

*Chhannath*

Speech of Shri Radhanath Rath,  
Finance Minister, Orissa, in introducing  
the Budget Estimates of the State  
of Orissa for the year 1954-55

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SIR,

I NOW rise to present the Budget Estimates for the year 1954-55 which is the third successive Budget of the present Government.

While introducing the Budget of the current year (1953-54) I made a reference to the international situation which then threatened to be darker day by day and which continued to have its reaction on the economic situation then obtaining in the country. The Korean conflict was still persisting. Now, of course, there has been a cessation of hostility in Korea at the instance of India, which took the bold and proud initiative in bringing about a settlement of the Korean dispute. Though the agreement on the prisoners of war was signed on the 8th June 1953 and the Neutral Nations' Commission of which India was the Chairman and the custodian forces which undertook the responsibility of repatriating the prisoners of war, had discharged their responsibilities with utmost credit and impartiality as acknowledged by the world, unfortunately no settlement could be reached between the contesting parties in terms of the armistice and, therefore, ultimately India had to release the prisoners on the 22nd January last which was the zero hour and our forces are now returning home where they are most heartily welcomed back. The implications of this situation, however, are yet unpredictable. The Prime Minister of India, while recently referring to the world situation, has observed, "In the current year India was compelled by circumstances to pay more attention to certain international matters not because she wanted to play a great part on the world scene, but because these world affairs come and sit on us". He said, "The situation was a test and a challenge to India". He was, however, hopeful that "India could face it and results in the way of building up India would be obtained if they worked hard and if there was a sense of unity of purpose". The non-settlement of Korean dispute, the change in the personnel of the Government in Pakistan and the proposals for American military aid to that country and the international situation abroad, are factors which are bound to have their reactions on the politico-economic problems of this country.

It cannot, therefore, be said that we are out of the wood. Since the Prime Minister in a public speech had warned that in spite of India's policy of non-alignment and of development of friendly relations with all countries, if by misfortune, there is any aggression, it will be resisted with all our strength. He has emphasised on the national solidarity which means equally the development of the strength of our nation and this strength will come not from building up arms or entering into a competition in armaments, but from the development of our country and the well-being of our people. He has held out hopes that "It is not lack of money that is going to come in our way, if we are determined to go ahead and are prepared to pay the price for it. Such national solidarity and development can be achieved upon

the growth of a proper relationship of the Executive and the Legislature and the Government and the people". May I, therefore, respectfully appeal that in this period of crisis and trial we may not fritter away our strength and energy in mutual conflict and recriminations but devote ourselves in building up a Welfare State by amity and co-operation. The English poet had said :

" Build me straight, O worthy Master !  
Staunch and strong, a goodly vessel,  
That shall laugh at all disaster,  
And with wave and whirlwind wrestle !

" Thou too, sail on, O ship of State !  
Sail on, O Union, strong and great !  
Humanity with all its fears,  
With all the hopes of future years,  
Is hanging breathless on thy fate ! "

I wish this noble sentiment also pervades our State and the Indian Union so that we may stand united and protect and sustain the freedom which we have achieved after ages of foreign domination. Let the spirit of that great Mahatma, under whose leadership we could be free from slavery, inspire us and sustain us.

I may be permitted to refer to the change that has been effected recently in the headship of our State. Our popular Governor, Shri Fazl Ali, having been assigned by the President of the Republic, a very great responsibility as the Chairmanship of the States' Reorganisation Commission, the new Governor, Shri P. S. Kumaraswamy Raja, has taken over charge since 10th February last. Let me tell you frankly that Shri Fazl Ali's exit from the Governorship of Orissa is a distinct loss to us not only because he endeared himself to every section of the people irrespective of caste, colour, community and political dispensations, but also due to his wide experience of men and affairs, wise counsel, patient and charming manners, inspiring personality, loving and sincere good wishes for the people of the State and his anxiety to effectively contribute towards the development of the country. I know, as the Chief Minister and many of our colleagues know, as to how behind the scene he represented the cause of Orissa in the matter of development of industry, mineral resources, agriculture and other welfare activities of the State and how materially his efforts have helped us in going forward and achieving what we have. But he has taken up this new responsibility at a great sacrifice and let us hope and pray that he and his illustrious colleagues in the Commission would do the right thing so as to build up an Indian Union of full-grown contented sisterly States united in goodwill and harmony so that culturally and economically they may go forward and contribute effectively to make India greater, stronger and more glorious.

I extend a hearty welcome to our new Governor who was better known as a great social worker and also as an experienced administrator. Under the Constitution the Governor could have no politics. He is to steer clear the ship of the State evenly and impartially in

the path laid down by the Constitution. He deserves the co-operation and goodwill of every section of the people irrespective of caste, colour, community and party. I am sure there will be no lack of goodwill on the part of the people and the Legislature. We extend our most sincere good wishes to him.

Sir, during this year two devoted workers of India, namely, Shri Harihar Nath Shastri, M.P. and Shri Raghunandan Saran, have very prematurely passed away in an air-crash and we greatly mourn their loss.

### THE STEEL PLANT AT ROURKELA

Before I proceed further to explain the financial and budgetary position of the State, I am glad to refer to one of the happiest incidents of the present century in the history of Orissa, nay in the history of India. It is the announcement of the establishment of the Rs. 72 crore steel plant at Rourkela in Orissa by Shri K. C. Reddy, Minister for Production, Government of India, on the 16th February 1954, in the Indian Parliament at New Delhi.

This historic announcement has naturally created great jubilation in Orissa and we feel so very grateful to the Prime Minister and the Government of the Indian Republic for their bold decision.

It is needless to say that in view of the inexhaustible and high-grade iron-ore available in Orissa in a contiguous area extending from Mayurbhanj, Keonjhar and Bonai up to Southern Singhbhum and further West and South in Orissa and specially in a compact area within 20 miles from Rourkela near Taldih and since other raw materials, such as lime-stone, dolomite, manganese are available in abundance and are of tested high quality and further since the existing railway transport facilities, availability of electricity from Hirakud without any additional cost, the workshop facility of Hirakud, availability of labour—skilled and unskilled—and assured source of water-supply from the great Brahmini river and, most economical supply of coaking coal from Jharia by railways and above all, the lowest calculated cost of assemblage and distribution of raw materials and finished goods, the Steel Plant could not be established anywhere other than Rourkela. Sites in Orissa had also previously been recommended by four different expert bodies.

Hon'ble Members are aware how on the invitation of the Government of India, the German experts of Krupps and Demag fame were associated not only as experts but as partners of the Hindusthan Steel Ltd. and how they made an extensive investigation into different sites and discussed with us at Hirakud and in their report said, "As a result of the considerations given under paragraphs 3 to 5, the Combine has come to the conclusion to suggest the site 'Rourkela' for the erection of the projected Steel Works".

I may mention here that on the requisition of the German Combine, Government of Orissa submitted a comprehensive Memorandum with all possible data which, I am glad to say, has been very much appreciated. The Secretary, Industries and those including Member, Board of Revenue, Sambalpur, the then General Manager, Eastern

Railways, and the Chief Engineer, Hirakud, who helped in supplying information deserve thanks. It should be noted that there was no parochial or regional consideration in our approach to the problem. It would be one of the biggest national concerns of India and, therefore, was naturally desired by Minister of Production, Minister of Transport and the Government of India under the leadership of the Prime Minister to be located at a place where it could go into production as early as possible and executed cheaply and economically. Unfortunately the German Combine's final report was even disputed on material points and gave rise to some amount of controversy, as a result of which the Government of India invited the Chief Ministers of three sister States including West Bengal, Madhya Pradesh and Orissa to represent their respective view points before the Cabinet on the 14th February 1954 at New Delhi. The Hon'ble Members may have been aware as to how the different view points were represented before the Cabinet by the two illustrious Chief Ministers of West Bengal and Madhya Pradesh and by my humbleself on behalf of Orissa. My colleague Shri Sahu was also present. Since every patriotic administrator would be anxious to develop the resources of his territory, claims of sister States were not unnatural. The Cabinet gave a very patient hearing and on verification of facts placed by us and on the basis of the expert report came to the conclusion which the illustrious Minister of Production, who had himself also visited the spots earlier, announced in the Parliament on the date mentioned above.

Let me also record here that with the full authority of our Chief Minister who was also taking keen interest in this matter, I discussed terms and conditions with the Secretary of the Ministry of Production whereby certain facilities were to be extended for the Steel Plant at Rourkela. I may take the House into confidence and say that the following specific facilities regarding land, water-supply and mining concessions have been offered by us and agreed upon :

(1) That on the location of the Steel Plant at Rourkela, the Orissa Government would acquire 50 square miles of land required for the steel works and make available all the land in their possession free of cost to the Steel Plant. They would also acquire patches of cultivated land, if any, included in the area and would accept financial liability not exceeding rupees five lakhs. The land required for railway expansion, etc., would be covered by the area in question.

(2) The Orissa Government would be prepared to assure adequate continuous water-supply to the Steel Plant, its township and other associated projects and would take such steps as may be necessary to fulfil this guarantee. The rate at which water is to be charged will be a matter of discussion between the Orissa Government and the Hindusthan Steel Ltd.

(3) The Orissa Government would make available to Hindusthan Steel, Ltd. for their plant at Rourkela, mining concessions in respect of iron-ore, the suggestion being that the ore deposits at Taldih (within 20 miles from Rourkela) would be more economical than the deposits

at Gua (about 60 miles from Rourkela), though it would be necessary to create an additional rail link or rope-way for transporting the ore to the site. It was suggested by the Orissa Government that the provision that no individual can have a mining lease for more than 10 square miles (under the existing mining concession rules, administered by the Centre) may have to be waived in respect of the Steel Plant.

Hon'ble Members are already aware that 50 square miles of area at Rourkela site have immediately been notified for acquisition. The Secretary of the Ministry of Production is expected to visit Orissa very shortly to be followed by the German Resident Director Mr. Reuter in order that further steps may be taken to start the work without delay. In this connection I record the thanks of our Government to the German experts, who have, in the meantime, made thorough survey of the mining areas at Rourkela and who are of the opinion that "the iron-ore deposits at Taldih and near about areas are so vast that with these resources they could supply the whole world for thousands of years". Similar had been the opinion of the American iron-master who, according to Dr. Fox, estimated the iron-ores in that region to be about 20 thousand million tons. Therefore the establishment of this factory will bring about a new era of industrialisation in this part of the country and would open up the door also for the development of mineral resources of our sister States with whom we fully sympathise and whose co-operation and goodwill we value most.

The first steel and iron factory of India was established by the famous Indian industrialist, the late Shri J. N. Tata, in 1907 at Jamshedpur, then known as Kalimati. Shri Tata had first been attracted to the project of producing iron and steel in India by reading the report of a German expert on some iron deposits in the Chanda district of the Central Provinces. But it was given up on account of insufficient ore and coal difficulty. Next Durg in that Province was investigated. The ore here was plentiful but coal was far away. A mid-way site, therefore, between the Bihar coal and the Durg ore was then contemplated. At that stage, at the instance of late Shri P. N. Bose, Geologist, enormous deposits of iron-ore in Mayurbhanj were explored and late Shri Tata, on assured supply of such vast high grade resources, established his plant at Jamshedpur.

It is a happy coincidence that at the instance of another set of world-famous German experts the Government of India are going to establish the biggest steel plant in free India at Rourkela. Sir, this action of the Government of India would not only be a boon to Orissa, nay to India, but would give a great fillip to industrialisation of the country. We should, therefore, extend all possible co-operation and see that it leads the country to greater prosperity and eradication of poverty. I would, in the words of the English Poet, only say :

"The first dry rattle of new-drawn steel  
Changes the world today."

#### ECONOMIC SITUATION

I think I should say a few words about the economic situation of the country. Unlike the position in most other countries prices in India have now more or less been stabilised. There has been marked

increase in production in most of the organised industries both in the private and the public sectors. India has more than held its own in a growing competitive export market. There has been a remarkable improvement in the food situation of the country and most of the controls have either been lifted or sufficiently relaxed. There may be difference of opinion as to whether Government are justified in stabilising the prices at a level which is almost equal to the pre-Korean war level, but it has to be admitted that unlike the trends in most other countries, India has succeeded under the financial policy of the present Union Finance Minister in its efforts to stabilise the prices. Though up till now no proper price parity between the prices of foodgrains, industrial raw materials and finished goods and between different constituents of the same group could be established, steps are being taken to correct this disparity to the extent possible so that no section of the community might be affected adversely by its effect. Speaking for our State though the price of the poor man's rice has been kept steady, the procurement price of superfine rice has been raised by two rupees per maund so as to give the poor cultivator a little more in order that the agricultural economy in the country may be sustained. Compared with prices in other States, our prices are very much lower no doubt, but this small increase in the price of the higher grade rice with the approval of the Government of India is a step in the right direction. The disquieting feature, however, is the steep fall in the price of jute. It has created great consternation. In order to stimulate export the reduction in the export duty on jute and jute goods has brought about an improvement and the prices are slowly rising. The State Government have also taken steps to cancel the extra tollage collected from raw jute transported by the Orissa canals to put down the cost of its transport. Similar measures have also been taken at the Centre in case of cotton textiles, tea, etc.

In our State, the food situation is not only fairly satisfactory and the cost of living appears to have gone down slightly, but also export has been accelerated to feed the deficit areas of the Indian Union. Such export during this year has reached the target of three lakhs of tons which is almost double of what we were exporting two years back. It is no doubt due to better crops and greater production on account of expanding irrigation facilities and greater incentive amongst the cultivators. But the main reason is that rice is both food and money crop for the Orissa cultivators and they cannot do without parting a part of their produce to meet their other expenses. There is now greater availability of cloth and consumers' goods including cotton yarn, cement and fertilisers, etc. Irrigation and power projects have been making greater progress and road construction has been speeded up.

#### PROBLEM OF UNEMPLOYMENT

As regards the unemployment situation, which had become very acute specially amongst the middle classes, with the advice and directives of the Planning Commission definite steps have been and are being taken to provide employment as far as possible. In our State, the Hirakud Project, the Community Projects, the National Extension

Service, the Expanded Road Programme, the Expanded Education Programme including the opening up of 1,320 Primary Schools as emergency unemployment measure, the Grow More Food and Minor Irrigation Projects and above all the large-scale Industrialisation Programme including the establishment of the Rs. 72 crore Steel Plant at Rourkela, the proposed establishment of an Aluminium Factory at Hirakud and of a Ferro-Manganese Factory near about Hirakud, the establishment of a Paper Mill at Choudwar, the establishment of a Blast Furnace in Koraput, the establishment of a 100 K. W. Transmission Station near Raj Athgarh at a cost of Rs. 45 lakhs and the expanded and reorganised schemes of development of Cottage Industries including Handloom Industry and other allied schemes of the Five-Year Plan are going to open up new avenues of employment in the State for which technical personnel will have to be trained up from now on. This needs careful and immediate planning in the training and educational sphere. The opening up of the inexhaustible mineral resources of Orissa including the prospecting of gold mines and titanium in Keonjhar, Bonai and Mayurbhanj and the inevitable provision of new railway communications in the undeveloped areas of this State, are going to bring about a new era of economic activities which should not only provide employment to the people of Orissa but also add to the prosperity of the whole of India. The schemes and projects referred to above are either already under execution or about to be taken up during the next year.

The Planning Commission very wisely have been expanding the Plan with a view to increasing its employment potential. It is proposed to take up additional projects, costing between Rs. 150 to Rs. 175 crores during the rest of the Plan period and there is no doubt that Orissa would also be benefited by this expanded programme.

For relief of unemployment special programmes have been envisaged by the Planning Commission and the programme broadly would be of the following categories :

- (1) Assistance to setting up State Financial Corporations for Small-scale and Cottage Industries (over and above the provision in the Plan) ;
- (2) Provision of additional Thermal Plants in urban areas ;
- (3) Loans for Housing Programmes for low income groups of municipal and Government employees and for co-operative housing.
- (4) Financial assistance for the development of Road Transport services ;
- (5) Work and Training Camps, apprenticeship and re-orientation courses ; and
- (6) Implementation of the recommendations of the Secondary Education Commission relating to the diversification of courses, introduction of crafts, improvement of teaching of science, etc.

*Industrial Development Corporation*—The Planning Commission have proposed the establishment of an Industrial Development Corporation which will also materially improve the employment position. This

