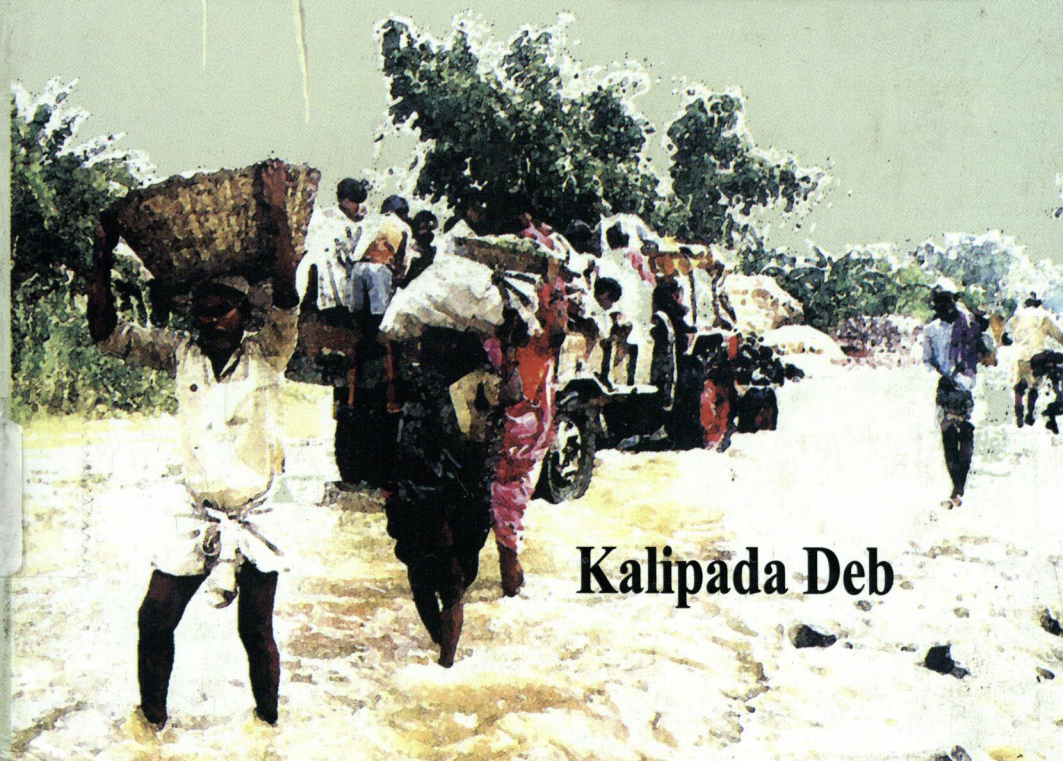


(In Two Volumes)

Development and Deception

Experiences from Eastern
and North-Eastern India



Kalipada Deb

The Independent India of 1947 was steeped in extreme of poverty, ignorance and illiteracy. An overwhelming proportion of the population was in semi-starving condition, and the literacy had reached less than a fifth. In this situation, the Constitution that came in 1950 opted for a parliamentary form of government, and at the same time promised to the people everything good in this world. A socialist pattern of society, free from exploitation and injustices, was to be established.

What happened to the promises ultimately? Could the government provide food and other basic necessities to the semi-starved billions? Was the development achieved with half-a-century's efforts in the long-run interest of everybody? Did the backward regions and weaker sections get adequate attention from the government? Was the Constitution of India a propaganda material, meant for deceiving the poor masses? These are some of the questions addressed to by this study.

India is a vast country with a variety of socio-economic situation. But regionally, at the time of Independence, the Eastern Region was the most backward. Therefore, this study looks into the above questions focusing on the Eastern region. There were only four states at that time, with Bihar the largest and West Bengal the most developed. By early eighties, the number of states had reached 11; the seven new states being Nagaland, Meghalaya, Manipur, Tripura, Sikkim, Mizoram and Arunachal Pradesh. This is an in-depth analysis of the pattern of development in all these states over the last five decades, based on a wealth of data collected from a variety of sources, both primary and secondary. The study has brought out the stark reality of extreme of mismanagement of resources and all-pervading corruption and the deception of the masses in the name of development.

Rs. 1800 (Set)

Kalipada Deb (b. 1.10.1942) was Professor at the North Bengal University for more than two decades, since 1981, and earlier he headed the department at Gauhati University. He has published several research level books, including *Export Strategy in India since Independence*, *Foreign Resources and Development in India*, *Public Policies and the Industrial Economy of India*, *The Challenge of Rural Development*, *The Chinese Economy: Changes and Challenges in the Post-Mao Era*, *Soviet Union to Commonwealth: Transformation and Challenges*, and *Development and Disparities*. He was selected for the 21st Century Award Achievement by the IBC, Cambridge, England in 2001, and was also awarded *Bharat Jyoti* by the India International Friendship Society of New Delhi in 2003, for the quality of academic services rendered. Presently, he is associated with the Bharatiya Vidya Bhavan at Siliguri.

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1

Eastern India at Independence

The pace of progress in any development effort is greatly determined by the status of the base from where it is launched, particularly the level of development already reached and the quality of resources available. Therefore, in this chapter we look into the position of the eastern states on the eve of the economic planning that began in 1951. First, certain major changes that came with the Independence have been considered, and then the level of development the different states had to begin with.

Major Changes

The most significant change that came with independence and had a far-reaching consequence on the entire eastern region was the partition of Bengal. The geographical area that came under West Bengal was only around 40 per cent of that for the undivided Bengal. Not only this, the most fertile part of the Gangetic delta went to the other side, the then East Pakistan. Assam also lost some land; almost the entire Sylhet district, which was a part of Assam, went there.

The more troublesome problem that came from the partition was, however, the immigration from East Pakistan, and this affected almost the entire region. Between 1947 and 1950, a total of 19,97,694 persons had entered West Bengal, and another 4,77,186 came during 1951 and 1952 (BCCI 1971: 22-23). The decennial growth of population rose to 32.80 per cent in 1951-61 as against 13.22 per cent in the preceding decade. The immigration into Assam, which was going on for many decades, accentuated further after the partition. The 1951 census gave the number of refugees in Assam as 2,74,455; by December 1957 it reached 4,87,000 (GOI 1959). The influx continued in the following years also and ultimately gave rise to the problem of ousting the illegal migrants. Probably, the most severely affected were the tribals of Tripura. Tribals

constituted 53.16 per cent of the total population in 1941 but by 1951 they were reduced to 37.23 per cent and further to 31.50 per cent in 1961.

The North-Eastern states were affected by the partition in another way also. It brought almost a complete dislocation of the transportation system existing earlier. The water way linking Calcutta port with the Assam hinterland was disrupted as the route passed through East Pakistan. The rail and road communications were also affected. By December 1949, all routes via Pakistan from Assam and Tripura to the rest of India were completely closed.

The second major change affecting the region was the integration of the princely states to the Indian union. In and around Orissa, there were 24 states and all of them were completely merged with the state in August 1949. In Bihar also, in May 1948, the states of Saraikela and Kharsawan became a part of Singhbhum district and thus of Bihar. Tripura, Manipur and Cooch Behar also similarly merged with the Indian Union. While the first two subsequently, in 1957, became Union Territories (UT), Cooch Behar became a part of West Bengal at the time of merger itself, in 1950. Seeing the later developments, it is difficult to say whether the mergers were good for the respective areas or for the Indian Union.

The manner of reorganization of the state's geographical area in 1956 also created problems. The area under Bihar decreased from 1, 11,581 sq km to 1, 08,118 sq km whereas for West Bengal it increased from 76,343 to 87,694. In addition to Cooch Behar and Chandernagore—formerly a French settlement—some parts of Bihar came under West Bengal. In the country's total area, Bihar's share became 5.29 per cent and of West Bengal 2.67 per cent. The area under Orissa became 1, 55,782 sq km and of Assam 2, 22,204 sq km, constituting respectively 4.74 per cent and 6.76 per cent of all-India total. In case of Assam, however, the state government did not have complete jurisdiction over the entire area, and within a decade the state's size was reduced to 78,523 sq km—constituting 2.39 per cent of India's total—with the creation of the new state of Nagaland.

The constitution of India came in January 1950 and it laid down the rights and obligations of the states. Articles 12 to 35 granted the citizens certain fundamental rights like right to equality before law, right to freedom of speech and expression, right against exploitation, and cultural and educational rights. Then, in the Directive Principles of State Policy many tall promises were made to the people. The objectives of government policy were laid down as assuring citizens adequate means of livelihood, improved public health, free and compulsory education for children, etc. Almost everything good in this Earth was assured under it but at the same time made unenforceable by law. The Constitution became largely a propaganda material. In the following years, a lot of controversies arose on the provisions of the Constitution, and it had to

be amended many times. In fact, within a decade there were nine amendments and by 1995 a total of 78.

For achieving the objectives of the Directive Principles, economic planning was made an imperative necessity and the Government of India introduced five-year plans throughout the country from 1951. But the nature of the Government, and its ability, showed from the beginning itself that the planning was a mockery on the vast masses of poverty-stricken people. Mobilization of resources was far behind what was required, and the plans were not implemented in the manner needed. The Government's control over the economy was far from what the situation demanded. The size of public sector remained small. The inefficiencies of different ministries soon became transparent. The government functionaries' lack of time sense became evident when the document of First Five-year Plan could be readied only one-and-half year after the implementation had started (for details, Deb 1997, 2001). Below we give a brief look into the status of development in each of the states around the time of launching the plan.

Level of Development

West Bengal

Among the eastern states, or in some respects even in the country as a whole, West Bengal was the most developed at the time of Independence. The per capita income of the state in 1949-50 stood at Rs 353.10 at current prices, which was the highest among all the states. The monthly consumer expenditure (MPCE) in rural areas was Rs. 28.10 per capita in 1952 as against the all-India average of Rs. 27.81. The share of expenditure on food in it was 59.2 per cent, lower than in most other states. Naturally, the people were able to spend more on non-food items (Table 1.1).

Economic diversification was relatively high. In 1951, of the total working population, only 53.4 per cent were engaged in the primary sector as against 69.8 per cent at the national level. The secondary occupations accounted for 15.3 per cent, the second highest among the states. The total value of output from manufacturing industries stood at Rs 338.30 crore in 1955 and constituted 24.0 per cent of all-India total. The productivity of the employees was, however, low; per employee the output came to Rs 6,936 as against the national average of Rs 7,892. In the agricultural sector, however, the productivity of workers was high. The gross value of output per worker came to Rs. 1,022.60 in 1952-53, which was double the national average.

On the availability of infrastructure, the state's position was relatively good. Road mileage per Lakh population stood at 75.5 miles in 1956, which was exceeded by only three of the states (Prasad 1967: 140). In power, the position was still better. The installed capacity in 1951 stood at 546 thousand kW,

constituting 29.75 per cent of all-India total. Per capita consumption of electricity came to 41.68 Kwh, next only to Bombay (NCAER 1962).

As regards the social sector, on the literacy rate, the state's position was good. At 24.0 per cent in 1951, it was next only to Kerala. The educational facility was better here than in most other states. There were 14,795 primary and pre-primary schools in 1950-51, 1,261 middle schools and 1,107 High schools. In the all-India total, these constituted respectively, 7.0, 9.2 and 17.5 per cent (GO I 1972). The health situation of the people was also relatively good, to the extent it can be inferred from the death rate. During 1941-50, the death rate per thousand population in West Bengal stood at 27.0 as against the national average of 28.5; among the 13 major states, it was lower than in seven (NCAER 1962). The infant death rate was 120 during 1951-61 as against the all-India average of 139 (GO I 1965). The medical facility was relatively good. Number of Doctors per Lakh population came to 81.8 in 1956, nearly four times the national average (Table 1.1).

A serious aspect of west Bengal's development is, however, that it is highly concentrated in and around Calcutta. Percentage of urban population was less than 10 in as many as nine districts—with Malda having only 3.7 in 1951 as against the state average of 25.0. In the total number of registered working factories at 2,625 in 1952, 24-Parganas alone accounted for 38.4 per cent and Howrah and Calcutta together 35.7 per cent (Chaudhuri 1971: 84).

The higher level of development in West Bengal was largely due to the political position of Bengal. Calcutta was the capital of British India until 1912 and afterwards also it was the headquarters of Eastern Region. The prominence of Bengalis in the bureaucracy also played an important part in it. Bengal was not endowed with a very high level of natural resources. Its share in the all-India total of land area in 1951 was only 2.4 per cent. Among minerals, only coal was important. In the early fifties, coal accounted for 99 per cent of the state's total value of mineral output (*ibid.*)

Bihar

Bihar is the largest state in eastern region, both in area and population, but in terms of development it was nowhere near West Bengal. The per capita income in 1949-50 stood at only Rs. 199.80, around half the level in West Bengal and much below the national average. The MPCE in rural areas came to only Rs. 24.03 in 1952, and 67 per cent of it went to meet the food needs. In the expenditure on food, grains alone took up 71 per cent, Rs. 11.42 out of Rs. 16.10.

Sectoral diversification of economic activities was very limited. In 1950-51, the primary sector accounted for 63.54 per cent of the state's income as against the secondary sector's only 10.98 (GOB 1928: 24). Of the total working population, 81.0 per cent were engaged in the primary sector. And then, they

had a very low productivity. Gross value of output per worker came to only Rs 371.17 in 1952-53 as against the all-India average of Rs. 512.53. In the secondary sector, the contribution of manufacturing industries was low. In 1955, the total value of output came to Rs. 121.75 crore, constituting 8.64 per cent of all-India total. The productivity of workers was, however, not bad. At Rs. 10,454 per person, it was much higher than the national average (Table 1.1).

On the availability of infrastructure, the state's position was distressingly poor. Road mileage per lakh population stood at only 40.0 miles in 1956 as against the all-India average of 67.8. On power, the installed capacity in 1951 stood at only 47 thousand kW, constituting 2.56 per cent of all-India total. The per capita power consumption came to only 2.95 kwh compared with 13.25 kwh at the national level.

In the social sector, the literacy situation was extremely poor. Bihar had only 12.2 per cent literate in 1951, with females at 3.8. The latter was less than half the national average. Not only this, 85 per cent of the literates here were below middle standard. The schooling facility apparently was not bad. Bihar accounted for 11.3 per cent of the primary and pre-primary schools in the country in 1950-51, 15.9 per cent of middle schools and 10.2 per cent of high schools. In enrolment, however, the position was very poor, being respectively, 7.9, 6.4, and 7.4 per cent of all-India total (GOI 1972); Bihar's share in India's total population was 10.74 per cent. As regards health facilities, presumably the situation was very poor. The death rate per thousand population came to 29.8 during 1941-50, which was higher than the national average. The infant death rate stood at 145 during 1951-61 compared with 139 at the national level. The availability of doctors was very low here. In 1956, there were 14.3 doctors per lakh population as against the all-India average of 21.3 (Table 1.1).

This was the situation of Bihar's development, despite being quite rich in natural resources. In mineral resources, it led other states in the output of coal, mica, iron ore, copper, china clay, fireclay, kyanite, asbestos, feldspar and quartz. Bihar accounted for more than 75 per cent of India's mineral wealth (Ahmad 1965). In Iron ore, the state's share was 47 per cent in 1950 (GOI 1958). The usable land area of the state was also not low; at 143.67 lakh hectares, it was 7.04 per cent of all-India total (GOI 1959).

Orissa

Orissa's position was probably the worst at the time of Independence. The per capita income in 1949-50 stood at only Rs. 188, lower than in all but Rajasthan. The MPCE was also in a similar position. At Rs 15.02 in 1952, it was only 54.0 per cent of all-India average. After meeting the expenditure on food—being 67.3 per cent of total—very little was left for other items. In the expenditure on food again as much as 71 per cent was taken away by grains alone (Table 1.1).

Table 1.1: The Relative position of Eastern States on Selected Indicators of Development

States	Per capita Income (Rs.) 1949-50	Gross output per worker in agriculture (Rs.) 1952-53	Total value of output from manufacturing (Rs.) 1955	MPCe in rural areas (Rs.) 1952	Literacy rate 1951	Death rate per '000 pop. 1941-50	No. of docs per lakh Pop.* 1956	Percent of urban pop. 1951	Density of pop. per Sq mile 1951
Assam	237.00 ^a	917.11	949 (0.67)	24.24	18.3 (7.9) ^d	34.9	26.6	5.0	188
Bihar	199.80	371.17	12175 (8.64)	24.03	12.2 (3.8)	29.8	14.3	6.8	577
Orissa	188.10	754.32	1181 (0.84)	15.02	15.8 (4.5)	33.3	8.8	6.9	243
W.Bengal	353.10	1022.60	33830 (24.01)	28.10	24.0 (12.2)	27.0	81.8	25.0	778
Andhra P.	228.80	526.93	4523 (3.21)	—	13.2 (6.5)	25.1	3.4	17.3	293
Kerala	234.10	1106.08	1752 (1.24) ^b	18.64 ^c	40.7 (31.5)	19.9	5.4	13.5	903
Madhya P.	255.40	391.14	3357 (2.38)	16.40	9.8 (3.2)	37.2	9.0	13.5	151
Madras	229.00	758.07	11756 (8.34)	18.28	20.8 (10.0)	22.7	36.0	24.4	598
Bombay	272.60	399.11	44041 (31.25)	19.32	20.9 (9.8)	25.8	55.1	31.0	270
Punjab	333.70	645.12	2680 (1.90)	31.96	15.2 (8.5)	28.2	28.6	19.0	342
Rajasthan	172.60	341.28	1312 (0.93)	—	8.9 (3.0)	32.6	—	17.0	121
U.Pradesh	262.00	426.92	13699 (9.72)	23.45	10.8 (3.6)	30.1	10.7	13.7	556
All India	246.30 ^a	512.53	140921 (100.0)	27.81	16.6 (7.9) ^e	28.5	21.3	17.3	312

Notes: a: relate to 1950-51, at 1948-49 prices; b: relates to Travancore-Cochin; c: refers to Travancore only; d: on females; e: excluding Jammu & Kashmir; * : based on 1951 population figures.

Sources: Prasad 1987; BCCI 1971; NCAER 1962; GOI 1961, 1964, 1959; GOA 1957; 78.

The sectoral diversification of activities was slightly better here. In 1950-51, in the total state income at Rs 286.59 million (at 1956-57 prices), the share of agriculture was Rs 165.40 million—that is 57.7 per cent. Within agriculture, cultivation provided 48.8 per cent and animal husbandry 6.4 per cent. The share of mining, manufacturing, etc was 10.6 per cent, of which 7.0 per cent came from non-factory enterprises. Mining provided only Rs. 4.52 million, 1.6 per cent of the total (NCAER 1962).

As for the distribution of workers, in 1951, 72.9 per cent were engaged in the primary sector and 8.6 per cent in the secondary sector; at the national level, while the former was lower by 3.1 points, the latter higher by 1.9. Number of factory workers per thousand population came to only 1.4 here as against 7.4 at the national level. The productivity of workers was also low. In 1955, per person it came to Rs 7,262, lower than the national average. The productivity of agricultural workers was, however, relatively better, as evident from table 1.1.

The infrastructural situation of the state was very poor. Road mileage per square mile of area in 1956 came to only 0.195 as against the all-India average of 0.226. As regards power, the installed capacity at the end of 1951 stood at 5000 kW, constituting a negligible 0.27 per cent of all-India total. The per capita power consumption this year was a measly 0.35 kWh, one-thirty-eighth of all-India. In relation to Bihar—not to speak of West Bengal—it was less than one-eighth.

In the social sector also the position was similar. The percentage of literate came to only 15.8 in 1951, with females at 4.5. Both were significantly below the national average. The quality of this literacy was also extremely poor. As much as 89.7 per cent of the literates were below middle standard, 5 points below the national average. The schooling facility was very poor. Number of primary and pre-primary schools in 1950-51 stood at 9,801 and middle schools only 502, constituting respectively 4.7 per cent and 3.7 per cent of all-India total; number of high schools in the state was only 172, 2.7 per cent of national total. In the area of health also the situation was not good. The death rate in Orissa stood at 33.3 during 1941-50, higher than in all but two of the states. The infant death rate was also very high, being 159 per thousand during 1951-61, much above the national average. The incidence of certain diseases was very high. Number of deaths from fever came to 11.4 per thousand population in 1957, more than double that at the national level; on dysentery and diarrhea and smallpox also it was in a similar position (NCAER 1962). The availability of doctors was extremely low in Orissa. Per lakh population, in 1956, there were only 8.8 doctors as against 21.3 at the national level.

This poor state of development in every area is not warranted by the resource availability in the state. In a number of minerals, the state accounted for a large share of all-India output. The most important was, however, iron ore.

With a total output of 1,527 thousand tons in 1950, the state's share in all-India total came to 50.6 per cent. Among other minerals, in limestone it was 31.1 per cent, in dolomite 90.8 per cent, in manganese 17.1 per cent and in chromites 13.5 per cent (Ibid). With regard to land also the states position was good. The density of population per square mile was only 243 in 1951, noticeably below the national average. The topographically usable area was 103 lakh ha, 5.0 per cent of all-India total. The forest area of the state in 1955-56 was 35.61 lakh ha, 7.0 per cent of national total (GOI 1959).

Assam

Assam's position at the time of Independence was relatively good. The per capita income in 1950-51 stood at Rs. 237 (at 1948-49 prices), which was higher than in at least three of the states. In terms of consumer expenditure, the situation was much better. The MPCE in rural areas stood at Rs. 24.24 in 1952 which was higher than in most of the states, including the three eastern states. However, the expenditure on food took away a large part of it, as much as 65.3 per cent as against the all-India average of 59.9 per cent. In the expenditure on food again, the share of grains was 65.9 per cent compared with 57.8 per cent at the national level. Naturally, not much was available for other items.

The diversification of economic activities was relatively good. Of the total workers, 73.2 per cent were engaged in the primary sector in 1951 and 14.8 per cent in the secondary sector. Both were significantly higher than the national average. The productivity of workers in the primary sector was better than in many other states. The gross value of output per agricultural worker stood at Rs. 917 in 1952-53; nearly double that at the national level. In the secondary sector, the contribution from manufacturing industries was very low. The total value of output stood at only Rs. 948.60 lakh in 1955 and contributed 0.67 per cent to the national total. The state's share in value added by manufacturing was still lower; at Rs. 155.23 lakh, it was merely 0.35 per cent. The productivity of workers was, however, relatively high. The output per person came to Rs. 11,470 this year as against the all-India average of Rs. 7,892 (Table 1.1).

The infrastructural situation was extremely poor in Assam. Road mileage per sq mile of area in 1956 stood at only 0.115 mile. The position of railway was also very poor. The dislocation caused by the partition has been noted earlier. As regards power, the installed capacity in 1951 stood at only 3,000 kW, lowest among all the states. Power sold to ultimate consumers totalled 15.867 million kWh and constituted 0.17 per cent of all-India total (GOI 1959).

In the social sector, the situation was not so bad. The percentage of literate in 1951 stood at 18.3, with females at 7.9; both were higher than in many of the states. The schooling facility was relatively good. The state accounted for 5.1 per cent of primary and pre-primary schools in the country, 6.7 per cent of middle schools and 4.3 per cent of high schools in 1950-51 (GOI 1972). As

regards health facilities, from the position of death rates, the situation does not appear good. The death rate per thousand population came to 34.9 in 1941-50, which was much above the national average. The infant death rate was also high—as much as 184 during 1951-61 (GOI 1965).

This situation of Assam was totally incongruous with its resource endowment. The geographical area under the state, as noted earlier, was high. The topographically usable area was also not bad, being 91.6 lakh hectares, constituting 4.5 per cent of all-India total. The net sown area in 1955-56 was, however, only 20.64 lakh ha. The state had a rich forest area—constituting 9.6 per cent of all-India total—with valuable timbers and other products. There was a huge reserve of coal, and for petroleum Assam was the only source in the country till early fifties. The hydro-power potential of the state was very high. It was estimated at 4 million kW in 1948, constituting 27.89 per cent of all-India total (Goswami 1988: 6-8).

This is the background in which the planned development efforts began in the eastern states in 1951. The following chapter gives a brief look into what could be achieved over the last five decades.