engaged in air-dropping in Mizo District, Rs.11,90,000 for Rice Transport Subsidy upto end of January 1960 and Rs. 52 lakhs for Rice Transport Subsidy for February and March 1960 have been sanctioned. All these measures, it is estimated, will cost us Rs. 3 crores or more. This will naturally mean a great strain on the committed resources of the State but the burden has to be taken in order to help our distressed people in Mizo District. It is, however, hoped that the help and assistance provided will not be mis-placed but taken to the people actually requiring it and that Government of India shall extend a helping hand by sharing substantially this expenditure and in solving our financial difficulty. The entire amount has not been provided in the Budget as some of the schemes have been finalised very recently after the Budget Estimates were sent to Press for printing and some needs modification in the light of experience gained in the next few months. For additional funds the House shall have to be approached in due course for voting supplies. I should

like to express my appreciation for the excellent work done by the Staff of the Indian Air Force engaged in Air-dropping operation, the Army Personnel and State Officials engaged in this strenuous and difficult task and my gratitude to the Central Government, particularly the Ministry of Defence and the two neighbouring countries— East Pakistan and North Burma, on behalf of the Government, for the co-operation and assistance we have been given and promised in intensifying our measures of relief.

Agriculture, Animal Husbandry and Fisheries

22. The Hon'ble Members may be interested to know something of the achievement of the plan programmes. I have referred earlier to importance of Food as a stabilizing factor in a growing economy and planned development. Although additional production potential to the extent of 1,30,050 tons net has been created during the first three years of the Second Plan period against the target of 3,74,000 tons for the entire plan period, its full benefit could not be reaped owing to adverse natural forces. We are still slave of the natural forces. Until all the flood protection works are completed and made strong enough to control floods and irrigation projects are successful, I am afraid, the desired improvement may not be expected on a firm basis. In August last our Chief Minister inaugurated a crop campaign launch. In the programme minor Irrigation has been integrated and co-ordinated, production of compost manure on a village basis has been intensified and the Panchayats are being given stock of pesticides and equipments to meet any emergency. Steps have been taken to extend the area under vegetable production in each block and shadow block. During the current year, it is proposed to bring 50,000 acres under Boro Paddy cultivation. I mentioned about the importance of Field Management Committees in our schemes of growing more food in the last budget Session of the Assembly. It is proposed to cover the State with 20,000 such Committees and organise intensive programmes for training farmers through Gram Sahayaks Training Camps organised on a field basis. A target to organise and register 10,000 committees by the end of this year has been laid down. Upto the middle of October, 1959 about 2,000 Field Management Committees have been formed and 600 such committees have been registered. For intensifying the food production drive in Assam a short-term loan of Rs.11.58 lakhs out of the sanctioned amount of Rs.28.55 lakhs has already been issued to the cultivators till the end of

September, 1959 on the recommendation of Field Management Committees. In response to the appeal by the Chief Minister last year the Tea concerns requested the Government to supply them with improved seeds, manure, etc. Necessary steps have been taken for the supply. It is expected that this happy response shall go a long way to increase the food production in the State.

23. Unless the quality of livestock of the State is improved, the cultivators cannot expect to reap the full benefit of grow-more-food campaign. I need not dilate on the importance of the Animal Husbandry and Veterinary in the rural economy of our country. During 1959-60 special stress was laid on the improvement of the livestock of the State by improved methods of feeding, breeding, rearing and disease control. To meet the shortage of approved bulls the Key Village Scheme is expanded by 3 additional Artificial Insemination Units. Four new Veterinary hospitals and 10 dispensaries are being established besides taking over 37 dispensaries so long run by the Local Boards. To render expeditious aid steps have been taken to start two Mobile dispensaries. A Unit of the proposed livestock research station is under implementation to take up researches and investigation of various diseases. The Biological product Section is producing fifty lakh doses of Ranikhet and fifteen thousand doses of Fowl pox vaccines for protection against Rinderpest. About six lakhs of cattle have already been vaccinated and another eight lakhs are to be vaccinated within the remaining period of the year. To improve breeding a cattle sterility scheme is under implementation and more than 200 breeding cows have been given treatment. One village grazing reserve is in the process of improvement and more than two lakh roots of improved grass has been distributed for growing better fodder. Our rural people are interested in poultry and some young people are also taking to it as a profession. A Central Poultry Farm with facilities for hatching and rearing of more than 2,000 chicken at a time is established at Gauhati with the idea of starting five extension centres soon. Poultry, pigs, goats and sheep are popular livestock in the tribal areas, but their performance for eggs, wool, pork and mutton production is poor. In order to improve their efficiency special steps to give grant-in-aid and loans are taken. Six hundred persons are expected to be benefited this year. Provision for granting Cattle Loan to the interested and deserving persons is made for next year. Three State Farms in Cachar, Nowgong and Sibsagar, besides four in existence, have been started for increased milk production and breeding of approved bulls.

24. Pisciculture is becoming popular with our people, specially exotic fish like Mirror carps and golden carps are gaining popularity among the private enterprises in the United Khasi and Jaintia Hills. Against the target of 6,600 additional fish production achievement is 4,617 maunds upto 1958-59. About 50 per cent of seed requirements have been met locally by induced breeding and it is expected that during the next year the entire requirement shall be locally met.

25. It is known to Hon'ble Members that there had been a grievance that owing to un-attractiveness of pay-scales bright boys are not coming to the Agriculture and Veterinary Departments of the State. During the year the Government raised the scales of pay of almost all grades of officers in those two departments and have also sanctioned schemes of re-organisation of these two departments on regional basis for better supervision of work in the field.

Community Projects

26. The importance of Community Projects and their role in the rural life need not be reiterated by me. The informal Consultative Committee of this House has been constantly helping the Community Project Department in shaping policies relating to the National Extension Service. The people's enthusiasm and general awakening is commendable and there is now a great expansion in the services that are available to the people in our rural areas at very close quarters. A great step that has been taken to give to the people in the rural areas greater opportunities for utilising the facilities available under the development programmes and to become more self-reliant, is the introduction of the Panchayat Legislation under which the Subdivisional Development Boards, the Block Development Committees and the Primary Panchayats have been replaced by elected Mohkuma Parishads, Anchalik and Gram Panchayats. The earlier Local Boards and Rural Panchayats have been simultaneously abolished. The Mysore Conference of Community Development thought of devising methods and schemes whereby the fullest utilisation could be made of the Panchayat machinery for the betterment of our people in the rural areas. The recommendations of this Conference have been discussed in the informal Consultative Committee of the State Legislature, among the State Heads of Development Departments and have also been discussed at the District and Subdivisional and Block Head Quarters. All concerned understand the role that they have to play in the

successful functioning of the Panchayats. On the one hand, the Panchayat will give a greatest sense of self-reliance and participation in Community Development work to the people, on the other hand Panchayats will be an important institutional arrangement through which the National Extension Service will operate and cover every family in the villages.

The coverage of the National Extension Service has been steadily increasing in Assam and today there are 79 blocks, covering a population of 43.1 lakhs and an area of 24972 square miles. Recently the State Government has persuaded the Central Government to agree to the allocation of about 8 additional blocks over and above 152 blocks originally allotted to relieve the imbalances that are now obtained due to the large area or population covered by some of our blocks. We also have the problem of providing adequate facilities for the addition to our population on account of influx of displaced persons and also the special problems relating to transferred areas in the Lakhimpur and Darrang Districts where more intensive work is to be done to improve the existing standard. There are 7 multipurpose Community Development Blocks now in existence—6 in the Hill Areas and 1 in the Plains. It has not been possible to make progress in these blocks consistent with the outlay that is provided. But to look into this problem, the Government of India set up a committee headed by Dr. Verrier Elwin. The Committee has made a study of a good number of these blocks in Assam and elsewhere and their report is awaited with interest. Since the introduction of the Community Development Movement, co-ordination between the different departments who for the first time, have to work as a team in the rural areas, has been a problem. There had been some mistakes initially but now there is no difference in principle between the various departments about how the work should be carried on and how the activity of the different departments should be co-ordinated. The actual extent of co-ordination is still below the desired level and constant efforts are being made to improve the above position. A considerable decentralisation of powers has been brought about so that most of the schemes financed from National Extension Service Budget can be sanctioned at the district headquarters.

Much emphasis is being put now, on programme for training both for job courses of the various categories of personnel as also for orientation in the aid of Community Development Movement. Accordingly training courses are available

for block personnel, subdivisional and district heads of Departments, officers of the administrative service generally and State heads of Development Departments. A considerable training facilities are also available for and are being utilised by legislators, members of Block Development Committees and other interested in Community Development Movement. A programme of training members of Block Development Committees and Anchalik Panchayats was taken in hand and a Study Camp of M. P. and M. L. A.'s was arranged in the first week of February at Khanapara. A fourth integrated extension training centre has been opened in the current year at Arunachal in Cachar to make up the shortage of trained Gram Sevaks. The Bharat Darshan tours arranged by the State Government in collaboration with the Ministry of Community Development are also bringing about an awareness of the progressive work being done elsewhere in the country, as also a sense of national unity and solidarity. I may mention here for the information of the House that 94 per cent of the plan expenditure has been utilised since the programme was taken up though the criterion of finance expenditure is not always a good indicator of achievement.

Local Bodies and Panchayats

27. The Hon'ble Members are aware that the Assam Panchayat Act, 1959 which aims at democratic decentralisation has replaced the Assam Rural Panchayat Act, 1948. Under the new Act establishments of Gaon Panchayats at the village level, of Anchalik Panchayats, which are co-extensive with the Community Project Block with supervisory and co-ordinative functions over Gaon Panchayats, and of Mahkuma Parishads in each Subdivision as an advisory body at the subdivisional level, envisage a new era of Local Self-Government and development in rural areas. The Anchalik Panchayats and Mahkuma Parishads will replace the Project Advisory Committees Block Development Committees and Subdivisional Development Boards respectively. The Local Boards have also ceased to exist with the enforcement of the new Panchayat Act from 1st October 1959. Till fresh elections are held, the Primary Panchayats previously elected under the Panchayat Act, 1948 will continue to function as Gaon Sabha under the new Act and *Ad-hoc* Anchalik Panchayat Committees and *Ad-hoc* Mahkuma Parishad Committees have been constituted in order to discharge the function entrusted to such bodies under the Act. This is an

interim arrangement and will continue till the Panchayats are elected in accordance with the provisions of the new Act. 2657 Gaon Sabhas, 118 Anchalik Panchayats and 16 Mahkuma Parishads will be functioning under the new Act. The interim arrangement has been made in order to enable these Panchayats to undertake and continue the work of development till elections are held. I have no hesitation in saying that I am not in favour of nomination because such a step, while pleasing a few, is likely to cause discontent and dissatisfaction to many. It is difficult to satisfy claims from all quarters and Persons. It is proposed to end this unsatisfactory state of affairs as early as possible by holding election for all the Panchayats under the Act. In this connection an officer has been particularly entrusted with the work of expediting all arrangement for the election. The Hon'ble Members no doubt will realise that holding of such elections, is not an easy task but with co-operation and support of the House it may be possible for us to commence election earlier than many expect. Under the scheme of the Act the structure of Panchayat administration will go a thorough re-orientation under which the responsibility will go down to the Gaon Panchayats both for planning and execution of development programme. This responsibility of local administration and Planning and execution of development programme will also be shared by the Anchalik Panchayats. Budget for the current year provided expenditure for holding elections and taking such a step as demarcation of boundaries, etc., under the expectation that these steps will be taken in the course of the current year. Unfortunately there has been unavoidable delay in taking these steps. As a result some of the current year's provisions have been repeated in the Budget for 1960-61 inclusive of requirement for pensionery and retirement benefit to the staff of the now defunct Local Boards and Rural Panchayats who cannot be absorbed. 20 Development Officers with 2 Rural Inspectors received training at Bombay in scientific social work. For the training of Panchayat Secretaries arrangement exists at the Rural Polytechnic Institute at Joysagar. So far 861 have received training at this Institute and it is expected that about 1,000 will receive training by the end of the Second Five Year Plan. It is proposed to upgrade the existing Training Institute at Joysagar with a Model Farm at Teok-Rajabari attached to it. 3 more Training Institutes are proposed to be started for training purposes in Darrang, Kahikuchi in Kamrup and Bibrampur in Cachar. Arrangement will also be made to hold camp training for Panchayat Presidents and Members for short period. For this purpose a provision of Rs. 3.30 lakhs has

been provided in the Budget for 1960-61. The Panchayat's own resources consist of taxes imposed under the Act. In addition they will get 25 per cent land revenue and entire local rates collected from the areas less the collection cost. The areas covered by established blocks will be doubly benefited with the fund provided for the purpose in the Block Budget. In the case of Anchalik Panchayats covered by Shadow Block areas some funds will have to be provided for activities in order to enable these areas to advance in development side by side with the established blocks. For this purpose a nominal grant-in-aid at Rs.500 per Gaon Sabha per annum amounting to a total of Rs.8,50,000 or 1,700 such Gaon Sabhas approximately in the Shadow Block areas have been provided for 1960-61. The development work, such as construction of roads, bridges and culverts digging and reclamation of tanks, wells and running of model farms, is mostly executed on self-help basis under which it is expected that our people in the rural areas should provide at least 20 per cent of the total cost of the project in cash or kind or both. Such work should be done through the Panchayats but in the Hill Areas where there are no Panchayats it may be done through agencies of Local Organisations and Committees. During the current year grants to the extent of Rs.3,45,600 were sanctioned. In view of the demand for such grants for such help a provision of Rs.3.46 lakhs has been made in the Budget for 1960-61.

28. During the year under review 11 Town Committees have been added to 32 Municipal Bodies already in existence.

Co-operation

29. The Second Five Year Co-operative Plan of Assam was mainly based on the broad principles of the integrated system of rural credit recommended by the All-India Rural Credit Survey Committee. But since the resolutions of the National Development Council at its meeting in November 1958 and April, 1959, the role of Co-operative Movement has undergone a great change and it is now to be developed as a people's movement. It has been emphasised that the Co-operative Movement should intensify agricultural production by mobilising man power and other resources and re-build the rural economy. For this, it is essential that the co-operatives should be organised on the basis of the village community as the primary units

and that the responsibility and initiative for social and economic development at the village level should be placed duly on the village co-operatives and village Panchayats. To meet the objectives the State Co-operative Plan had to be redrawn and the plan ceiling has gone upto Rs. 180 lakhs which is an increase of Rs. 50 lakhs over the original amount agreed to by the Planning Commission. The Department has been reorganised on three zonal basis with head quarters at Gauhati, Jorhat and Silchar. Also to attract qualified persons to this department and to give fillip to the present staff the pay scales have been revised.

To meet the credit requirement of agriculturists by issuing short and medium terms loans so far 220 larger sized societies with 69 godowns have been established against the targets of 300 and 100 respectively. These societies are financed by 7 District Central Co-operative Banks in the Plains Districts and branches of the Assam Co-operative Apex Bank, Ltd. Short term loan amounting to Rs. 43.81 lakhs and medium term loan of Rs. 20.20 lakhs were issued to the agriculturists till the end of December 1959. Nearly 10 per cent of the entire population of the State has been covered with Credit Societies. Under the revised Plan, 3000 Service Co-operatives are to be formed by revitalising the existing Co-operative Societies and by new organisation followed by 1000 societies in 1960-61. It is expected that by the end of the current plan period 20 per cent of the rural population would be covered by co-operative societies. It is our aim to bring all the rural families into the co-operative fold by the end of the Third Plan. With the introduction of State Trading in food grains more primary marketing societies have to be organised in 1960-61. In the border areas co-operative regional marketing societies at important centres have been organised with district marketing societies at the headquarters of each district to co-ordinate their activities. In addition Primary Co-operative Marketing Societies have been organised at various convenient points. These co-operative societies are to help the people of those areas in disposing of their produce and in getting from them their essential requirements.

Flood Control and Irrigation

30. In Assam flood has been a common feature since the great earthquake of 1950. It was considered that construction of dykes along the rivers were the easiest and cheapest

method for protection against floods. At the end of 1959 the total length of these dykes stood at 1,595 miles including 52 miles constructed under the Community Development Programme. These dykes have benefited about 66 lakhs acres of land in the State. Simultaneously they have created certain problems by way of shutting out rivers spills which have fertilising effect and which used to replenish fisheries and provide necessary water for retting jute. To solve this problem a programme for providing sluice openings in the embankments have been taken up on the basis of priority and availability of fund. It may be mentioned here also that erosion has assumed a serious problem in the State. Every year a sizeable area of cultivable and habitable land is taken away by erosion by the Brahmaputra and Barak and some of their tributaries. To find out some solution, the matter has been referred to the Government of India to send experts. The visit of the Government of India's experts is awaited.

In the past works had been carried out on *ad-hoc* basis to meet public demand and emergent situations existing in the State without full investigation as data were lacking. But during the last few years a large volume of systematic data has been collected. From now on, comprehensive planning of future flood control works based on these data will be taken up so that full advantage may be taken in the Third Five Year Plan. While the State's main effort is directed towards completing the schemes in hand and is drawing up comprehensive scheme for the Third Plan, it appears desirable to undertake a small number of emergent and beneficial schemes which will result in considerable benefit for comparatively small expenditure and surveys for which have hither been carried out or are in a progressive stage of completion.

I referred to the deterioration in the position of funds for Flood Control Schemes under the Plan for Assam in my last years' Budget Speech. As I mentioned earlier Flood Control Programme forms the Central Sector Programme taken up by the Central Government in Assam. Out of total allocation of Rs.60 crores for Flood Central Schemes in India Rs.8 crores were earmarked for Assam. The amount allocated to Assam was reduced from time to time till it was refixed at Rs.5.29 crores. This allocation, as pointed out by me last year, is

utterly inadequate and disproportionately small in case of Assam. We have been moving for reconsideration of this allocation and for increase of the figure at least to Rs.5.91 crores, which at one time we were informed would be Assam's share when the all India allocation of Rs.60 crores for flood control was reduced to Rs.50 crores. Last year, when we had unprecedented flood in North Kamrup, part of Darrang District, Golaghat Subdivision and in the Cachar District, the Union Minister and Deputy Minister for Irrigation and Power visited Assam in July 1959 and were not only apprised but themselves saw the havoc caused by floods in those areas. The question of meeting the situation and also the position of funds was discussed in which, apart from the Ministers, the State and Central Governments officials participated and statements of committed expenditure of the Flood Control Schemes during the Second Plan was prepared which revealed that we were in need of further amount of Rs. 66 lakhs, in addition to Rs. 5.29 crores, for completion of the schemes already in progress. It was obvious that we were in need of this amount of Rs. 66 lakhs even if no new schemes were taken up. At that time it was also mentioned that Rs. 23 lakhs were required for emergent restoration and strengthening of the embankments damaged by the June Flood and that an additional sum of Rs. 1 crore for 37 emergent and beneficial schemes was necessary during the Second Plan period. The Union Minister and Deputy Minister, Irrigation and Power, after discussion with the Chief Minister, the Minister-in-charge of Flood Control and myself and the officials of both the Central and State Governments, indicated that the sum of Rs. 23 lakhs required for the emergent restoration and Rs. 66 lakhs for completing the work undertaken would be found in addition to Rs. 5.29 crores already decided to be allocated to Assam. It is indeed a matter of deep regret that neither the gravity of our necessity has been appreciated by the Government of India nor the undertaking given by the Central Ministers has till now been implemented. It is hoped that Government of India shall soon examine the necessity of granting funds to this State for flood control work the suspension of which incomplete work is not only hampering our progress but also destroying a great volume of national wealth. In the meanwhile, as I have stated earlier, in the expectation of the Central Government making further allocation we have incurred further expenditure on Flood Control from out of the savings of the current year's Plan as completion of the project undertaken and emergent work to provide relief from floods can no longer be delayed.

In River Valley Projects, the detailed investigations of the Kopili Project are nearly complete and the Project report is expected to be ready by the middle of this year. The Project report of the Jamuna Irrigation Project is being studied by the State Government. This project is estimated to cost approximately Rs.168 lakhs. The Assam investigation circle of the Central Water and Power Commission have also completed preliminary investigation of the Subansiri and the Tirap and Nampuk rivers in the Dehing basin and the preliminary project reports are being drawn up. Investigations on the Barak, which were dropped due to non-availability of suitable site for construction of a dam, have now been revived and it has been decided that a team of experts from the Centre will shortly visit Cachar to ascertain if earth dam can be built on any suitable site in this seismic region.

Survey and investigations of medium irrigation projects are being carried out with setting up of our investigation divisions under two circles. Under Minor Irrigation, the total number of schemes under the plan is 51 of which 39 are continuing from the First Five Year Plan and 12 are new schemes. Of these, 18 schemes are flood protective, 15 are Drainage schemes and 19 are Irrigation schemes. By the year 1959-60 all schemes continuing from the First Five Year Plan have been completed. The total area benefited is 1,37,400 acres of which 50,000 acres are from Flood Protective Schemes, 56,000 acres from Drainage Schemes and 31,400 acres are from Small Irrigation Schemes. In view of the importance attached to Minor Irrigation, the Government of India have agreed to allow the State Government to take up another 12 new minor Irrigation Schemes during the remaining period of the Second Plan at a likely cost of Rs.35 lakhs. There were incomplete works of the First Five Year Plan under the programme of permanent improvement of scarcity areas left over for completion during the Second Plan period. The total number of such schemes is 17 of which 13 are Flood Protective Schemes and 2 each are drainage and small irrigation schemes. In 1959-60 all these schemes have been completed. The total area likely to be benefited is 61,300 acres of which 45,800 acres will be from Flood Protective Schemes, 6,500 acres from Drainage Schemes and 9,000 acres from Small Irrigation Schemes.

Education

31. The House will certainly expect me to give an idea of the expenditure incurred and the progress made in Education. Even though no idea of progress made in

Education can be conveyed by translating it in terms of money and compressing it into a classified table of estimates and expenditure, it will be worthwhile to place a few figures before the Hon'ble Members, if only to stimulate re-thinking and re-orientation of our educational policy. It will be interesting to note that our percentage of expenditure on education over total expenditure out of the consolidated fund, which comes to about 13 per cent during the current year, can be favourably compared with similar percentages of our neighbouring States—West Bengal, Bihar and Orissa where the percentages during the current year of expenditure on education out of their total expenditure was 10.15 per cent, 9.23 per cent and 7.04 per cent respectively. In the First Plan Period we took over 639 Institutions of various categories excluding colleges and institutions for higher education. In the first four years of the Second Five Year Plan, however, the number of similar institutions taken over was 1,757. Out of this as many as 1,066 were taken only during the current year. Against an expenditure of Rs.486 lakhs incurred for taking over Primary and Basic Schools in the First Five Year Plan, the expenditure for similar purpose in the first four years of the Second Five Year Plan was Rs.759 lakhs. Similarly the expenditure for taking over Secondary Schools in the first four years of the Second Five Year Plan was Rs.130 lakhs as compared to Rs.114 lakhs for the entire period of the First Five Year Plan. The expenditure for taking over colleges and for scholarships came to Rs. 30 lakhs and Rs. 39 lakhs respectively in the first four years of the Second Five Year Plan as against expenditure of Rs.27 lakhs and Rs.28 lakhs respectively for similar purposes in the whole period of First Five Year Plan. A considerable improvement in expenditure on Training Institutes was also made in the four years of the Second Five Year Plan period over the First Plan Period.

The House will note that, new schemes included in the next year's Budget involving an expenditure of Rs.56,85,807 contain schemes of education involving a provision of Rs.8,51,301. Provisions in the Budget for Primary, Secondary and College Education are Rs.2,58,57,000, Rs.1,86,07,600 and Rs.47,62,745 respectively. During the current year enhanced grant-in-aid has been extended to more colleges on deficit system and effect has been given to the decision to raise the scale of pay of Aided School Teachers to those of their counterpart in the Government Schools. The first rate colleges have also been given grant-in-aid for introduction of pay approved by the University Grants Commission. In the Budget, provision

has been made for increasing the percentage of fee income by another 15 per cent. The increased percentage of fee income will be subject to the condition that it is kept separate and utilised for the purpose of improving and extending the buildings of the institutions. It has also been proposed to raise the grant-in-aid to the minimum level of Rs.250 per month in case of High Schools and Rs.100 in case of Middle English Schools. For this purpose a token provision has been made for giving increased grant to 247 Middle English Schools already partially aided and for taking over 50 Venture Middle English Schools and 50 Venture High Schools. In the field of Primary Education Government of India have proposed that educational facilities should be provided for all children within the age group of 6-11 by the end of the Third Plan Period. To implement this Plan, which is a Constitutional obligation, more Primary Schools with trained teachers will be required. For this purpose not only we have to look for additional financial resources but also make arrangement for producing trained teachers. To meet this requirement for the present a proposal to open 8 new Training Centres with intake capacity of 100 each and expansion of Training Centres by 520 seats is under the examination of Government.

32. Our boys are not taking Military as a career. For breaking this inertia and for fostering a sense of discipline the National Cadet Corps Programmes which are very useful are being extended. For this reason one Engineer Platoon, one Air Squadron and one Air Flight Squadron have been raised during the year. In this connection the raising of the Officers' Training Unit at Gauhati has been an important and useful event. The aim of this Unit is to improve the standard of officers seeking permanent commission and also to create a reserve of potential officers.

33. With the growing tempo of development in the State it is imperative to expand technical education in order to cope with the increased demand for technical personnel. Realising that opportunity for providing technical education in the State is still far below the requirement, attempt is being made for organising the technical education and craftsmanship training on a sounder basis for which purpose two Advisory Boards have been constituted. Provision of Rs. 3 lakhs and Rs. 3.75 lakhs have been made in the next year's Budget for Industrial Training Institutes at Srikona and at Jorhat. For craftsman Training Scheme, besides the opportunity provided at Srikona and at Jorhat, provision of Rs. 4 lakhs has been

made in the Budget for the improving the Tezpur and Nowgong Technical Schools. Some amount has also been provided for opening of other Training Centres in Craftsmanship. Implementation of these schemes, which have been already started, will have to be completed by the end of the Second Five Year Plan Period. The special expansion of technical education will, it is hoped, begin to show tangible result after the necessary buildings under construction are completed.

Medical and Public Health

34. The Medical and Public Health Department is steadily proceeding in the implementation of the programme under the Plan. With the amalgamation of Medical and Public Health into one Department, there has been more co-ordination and improvement in the working. Both on the preventive and curative side definite progress and improvement have been made.

All the Local Board Dispensaries and 7 Community Development Block dispensaries, with indoor accommodation of 48 beds and one *ex-Zamindari* Estate dispensary, have been taken over by Government during 1959-60. A good number of Primary Health Units have also been opened with a view to extend medical facilities to the people in the rural areas. With completion of constructional works the civil hospitals at Dhubri, Silchar and Goalpara have been expanded with addition of 72 beds. Improvement of some of the buildings of district and sub-divisional head quarters is making progress. The buildings of the Gauhati Civil Hospital with capacity of 350 beds is likely to be completed by the end of the next financial year. For treatment of patients in Ayurvedic system, Ayurvedic sections have been opened at Dhubri, Silchar, Tezpur, Nowgong and Jorhat Civil Hospitals by appointing Ayurvedic physicians. Five State Dispensaries have been added in the hill districts and sanction has been issued for 12 new Public Health dispensaries eight for general and four for autonomous districts.

For enlarging the opportunity of medical education the rate of admission in the Assam Medical College has been raised from 100 to 110 from 1959 Session with a view to raise it to 150. Duration of pharmacists Course has been raised to 2 years in place of one year. The Ayurvedic College is going to be upgraded to a degree institutions and for this purpose permanent

buildings are under construction at Jhalukbari. Since 1958-59 two students have been deputed each year to undergo four years course of dentistry.

Malaria, leprosy, tuberculosis and waterborne diseases are still too common in our country. The Government have taken a National Malaria Eradication Programme which aims at elimination of malaria before the malaria borne mosquitos develop any resistance. Spraying under this Scheme shall continue upto 1961-62. To fight the pestilence of leprosy 116 centres are operating in the State giving medical aid and further steps—preventive and curative—shall have to be taken after having a proper survey in the plains and the hills. The mass B. C. G. Vaccination Campaign has completed its first round of work now and the next round is expected to be completed by the end of the next financial year. Thereafter its activities will be integrated with T. B. clinics to cover the new susceptible groups of population. With better water supply and sanitation for which various schemes are in operation, some relief from water-borne diseases are perceptible.

Major Industries and Power

35. The availability of various industrial raw materials in the State and the potential in various industrial spheres are not unknown to the members of the House. The reconstituted State Industrial Development Council and its committees have been meeting from time to time and advising the Government regarding the industrial programme that should be undertaken in the State. The Techno-Economic Survey in Assam taken up by the National Council of Applied Economic Research is expected to be completed in the first part of the current year and will be of great assistance both to Government and to Industrialists wishing to set up industrial units in the State. While some progress has been made towards industrial development during Second Plan Period, I should say that it has touched only a fringe of the problem. The need for comprehensive Industrial programme during the Third Plan Period cannot be over emphasised. Industrial development should be given very high priority in the Third Plan and there should be an optimum utilisation of material resources of the State particularly in the field of mineral industries based on oil, natural gas, coal, limestone, forest industries together with establishment of certain consumer industries and light engineering units without which the State economy remains in imbalance.

Progress in regard to the establishment of the Oil Refinery in Assam has been fairly rapid with a view to implement this project by 1961. A very satisfactory development from the State view-point has been that the Government of India have agreed to treat the value of land that would be acquired by the State Government and also development cost thereof as equity investment of the State Government in the Indian Refineries Ltd. With the Oil Refinery other industrial plants are coming up in the area for manufacture of oxygen, acetylene, sulphur-dioxide and the like. Some projects are also under examination for utilisation of the by-products of the refinery process. Together with the exploitation of the oil resources in Assam, it has been decided to take up early a first phase programme to utilise 30-35 millions cft. of associated natural gas which should be available with crude oil production. The Gas Utilisation Committee which was set up by the Government of India to examine and report on projects that should be included in the Gas Utilisation programme has since submitted an *interim* report recommending that a fertiliser plant with capacity of 1 lakh ton urea and ammonium sulphate, a power generation unit having a capacity of 25,000 KW and a Cement Factory with a capacity of 300 tons a day should be established in the Upper Assam area. A preliminary project report has since been drawn up for the fertiliser plant and the project is expected to be taken up for implementation very shortly. For the Power generation Unit, the CWPC and the State Electricity Board are drawing up a project report. Besides these projects, other chemical industries based on gas are also under consideration of the Government and negotiations are proceeding in respect of such industrial undertakings. It has also been decided to take up the supply of natural gas as industrial and domestic fuel in the Upper Assam area in the first instance to be subsequently extended up to Gauhati. A preliminary report has been drawn up and the detailed project will be taken up shortly.

An important development in the year under review was the signing of an agreement with M/S. Assam Pulp Mill Ltd. for the establishment of a 100 tons pulp plant at Lamsakhang in Mikir Hills District. It is expected that this plant will go into production by 1962 and will be a great step forward towards the effective utilisation of the vast bamboo resources of the State. The State Government have decided to participate in the share capital of the Company to the extent of

Rs.30 lakhs and further to underwrite shares worth Rs. 20 lakhs which, as per terms of the agreement, is to be offered to the people of Assam. A second Pulp and Paper Mill in Cachar and a project for the manufacture of Rayon grade pulp in the same district are under examination of the Government. Besides, three licenses for setting up of Paper Mills industry without pulp manufacture have also been recently issued.

Some other schemes under the Second Plan Programme have made some progress. The Spun Silk Mill at Jagiroad is expected to be completed during the next financial year. Negotiation for the Spinning Mills is being finalised and it is expected to complete its first phase of installation of 12,500 spindles by 1960. It is intended to take up the Jute Mill Project in the Co-operative Sector with 200 looms for which a project report is being prepared. A proposal for setting up another jute mill in the private sector is also under consideration of Government. The Cement Factory at Cherrapunjee in which the State Government are participating is also progressing. The Fruit Preservation Unit is being established in the public sector in Cachar District.

Besides the above, a number of other medium sized industrial projects, which were licensed earlier, have made progress during the year under review. The re-rolling Mill at Gauhati has gone into production while the Cycle Factory is expected to be completed by the middle of the current year. In 1959 licenses for galvanised iron wire manufacture factory, three flour mills, a hard board and a chip board unit have been issued. The galvanised iron wire factory is expected to go into production very soon and one flour mill at Sibsagar has already gone into production. Licenses for new ply-wood units and for expansion of some existing units had also been granted last year. In addition, applications for licence for various industries are under examination of the Government.

With a view to render necessary assistance to the Tea Industry a proposal for hire-purchase arrangement for tea machineries through the Tea Board has been submitted to the Government of India together with a proposal for creation of a replantation fund. To relieve the difficulties faced by the tea industry in Cachar the State Government suspended the carriage tax on Cachar tea. It was expected that the West Bengal Government would similarly suspend the West Bengal entry tax for such tea but this hope has not yet materialised.

36. It is known to the members of this House how far our State is lagging behind in the matter of power supply. Apart from the activities connected with the operation of 23 power stations, the activities of the Assam State Electricity Board were primarily confined to Umiam Hydel Project. At present the installed capacity under the Board is only 13,546 Kw. After augmenting the power stations by installing some more diesel sets the total installed capacity at the end of the Second Five-Year Plan is expected to increase to 15,283 Kw. The Umiam Hydel Project, which envisages a total installed capacity of 36,000 Kw. at the first stage of development and additional capacity 40,000 Kw. in the second stage and the proposed Naharkatiya thermal station are also not expected to be ready before the next three to four years to come. But meanwhile the industrial load demands are rapidly increasing. With a view to meet this demand the Board has already formulated an interim scheme for extension of existing stations with a total cost of Rs.92.32 lakhs including foreign exchange requirement of Rs.52.45 lakhs. The Board is pursuing a programme to raise the *per capita* consumption of power at the end of the Second Plan period to about 5.50 Kw. and the pattern of utilisation envisaged is 54 per cent for domestic and commercial purpose, 40 per cent for small and medium scale industries and 6 per cent for Irrigation and Water Works. To recommend and to adopt uniform rates throughout the State since in many respects the existing tariff is much lower than even cost of generation of power, the Assam State Electricity Board appointed a new Tariff Advisory Committee. The Government have agreed to keep in abeyance a realisation of interest on loan issued to the Board for capital expenditure.

37. Probably the Members of the House are aware that the Oil and Natural Gas Commission were permitted by this Government to carry out seismic operations in the Sibsagar area and as a result, they have discovered a favourable oil bearing structure. In order to mark a complete assessment of the structure the Commission have been granted two prospecting licenses in Desangmukh and Rudrasagar areas in Sibsagar District during May, 1959. The Commission have already started drilling operations in collaboration with the Russian Experts. In order to supplement the geological surveys undertaken by the Geological Survey of India, the State Government have decided to set up a Geological organisation of their own with a Director of Geology and Mining and associated staff.

Communications

38. All the Road Schemes in the Plan are in progress except the schemes for construction of new major bridges and purchase of a steam vessel for a ferry on the Brahmaputra. Out of the Plan provisions of Rs. 665 lakhs an expenditure of Rs. 486.80 lakhs is expected up to the end of the current financial year. 149 miles of metalled and black-topped roads are expected to be completed within 1959-60 against the plan target of 184 miles and all works on 560 miles of village roads are expected to be completed within 1960-61 which shall add to 28 miles already completed. The progress of bridge works on Barak and Buroi and purchase of a steam vessel could not make much head-way owing to difficulties of foreign exchanges. Works on 12 new major bridges are expected to be started soon as preliminaries are completed by this time. The works on almost all the projects under the Central Road Fund Programme are in progress and during 1959 another programme costing Rs. 27 lakhs has been approved by the Government of India. The Government of India have also agreed on a matching contribution basis to a programme for Rs. 51.50 lakhs for improvement and black-topping of 65 miles of important roads. Some of the projects under the programme of construction and development of State roads of economic or inter-State importance have been completed and some are in progress such as improvement of North Trunk Road from Banki to Sankesh and construction of Garubasha-Hatisar Road. For construction of a bridge over the Jia-Bharali River, the main survey works had been completed and construction of guide bunds is in progress.

In the past, progress of expenditure on road works in the autonomous districts was rather slow as all the road projects in the hills required financial and technical sanction from the Ministry of Transport, Government of India. At the instance of the State Government this procedure has been liberalised. Now the State Government can accord technical and financial sanctions in respect of all road projects involving a total plan outlay not exceeding Rs. 25 lakhs and an annual expenditure not exceeding Rs. 10 lakhs on each individual scheme. Full advantage of the liberalised procedure has been taken and sanctions of survey estimates of all new roads had been issued. It is expected that about 700 miles of road and 350 miles of survey work will be completed by the end of the current plan period. With a view to complete some of the roads already

undertaken in respect of which further work was at a standstill due to shortage of provision, we have allocated a sum of Rs. 50.5 lakhs out of the savings of the current year's plan.

Transport and Tourism

39. In view of financial stringency and non-allocation of fund by the Planning Commission due to the reluctance of the State Government to form corporation with the Railways, no new route of transport could be nationalised during the current financial year. It may be mentioned here that 184 miles of routes had been nationalised during this plan period from the non-plan budget of the State Government. The State Transport is at present handling about twenty thousand passengers and ten thousand maunds of goods, luggages and parcels per day. It has given employment to 3,000 persons of which about 50 per cent have been retained on permanent basis.

40. The State Government have pressed the Government of India for providing an aerodrome at Shillong and to extend the Borjhar Airport to receive bigger air-crafts. The proposal of establishing an aerodrome in Shillong has been accepted in principle and is likely to be taken up in the Third Plan.

41. To improve and stabilise Rail Transport and extend the service within Assam the State Government are constantly advising the Government of India. The Assam Rail Link is at present carrying 250 wagons in either direction per day. By the end of the Second Plan the capacity shall be raised to 400 wagons a day. Extensive works for strengthening the link routes have been taken in hand and have made good progress. The Prime Minister of India laid the foundation stone of the Brahmaputra Bridge the construction of which is expected to be completed by the middle of 1962. It is a matter of satisfaction to note, from the speech delivered by the Railway Minister at the time of presenting the Railway Budget for next financial year, that he indicated the Government's intention to extend the Broad-Gauge in the Second Plan up to Siliguri. With this declaration there will be ample justification to hope that the Broad-Gauge will soon be extended from Siliguri to places in our State. The Ministry of Railway have also decided to connect Dharmanagar, 20 miles away from Patharkandi inside the State of Tripura by Railway with Patharkandi in the near future. The survey work is in progress and the work of the construction, it is understood, will be taken in hand in the coming working season. Works have also been undertaken to increase the capacity of the

Hill Section from Lumding to Badarpur from 50 wagons a day to 125 wagons. I have mentioned earlier the potentiality of new industries in this State and the intention of the State Government to take up as many industries as possible in near future. The Government of India have been requested to connect Garo Hills, North Lakhimpur and Tripura by Rail Roads with rest of the State and to provide an alternative route to the existing Rail Link. They have also been requested to restore the lines on the Dangari-Saikhowaghat Section and Moranhat-Dibrugarh Section. It is expected that the Government of India shall appreciate the utility and urgency of the proposals and very soon agree to these proposals.

42. To encourage tourism, various schemes have been taken up. The Low-Income Group hostel at Gauhati has been completed and that of Shillong is being undertaken. The Forest Department has already undertaken construction of tourist rest houses at Kohora, Manas and Napack Lake.

43. Schemes to develop inland waterways are also in progress. Steps have been taken to construct a port at Pandu.

Land Reforms

44. A large number of measures have been introduced in the State for land reforms and these measures are all known to the Members of the House. The time for submission of the returns under the Assam Fixation of Ceiling on Land Holdings Act, 1956 was extended in response to the representations received from different quarters. The returns are now under verification and steps are being taken for acquiring surplus areas under the Act. The Hon'ble High Court upheld the validity of the Act but appeals against this order are now pending in the Supreme Court. The power given to the Chairman of the Adhi Conciliation Board under the Assam Adhiars Protection and Regulation (Amendment) Act, 1959, shall go a long way in removing the grievances of the adhiars. The Bill for consolidation of land and prevention of fragmentation of holdings which was introduced in the House has been circulated for eliciting public opinion. The Bill when passed into an Act will ensure better management of land and more economic cultivation.

The enactment of legislation providing scope for land reforms is in itself not sufficient and cannot bring about the desired result unless and until the implication of those provisions are realised by those in whose interest they have been

provided and the various reliefs provided are implemented. The House will agree that in many respects our measures have a far-reaching consequence and if fully utilised can provide enormous relief to our cultivators. In order to help the cultivators to understand their rights and take maximum benefit out of these relief measures, Field Management Committees have been set up. It is hoped that with the functioning of these Field Management Committees the difficulty in the way of securing benefits to cultivators will to a great extent be removed.

Forests

45. The various programmes relating to development of Forest Resources of the State are making progress. The volume of trading transaction has increased considerably due to stepping up of evergreen sleepers production and supplies of timber to the Directorate General of Supplies and Disposals. Soil Conservation work has been placed on a firm footing by creation of a separate Department for it with the Chief Conservator of Forests as the Director of Soil Conservation. Instead of concentrating on the demonstration of the advantages of a cash crop economy based on non-perishable cash crop, work has been taken up for afforestation of barren hill-tops and creation of terraces on which paddy and other food crops can be grown on a permanent basis with or without irrigation. About 200 acres of pine and other plantations were created towards the close of 1958-59 and additional 450 acres are under execution during the following year. Terracing with irrigation is to extend over 380 acres in 1959-60. Experimental work on the agronomical practices to be adopted to grow paddy successfully year after year on un-irrigated terraces have been initiated. Up to the end of 1958-59, 783 acres of cashewnut plantation, 282 acres of coffee plantation, 36 acres of pepper plantation and 16 acres of rubber plantation have been departmentally created. In the current financial year coffee plantation is expected to be extended to 40 acres, cashewnut to 200 acres and pepper to 5 acres.

With loan-cum-subsidy assistance from Government, tribal people have raised cashewnuts on 750 acres during year under review in addition to an equivalent area covered in the preceding year. The number of nursery centres has gone up by 15 in addition to 54 existing centres. About 3 tons

of cashewnut seeds, 20 thousand pepper vine cuttings and 3 thousand coffee plants have been distributed free of charge amongst the growers. A proposal to introduce subsidy for extension of coffee plantations is under consideration as it has been found that many of the tribal areas above 1,500 ft. sea level are suitable for the plantation. Arrangement has also been made to supply the requirements of ply-wood to the ply-wood Mills.

Small and Cottage Industries

46. Activities in the field of small and cottage industries are directed to assistance in the shape of supply of raw materials, procuring up-to-date machineries, rendering technical assistance and to some extent arranging marketing of finished products. Industrial loan to the extent of Rs. 8 lakhs up to December last had been sanctioned and grants-in-aid have been given to deserving industrialists, artisans and co-operative societies. Stipends have been granted for training inside the State and outside in various trades. Industrial exhibitions have been organised to bring the produces and consumers nearer. The bamboo and cane Mills started in 1958-59 in the Industrial Block at Gauhati made some progress. Its production figure has risen from Rs.5,000 for two months of 1958-59 to Rs.47,500 in 1959-60.

Sericulture and Weaving which are very popular industries in the rural life of Assam showed some progress during 1959-60. Up to December 1959, production of muga raw silk stood at 2,07,043 lbs, eri cut cocoons stood at 5,37,320 lbs. and mulberry silk at 31,457 lbs. It has been possible to supply 90 per cent of the requirement of disease-free mulberry silk-worms and seed for the entire State. Area under mulberry cultivation is 2,000 acres currently and it is proposed to extend it by 500 acres. The Sericultural Research Station at Titabor is carrying out investigation with a view to get the maximum outturn of silk with the minimum investment and thus to reduce the cost of production of silk. The State Khadi and Village Industries Board, in addition to going on with the Khadi and Village Industries schemes, took up, during the year a Test Relief Scheme of paddy-husking, spinning and weaving for the benefit of flood-affected people. The scheme got popular support and was successful in Kamrup District.

Prohibition

47. After the enforcement of total prohibition of opium in the State in 1947, permits were issued for use of opium on health grounds on the recommendations of Civil Surgeons. But from April 1959 this has been discontinued. Only permits for medicinal opium on health grounds, if recommended by the Civil Surgeons, may be issued. So far three such permits have been issued. It has been decided to make a survey of opium addiction to see how far the opium prohibition Campaign in the State has been successful. All the restrictive measures about sale, purchase and possession of country spirit and foreign liquor are in force and bottling system has been introduced in Dibrugarh Subdivision and Sibsagar District.

The Hon'ble Members have also been informed in the Governor's address about Government's decision for extending prohibition to the Nowgong District with effect from 1st of April 1960 in pursuance of our policy of gradual extension of Prohibition in the State.

Labour

48. Progressive improvement of the standard of living of the Industrial workers and creation of a climate for industrial peace continue to be the policy of the Government. To attain the objective several labour laws are in force and these are being enforced with great zeal. The Government also continued the policy of encouraging the activities of the non-official organisations like Kasturba Gandhi National Memorial Trust, Hindustan Mazdoor Sevak Sangha and the Assam Seva Samity for social, moral and economic welfare of labour force in the State. Twenty Welfare Centres are functioning at present under these organisations. Government are assisting these organisations with grants-in-aid. Out of 25 Community Centres for plantation labour and four Welfare Centres for Urban Industrial workers under the Plan, three centres have been taken up and eight are still under construction. It is proposed to extend the Employees' State Insurance Scheme to Digboi, Margherita and Jorhat next year. It is known to the Hon'ble Members of the House that the Assam Tea Plantation Employees' Welfare Fund Bill, 1959, has been recently passed with a view to provide finance for activities in the welfare of tea plantation employees of the State.

Relief and Rehabilitation

49. I have mentioned earlier about the devastating flood of 1959. The damage was very severe and extensive particularly in the districts of Cachar, Kamrup and Sibsagar and in Dibrugarh Subdivision and Mangaldai Subdivision. Relief operations were undertaken on an extensive scale to help the flood-affected people. The amounts of loan and relief sanctioned up to the end of December 1959 are as follows—

	Rs.
1. Seed Loans	12,89,000
2. Rehabilitation Loans	2,27,900
3. Cattle Loans	50,000
4. Gratuitous relief	5,98,975
5. Test Relief	2,47,000
Total	24,12,875

In addition, adequate amount of agricultural loan was distributed to the distressed cultivators through the co-operative societies. Fair-Price Shops were opened extensively for supply of rice at economic prices and in some cases transport cost had to be subsidised to keep the price uniform. Government suspended collection of land revenue, local rates and arrear agricultural loans in the badly affected areas till the people were rehabilitated. The District Officers were also directed to submit proposals for remission of revenue in suitable cases. Some lands had been requisitioned for rehabilitation of flood-affected people. Settlement of land with such people and landless people has been engaging the serious attention of the Government. In order to tackle this problem in a planned way, a committee has been constituted to study the question of availability of cultivable waste land in the State. The Committee is expected to submit its report by the end of February 1960.

Relief to and rehabilitation of displaced persons from East Pakistan is progressing according to the programme. The various schemes taken up and under implementation are known to the Members of the House and I need not take their time in giving the details. The number of families who are still in

need of Government assistance wholly or partially for their permanent rehabilitation has been assessed at 23 thousand families. The displaced families, which had migrated to Assam after 1st April 1958, are not entitled to any rehabilitation assistance. Steps are in progress to rehabilitate the remaining families with a view to wind up the Relief and Rehabilitation Department by the end of the Second Plan Period. The question of integration of the activities of this Department in the Medical, Educational and other spheres have been examined and it has been found desirable to transfer these activities progressively to the respective normal departments of the Government. This shall help fostering a psychological atmosphere wherein the displaced persons will cease to consider themselves as a separate entity and shall seek necessary assistance through the normal channels. To facilitate the work of physical and psychological integration the co-operation of the local leaders has been sought. Government have formed a State Advisory Board to advise on all matters relating to rehabilitation of displaced persons, and have also constituted at subdivisional levels similar Boards for the same purpose.

Housing

50. Government are fully alive to the urgency of the Housing problem and giving attention to its solution. The comprehensive programme taken up during the Second Plan for solution of Urban and Rural Housing includes Low Income Group Housing, Subsidised Industrial Housing, Plantation Labour Housing, Rural Housing and Slum Clearance and Sweeper Housing. In addition to the above schemes, two new schemes, namely Middle Income Group Housing Scheme and Scheme for grant of financial assistance to industrial employers to build houses for their workers have been added. Necessary rules and other preliminaries have since been finalised for giving a start to these two schemes. Against the sum of Rs. 141.50 lakhs proposed to be utilised during the Second Five-Year Plan period, a sum of Rs. 62.51 lakhs has already been spent up to the end of 1958-59 and probable expenditure during the current financial year may be Rs. 32.68 lakhs. This leaves a balance of Rs. 46.31 lakhs for the last year of the Plan. Under the Low Income Group Housing against the plan target of 1,780 houses and 100 acres of land to be developed as building site, 624 houses have been constructed and 524 houses are under construction and 50 acres of land is under process of development. One hundred and thirty-six houses have been completed and 142 houses are under construction against plan target of

303 houses under subsidised Industrial Housing Scheme. Progress under Plantation Labour Housing Scheme is very poor. Three hundred and forty-six tenements are under construction at Gauhati for re-housing slum dwellers ; target being 362 tenements. Under Rural Housing Scheme 42 houses have been completed and 38 houses more have been taken up in some selected villages against the target of 1,650 houses. For construction of Harijan Housing up to September 1959 a loan of Rs.7,89,320 has been sanctioned to the various local bodies out of which a sum of Rs.7,05,240 has already been disbursed. Total number of tenements for which loan has been sanctioned is 303 out of which 110 have been completed and 102 are under construction.

Despite shortage of qualified and experienced technical officers and staff, master plan for towns and villages are making some progress. After the preparation of the master plans for Gauhati and Tinsukia towns the work on the master plan for Shillong has been taken up and work on other towns will be taken up on the basis of relative importance and urgency. The Town and Country Planning Bill passed by this House is awaiting the assent of the President and the Assam Slum Areas Improvement and Clearance Bill has also been introduced in this House. With the enactment of these two Bills it is expected that the works under the Town Planning Scheme can be taken up and implemented according to the Plan.

Welfare of Scheduled Tribes and Scheduled Castes

51. The Advisory Council for the hills tribals and the plains tribals and for the Scheduled Castes have been reviewing in general the progress of various development schemes taken up for Scheduled Tribes and Scheduled Castes. They have also discussed the various difficulties faced by implementing agencies and the executing departments and have offered their valuable suggestions for solving these difficulties. Out of total Plan outlay of Rs.9.50 crores provided for the welfare of backward classes, it is expected that, by the end of the current financial year, total expenditure will come to Rs.582.35 lakhs. Of this Rs.417.859 lakhs for hills tribals, Rs.140.439 lakhs for plains tribals and Rs.24.06 lakhs for Scheduled Castes will be the break-up of expenditure. In addition, the total expenditure under Centrally sponsored programmes upto the end of 31st March 1960, is expected to be Rs.100.93 lakhs.

The State Government have also constituted an Advisory Council for other backward classes to advise Government in matters of welfare of other backward classes and in particular to assess their social, educational and economic and cultural requirements. For the first time this year a separate programme has been taken up for the welfare of other backward classes for which a provision of Rs.5 lakhs was made during the current financial year. Under this programme an expenditure of Rs.50 thousands has been incurred towards grant of free studentship to 1400 deserving students reading in High Schools, Middle English Schools and Colleges. Scholarship and aid have also been provided to students in Technical and Professional Institutes like Engineering College, etc. Last year a total expenditure of Rs.15,984 was incurred for various scholarships, but this year the expenditure will go up to Rs.6,16,000. Of this 4 lakhs is being provided by Supplementary Demand to supplement the Government of India's contribution of Rs.2,16,000 for other backward classes under the Central Post-Matric Scholarship Scheme to enable the State Government to award such scholarships at the Central rate to all the students belonging to other backward classes subject to means test. For the next year no provision has been made in the Budget because of the reason that my colleague, the Minister in-charge of Tribal Areas Department discussed this matter with the Union Home Minister during his last visit to Delhi who was kind enough to assure that some allocation will be made to Assam out of the grant controlled by the Home Ministry for welfare of other Backward Classes on receipt of a detailed estimate from the State Government. These estimates are being worked out and the scheme will be finalised shortly for submission to Government of India. In addition to the border relief programme and the relief measures taken in the Mizo district about which I have made a reference earlier, the State Government from their own resources have sanctioned a considerable sum in the shape of gratuitous relief, agricultural loan and test relief for the economic rehabilitation of border people other than in the Mizo district.

Film Industry in Assam

52. The place of entertaining and educative films in propagating the activities and achievements of different nation-building Departments is admitted on all hands. This media is most effective for publicity and propaganda work in the rural areas where the percentage of literacy is low. In the Government of India and in some other States, full-fledged film

production sections look after this work. Besides producing documentaries on subjects like Cottage Industries, Health and Sanitation, Forest wealth, Sericulture, Agriculture, Social Welfare, etc., they also cover important events happening in the State and release these films either through the Government of India or by themselves for exhibition in the Cinema houses. In all other States, except Assam, the Films Division of the Government of India has its own Newsreel Cameraman for coverage of important events and producing documentaries. In our State the Films officer had to give coverage to important events for the Government of India and these films are released by the Films Division, Government of India, throughout the country.

For sometimes past, there has been a demand for the establishment of a full-fledged studio for production of documentary and feature films in Assam. This subject of establishment of a film studio was also discussed in the meeting of the Film Producers held at Gauhati in August 1958. The meeting suggested the establishment of a fully equipped studio in Assam. The studio will mainly help in the following ways—

- (a) It will cut down the cost of production of films, and that will in itself be a great incentive to the film producers of the State.
- (b) It will help the Publicity Department in the production of Newsreel and documentaries.
- (c) The studio if let out not only to Assam Producers, but also to producers from outside the State will bring in a substantial revenue.
- (d) It will also obviate unnecessary trouble and botheration to Assam Producers due to the fact that it will not be necessary to arrange for board and lodging of their artists at Calcutta or in any other main film producing centres like Bombay, Madras or Poona.
- (e) The studio will serve as a training ground for technicians for the various branches of the Film Industry.
- (f) Above all, the studio will help immensely in the growth of Film Industry in the State, as well as, in the development of cultural activities of the people living in the Hills and Plains areas of Assam.

Considering all these, a scheme for the establishment of a Film Studio has been included in the Third Five-Year Plan of the Publicity Department and the preliminary works have been taken up in hand from the current year. A sum of Rs. 1 lakh is being provided for this purpose in next year's budget.

Miscellaneous

53. From the list of Schedules of new schemes it will be seen that the Government propose to give a grant of Rs. 50,000 each to Sankar Mission at Puri and Koch Behar.

Budget Estimate, 1960-61

54. I shall now turn to the Budget estimate for the next year. For the year 1960-61 the receipt in Revenue account has been estimated at Rs. 3,760.45 lakhs against the revised estimate of Rs. 3,637.42 lakhs for the current year and expenditure on Revenue account at Rs. 3,587.73 lakhs against the revised estimate for the current year of Rs. 3,381.63 lakhs. No new taxation has been proposed and the estimate of receipt has been framed on the basis of current rates of taxation and realisation of arrears.

The increase in revenue is mainly due to increased estimate under grant-in-aid from Government of India on account of financing a larger Plan than in the current year and a large programme for Border Relief Schemes. An estimate of Rs. 70 lakhs has been made in the next year's Receipt Budget as grant from the Government of India for expenditure incurred in the past by the State Government in the Naga Hills disturbances. The amount was included in the current year's Budget also but it may not be possible to conclude negotiation in the matter and so the amount has been excluded from the current year's revised receipt estimates.

The revenue expenditure during 1960-61, as stated earlier, is estimated at Rs. 3,587.73 lakhs and the Capital Expenditure at Rs. 1,278.28 lakhs thus giving a total of Rs. 4,866.01 lakhs. This amount includes Rs. 1,450 lakhs for the State annual Plan and Rs. 451.24 lakhs for the Central share of Centrally sponsored schemes. The Revenue and Capital contents of the State Plan of Rs. 1,450 lakhs as provided for in the Budget stand at Rs. 867 lakhs and Rs. 583 lakhs respectively. In addition there are new schemes outside the Plan involving an outlay of Rs. 56.86 lakhs. The list of new schemes

included in the Budget will be found in Appendix 'A' of the Budget Memorandum. The Budget for the next year also includes token provision of Rs. 7 lakhs for certain development schemes aggregating to Rs.61.13 lakhs which is proposed to be accommodated in the next year's State Plan allocation

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. 1,278.28 lakhs during 1960-61. Of this amount Rs. 249.48 lakhs represent provision for repayment of loans by the State Government, Rs.466.34 lakhs for new loans and advances by the State Government and the balance of Rs. 562.46 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 1959 was Rs.34.94 lakhs.

Of the total Capital expenditure, the expenditure proposed under the Plan is Rs. 804 lakhs including Central Sector Schemes. For financing the Plan Schemes, Central loan assistance has been estimated at Rs.454.73 lakhs. The State's share of Small Saving Collection has been estimated at Rs. 180 lakhs.

Ways and Means

55. The year 1958-59 closed with a balance of Rs. (-)13.81 lakhs. During the current year there is an anticipated surplus on Revenue Account Rs. 255.79 lakhs. Outside the Revenue Account a deficit of Rs. 161.46 lakhs is expected. The year is therefore likely to close with a surplus of Rs.94.33 lakhs which is more apparent than real as has already been stated in my speech earlier. This will raise the closing balance at the end of the year to Rs.80.52 lakhs which is expected to be the opening balance of the year 1960-61. The Budget estimate for 1960-61 reveals an over-all surplus (as shown in Appendix 'A') of Rs. 107.52 lakhs. There will be a Revenue surplus of Rs.172.72 lakhs which will be offset by deficit outside Revenue amounting to Rs.71.20 lakhs.

In the year 1960-61, the balance of the Public Loan has been restored to the extent of Rs.153.68 lakhs. An expenditure of Rs.70 lakhs has also been contemplated out of the Public

Loan in the next financial year. The actual restoration has therefore to be to the extent of Rs.83.68 lakhs. Thus, after restoring the Public Loan by Rs.83.68 lakhs, there will be a surplus of only Rs.17.84 lakhs which also would have been wiped out if provisions were to be made for adequate investment for reserve funds created for meeting commitments to mature in the years to come.

Conclusion

56. Since independence this is the second Budget which I have had the honour of presenting before this House. It is for the last year of the Second Five-Year Plan and for the period during which we shall be taking decisions for providing investment expenditure in the Third Five-Year Plan in order to secure a decisive advance in the development of our country. Even though the provisions under the two Five Year Plans, so far as our State is concerned, have been more directed to develop only the rudiments of a welfare State than its economy, it has been our efforts to secure, through the Budgets, the implementations of the Plan. Notwithstanding such efforts resulting in some advance towards development, there is too frequent a criticism that the progress achieved has not been sufficient. If this criticism represents the continuous urge for improvement it is understandable and not the least resented as it tends to serve as a corrective and challenges to further efforts. But if it is made to obscure the sum total of progress made in the past few years, it will place the problem of development out of its proper perspective. Ours is a problematic State, situate in the North-East corner of the country and surrounded by foreign territories cut off from the rest of the country for lack of proper communication, dependent for many of its necessities on outside supply, subjected to visitation of frequent earthquakes and devastating floods, having a colossal administrative problem for looking after refugees and our own people of different religions in disparate stages of development and spread over in Hills and Plains of varying sizes, faced with the task of utilisation of human resources and exploitation of abundant natural resources with practically no capital and put to constant and increasing strain on our resources on account of unfriendly and often violent activities on its frontiers. The solution of the difficulties involved in the development we have undertaken is baffling but is also a challenge to us. Let us accept it with determination and courage and with the hope that such assistance and help as are necessary will be

available in abundance from the Central Government and the Planning Commission. I have no doubt that efforts and sacrifice on a big scale, which are essential for the purpose, will always be available from our people. More than such efforts and sacrifice in this State of ours, with its diverse way of life, different religions and several dialects, is the necessity of realisation that in this diversity there exists unity life and strong urge for progress. There is ample scope for the effort and for creating an atmosphere of oneness. There is no room for difference based purely on religion, sectarianism and the different areas in which our people live—differences which are often exploited by self-seekers to serve their own ends. Yielding to such propaganda is detrimental to the interest of the State. The only religion that exists is the love of the country in general and our State in particular and dedication to service of humanity in general and our people in particular. Perhaps no one more than those of us, who have been entrusted with the honour and task of administration, knows that much still remains to be done. We shall bend our energies to the task of building a more prosperous Assam fortified by the knowledge that, in spite of our shortcomings and mistakes, our people, given the leadership, will never fail to respond and are capable and willing to put forth the effort necessary to achieve bigger things and that we can look forward to the continuance of assistance, guidance and co-operation from all sections of this House.

JAI HIND

APPENDIX 'A'

Assam's Budget, 1960-61

(In thousands of Rupees)

Receipts	Actuals 1958-59	Budget 1959-60	Revised 1959-60	Budget 1960-61
(1)	(2)	(3)	(4)	(5)
Opening Balance	73,43	57,53	-13,81	80,52
Revenue Receipts	31,97,43	33,95,05	36,37,42	37,60,45
Receipts from Debt raised in India ..	6,07,84	7,82,00	10,77,88	9,59,91
Recoveries of Loans and Advances by the State Government.	42,92	81,05	81,29	81,06
Receipts from Contingency Fund and Public Account.	97,08,74	51,80,98	98,23,84	94,94,03
Total ..	1,36,30,36	94,96,61	1,46,06,62	1,43,75,97

EXPENDITURE

Revenue Expenditure	28,77,55	30,54,01	33,81,63	35,87,73
Capital Expenditure	5,93,32	4,82,73	6,95,56	5,62,46
Expenditure on Re-payment of Debt raised in India.	95,88	3,28,79	1,61,44	2,49,48
Loans and Advances by the State Government.	1,88,03	3,46,12	4,45,95	4,66,34
Expenditure on Contingency Fund and Public Account.	98,89,39	51,52,77	98,41,52	93,27,92
Closing Balance	-13,81	1,32,19	80,52	1,82,04
Total ..	1,36,30,36	94,96,61	1,46,06,62	1,43,75,97

Net Results—

Surplus (+)

Deficit (-)

(a) On Revenue Account	(+)3,19,88	(+)3,41,04	(+)2,55,79	(+)1,70,72
(b) Outside Revenue Account	(-)4,07,12	(-)2,66,38	(-)1,61,46	(-)71,20
(c) Net Excluding opening balance	(-)87,24	(+)74,66	(+)94,33	(+)1,02,52

Head of Development						Rupees in lakhs
Education	{	General	...	...	...	160.0
		Technical	...	...	...	35.94
		Cultural	...	...	...
						<hr/>
						195.94
Health	...	...	...	...	...	110.0
Housing	...	...	...	...	...	25.0
Welfare of Backward Classes	...	...	...	...	...	200.0
Social Welfare	...	...	...	...	...	10.0
Labour Welfare	...	...	...	...	...	16.6
Total—Social Services						<hr/>
						361.6
Statistics	...	...	...	...	...	5.0
Publicity	...	...	...	...	...	7.0
Local Bodies	...	...	...	...	...	3.0
Urban Development	...	...	...	...	...	5.0
Building and Construction	...	...	...	...	...	10.0
						<hr/>
						30.0
GRAND TOTAL						<hr/>
						1,449.14