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GOVERNMENT OF ORISSA

*Speech of*  
*Shri Biren Mitra*  
*Chief Minister, Orissa*  
*Presenting the Budget Estimates*  
*For the year 1964-65*  
*To the Orissa Legislative Assembly*

## BUDGET SPEECH FOR 1964-65

SIR,

This is for the first time I am privileged to present Budget Estimates to this august House. Before I deal with the details of the Budget for the year 1964-65, I deem it my duty to place before the Hon'ble Members some important facts relating to the economic situation of the State to provide the background against which proposals contained in the Budget for the next year are to be considered.

Though conditions created by the National Emergency brought about by the Chinese aggression on our country appear to have considerably eased, the danger to our northern frontiers still persists and the need for greater efforts to build up the economic strength both in the agricultural and industrial field which alone would strengthen our defence has assumed greater importance. This has meant some alteration in our Plan programme during the current year. We had to accelerate our emphasis on agriculture which is the base for the economic growth of the country. We had also to take up the responsibility of construction of the MIG Factory and Explosive Factory in our State on behalf of the Ministry of Defence.

Fortunately, the State was free from the ravages of floods and droughts to any considerable extent during the current year and yet the people of certain areas in the districts of Balasore and Cuttack suffered wide-spread damages to their houses and standing crop due to a peculiar cyclone havoc last October. Production of rice, however, on the whole was not affected very much. During the current year the preliminary estimate of total crop production of cleaned rice in Orissa on the basis of sample survey conducted by the State Bureau of Statistics and Economics is 41.8 lakh tons as against 35.8 lakh tons of the previous year. This shows that there has been an increase of about 17 per cent in the total production of rice in the current year over that of the previous year.

I would like to point out that this estimate for rice production is the highest so far achieved in the State, the previous record being 36.61 lakh tons in the year 1960-61. Good weather and better efforts by farmers who have availed of the opportunity of taking advantage of improved seeds and manure appear to be mainly responsible for this. We have, however, hardly any reason to be complacent in the matter as our production continues to be low compared to the modern standards and our methods of cultivation are yet to be improved.

Efforts are being made to diversify agricultural production bringing more and more areas under cash crop without affecting the acreage under cereals. From the latest statistics available, it appears that Jute and Sugarcane, our two important cash crops, are now being cultivated more widely. The production of Jute per acre has gone up by about 50 per cent in the year 1963-64 over that of 1962-63. Sugarcane production is also in the upward trend. It is worthwhile to note in this connection that acreage under Pulses in the State has gone up considerably and the area and production under this crop has gone up by about 9 per cent and 50 per cent respectively as compared to area and production of previous year.

In the field of industrial production, there has been significant rise. Production of Pig-iron in the first quarter of 1963 has gone up by about 25 per cent over the production in the same period of the previous year. Similarly, production of Steel Ingots has also recorded an increase of about 24 per cent during the same period. Total production of Cement and of Paper have also shown definite increase. Efforts are being made by Government to set up one more Cement factory and some Paper factories to increase their production still further in the near future. Hon'ble Members are aware that State Government are very keen about increasing the installed capacity of generation of electricity in the State without which industrial development can hardly be accelerated. In the year 1963 there has been an increase of about 23 per cent in the generation of electricity in the State over that of the previous year. Similarly, the total consumption of electricity in the State has also gone up by about 28 per cent during the same period.

In the field of mineral production, which is of special significance for economic development of our State, there has been steady improvement. The production of Iron-ore in the first half of 1963 as compared to the same in the first half of 1962 shows an increase of 6.7 per cent. Similarly, during the same period, the production of Limestone has gone up by 5 per cent, Dolomite by 26 per cent, Coal by 15 per cent and Chromite by 28 per cent.

In spite of the higher production in most sectors of the State's economy, it has been a source of great anxiety to the State Government that the increased economic benefits flowing from the same has been considerably upset by rise in prices and cost of living. From the working class consumers price index for Cuttack and Berhampur it appears that this index at Cuttack during the first 10 months of 1963 was on the average 148 whereas this index during the same period of 1962 was 139. In Berhampur town the index has also gone up to 138 during the 10 months of 1963 when compared to 131 in the same period of 1962. It has also been noticed that consumers price index number for working class reflecting the cost of living of these people has been rising continuously during the past several years.

Simultaneously, however, there has also been a general increase in the wages earned by workers. Available statistics show that index number of agricultural labour wages has gone up from 136 for male workers in the first quarter of 1962 to 167 for the same category of workers in the first quarter of 1963. But the problem of fixed salary earners in the lower income group will need our attention shortly.

In this connection, I would like to draw the attention of the Hon'ble Members to our population position as revealed by 1961 census. During the decade from 1951 to 1961 the rural population of Orissa has gone up by about 17 per cent and the urban population by about 87 per cent. Distribution of population on the basis of employment, however, shows that the percentage of non-workers to the total population in the State has decreased from 63 per cent in 1951 to 56 per cent

in 1961 whereas percentage of working population has increased from 37·4 per cent to 43·7 per cent during the same 10 years period. These figures indicate the results of our effort in reducing unemployment in the State. But the fact remains that population is growing very fast and as a result in the country as a whole though the Third Plan aimed at securing a rise in the national income of 5 per cent per annum, the increase in the national income has almost been neutralised by growth of population during the last two years of the Plan period. This problem must be tackled by extensive family planning measure throughout the State. Even if it will be a slow progress in the beginning there appears to be no alternative to this self-control programme. Hon'ble Members are aware that the concept of family planning appeals only to the educated class and it is very difficult to make it acceptable to the general masses. The need for family planning has been of late seriously felt and the programme has been thoroughly revised and adequate provision of funds made. But it would be too much to expect any tangible result within foreseeable future. To meet the immediate impact of the population explosion we have to concentrate on getting maximum output from agriculture and on planned industrialisation of the State. My esteemed friend Shri Biju Patnaik while presenting the Budget of the last year indicated how it is proposed to industrialise our State. It is not only a question of planned exploitation and utilisation of minerals and forest wealth, harnessing the large rivers for the benefit of agriculture and industry and making use of our long sea coast to provide sufficient employment and income to the people of the State but also of ensuring that this is done within a reasonable period so that their utilisation develops into a stage of self-generating economy when we will not have to think of augmenting the resources of the Government through any increase in the incidence of taxation. Of course, it is too much for me to anticipate when we would be able to reach our above cherished goal. All that I can say is that with the help of the State Planning Board and our Consultative Committee we are trying to lead the economy of the State in the right direction and attempting to forge an effective machinery for execution of the Plan targets. The importance of the machinery which is executing the Plan

cannot be overemphasised as pointed out by the Prime Minister sometime back when he incidentally stated that he visualised the State of Orissa changing out of recognition in another 10 years or so if nothing untoward happens to thwart its programme. We hope we would be able to live up to our beloved Prime Minister's expectation.

### REVISED ESTIMATES FOR 1963-64

As I have hinted earlier, the Budget of the current year has undergone changes not only to provide for expenditure in connection with the National Emergency arising out of the Chinese aggression which is not over yet but also to provide for some of the basic requirements of the day-to-day administration and special development programmes in the field of agriculture and industries. While presenting the Budget Estimates of the current year it was expected that the year would open with a balance of Rs. 88 lakhs, the year actually opened with a *minus* balance of Rs. 1,30 lakhs, thus showing a deterioration of Rs. 2,18 lakhs. This was mainly due to our not qualifying for substantial aid which we had expected towards expenditure on natural calamities. We provided for Central assistance of Rs. 1,07 lakhs as grant and Rs. 1,27 lakhs as loan to be received from the Government of India. Government of India, however, changed their policy of Central assistance and indicated that they would not give any such assistance to cover the State's share of expenditure on natural calamities unless our Ways and Means position so required. Consequently a grant of Rs. 50 lakhs only was available as our Ways and Means position continued to remain satisfactory. I do not want to take the valuable time of the Hon'ble Members in recapitulating the details of the Revised Estimates as they might have since glanced through the pages of the Budget documents already circulated to them.

The details of Plan, as provided in the Revised of the current year and the Budget of the next year, have been given in the White Paper on the economic conditions and developmental activities in the State and in Finance Secretary's Explanatory Memorandum. In the Revised Estimates, as has now been

calculated, it is seen that the current year, which opened with a *minus* balance of Rs. 1,30 lakhs, is expected to close with an overall surplus balance of Rs. 1,99 lakhs. This by no means is an indication that we have received all this extra revenue from our State taxes but these are due to some withdrawal from the reserves and increase in deposits of local bodies.

During the current year our revenues have also shown improvement mainly under Shared Central Taxes and Sales Tax.

The Intelligence Wing of the Commercial Tax Department has detected a good number of cases resulting in higher collection of Sales Tax and a greater inclination on the part of assesseees to declare actuals. Check-gates have also been located in important inter-State roads to prevent leakage of revenue and the number of Assessment Units has also been increased. But the considerable improvement in collection of Sales Tax is, however, primarily due to the excellent work done by the Vigilance Department in bringing to light a large number of tax evasion cases. The result of such detections has highlighted various devices of tax evasion cases and these directly helped the department in plugging the loopholes. It had its indirect effect also as a large number of dealers came forward to register their names and to make payment of tax in time. The activities of the Vigilance Department had also a salutary effect in checking corruption at various levels in the administrative set-up. The benefit derived by the public also has been considerable as the Vigilance Department has been able to stop the sale of controlled raw materials received on quota basis for the State to people outside the State at black-market prices. It has now been generally possible for the public to purchase these materials in the State at reasonable prices.

Hon'ble Members would naturally be interested to know about our Plan performances. I would like to state in this connection that during the third year of our Third Plan, we have increased the original Plan outlay of Rs. 29.5 crores to Rs. 32.5 crores inclusive of a provision of Rs. 50 lakhs more for

irrigation. Besides, our development schemes of Paradeep Allweather Port and Daitari-Paradeep Expressway which were being executed outside the Plan have now been included in the Plan. Therefore, the revised Plan outlay for the current year, as has now been framed, comes to Rs. 43.4 crores.

Besides, we are anticipating to incur additional expenditure on Paradeep Port which may further enlarge the Plan outlay of the current year. Some of our Plan schemes of distribution, transmission and rural electrification are being executed by the State Electricity Board from funds of their own.

As Hon'ble Members are aware, at the time of commencement of the Third Plan, the total Plan outlay for Orissa was limited to Rs. 1.60 crores. The size of the Plan was determined by the Planning Commission's assessment of the State's own resources including the market borrowings and the Central assistance indicated by the Union Government. In the very first year, however, it was felt that in some sectors, the Plan was inadequate and revision was effected, increasing the total financial provision to Rs. 1.66 crores. Meanwhile, the State had undertaken some important schemes outside the Plan with a view to create a nucleus for further development and to bring about a co-ordinated and accelerated development of the economy, notably in the field of transport and communication, power and industries. Sometime in the beginning of the current year, the Planning Commission advised the State Government to formally include these schemes in the State Plan. This has been done. Special mention may be made of the Paradeep Port and the allied schemes of the Express Highway and the Mining Corporation. Next in order, but equally important, are the power schemes. Additional provisions have been made to ensure early completion of the power projects and transmission lines and to speed up the rural electrification programme. The State has also entered into the field of large-scale industries and for this purpose, an Industrial Development Corporation has been set up. Hon'ble Members are already aware of the Panchayat Samiti industries programme which aims at the establishment of a large number of small-scale industries



on a co-operative and decentralised basis with the active collaboration of the Panchayat Samitis and the Grama Panchayats. The Government Corporations set up last year for Fisheries and Forestry have taken up various programmes in a systematic way. The Construction Corporation also is making steady progress. It has taken up considerable volume of construction work and is exercising a wholesome influence in controlling rise in construction costs. As the adequate supply of technical personnel is essential for the various development programmes, suitable additions have been made to the technical education programme.

The provision against Minor Irrigation has been increased with a consequent increase in the physical targets. Several new schemes in the agricultural field notably setting up large mixed farms, increased programme of plant-protection and an intensive rice cultivation scheme in irrigated areas have been taken up. These decisions have resulted in a substantial increase in the overall Plan outlay. I am glad to say that the total now stands at over Rs. 2,27 crores and in view of the present progress of work, even this figure is likely to be exceeded. I must add that these substantial increases have been achieved largely with the State's own resources and efforts. Certain developments have taken place since the beginning of the Plan, leading to an improvement in the expectation of available resources for the Plan. The recommendations of the Taxation Enquiry Committee have been implemented. The Third Finance Commission has given its award. The market borrowings of the State Government and the autonomous bodies under the Public Sector since the beginning of the Plan have been encouraging.

The progress of the various Plan schemes is generally satisfactory. Under Agriculture and Community Development, the first three years' Plan expenditure is expected to be of the order of 54 per cent of the revised outlay as against 53 per cent for the country as a whole. Similarly, for major and medium irrigation, the first three years' expenditure is expected to be of the order of 56 per cent as against 52 per cent for all India.

The State's expenditure is comparable with the Indian average in minerals, education, health and other social services. Percentage of the expenditure is, however, lower than the all-India level in power, transport and communication. The main reason for lower percentage in these sectors is that the various additions to the Plan have been made only recently. Moreover, the programmes of power and transport have been so phased as to reach the peak of construction and expenditure in the fourth year of the Plan. The progress in these sectors, too, is according to schedule. *Open*

The other important developments during the current year, were the beginning of the construction work of the Aero-Engine Factory near Sunabedha in the district of Koraput and the High Explosive Factory near Hirakud in the district of Sambalpur. The State Government has been entrusted by the Government of India to construct civil works for these two factories on agency terms. These two projects, when completed, will not only give large employment facilities to the people but will develop the area considerably.

We have only one city in the State to boast of according to the population standard, i.e., Cuttack. This city too is full of slums, narrow roads and open drains and is badly overcrowded. Naturally enough it is an easy victim to epidemics. With a view to improve its condition, the State Government have constituted an Improvement Trust for Cuttack Municipality under the provisions of the Orissa Town Planning and Improvement Trust Act, 1956. The jurisdiction of this Trust has been extended to the Notified Area Council, Chouduar. The Trust has since taken up implementation of development schemes like construction of multistoreyed buildings in the Buxibazar market area and has initiated action for widening of the streets. It is hoped that Improvement Trust would be able to change the face of this city in the near future.

Towards the later part of the year 1963, a virulent Cholera epidemic visited the districts of Cuttack and Balasore. Necessary preventive and curative measures were taken to control the spread of the epidemic. In this context, I may mention

that experience has shown that lack of protected drinking water facilities was primarily responsible for the spread of the epidemic to different areas. To meet the situation it has been decided to sink 425 tube-wells at a cost of Rs. 8.56 lakhs in the districts of Cuttack and Balasore. The work is in progress. Besides, it was noticed that in the cholera-affected areas people, instead of disposing of the dead bodies, were throwing them into rivers and channels. In some cases, want of funds was the reason for not cremating the dead bodies but certain bad social habits were also responsible. Instructions were issued to the Grama Panchayats to afford financial assistance to the extent of Rs. 20 for disposal of each dead body when necessary and also to utilise such amounts for disposing of the bodies which were not cremated owing to the bad social habits. This money would be reimbursed to them by Government.

Top priority has been given for providing drinking water facilities in the rural areas as a minimum social overhead during the Third Five-Year Plan. Water-supply scheme in the villages is being implemented with the help of the Panchayat Samitis according to the Master Plan drawn up for each year. These are financed out of the funds available under different programmes like Community Development, Tribal & Rural Welfare, Local Development Works and National Water-supply Scheme. During the first two years of this Plan period, 23,822 wells and 2,769 tanks had been sunk and dug respectively at a cost of Rs. 106 lakhs. During the current year, Rs. 13½ lakhs have been provided for rural water-supply programme under the Local Development Works grant.

In the four coastal districts of Orissa, i.e., Cuttack, Puri, Ganjam and Balasore, which are endemic zones and four other districts, i.e., Sundargarh, Koraput, Bolangir and Dhenkanal, which lie in the epidemic zone, it has been found that water-borne diseases like Cholera and Typhoid, etc., are of common occurrence. In these areas, therefore, piped water-supply programme has been taken up to provide safe water in the villages. Initially, the programme is confined to bigger villages with a population of 2,000 and above and is being taken up

in those villages where people are willing to contribute up to Rs. 5 *per capita* towards capital cost and undertake future maintenance of the projects after completion.

During the Third Plan period 50 piped water-supply projects have been sanctioned so far at a cost of Rs. 67.43 lakhs. The programme has evoked encouraging response from the villagers and an amount of over Rs. 4 lakhs has been received as peoples' contribution till now. The UNICEF have been kind enough to provide Rs. 11 lakhs in the shape of materials for 10 selected projects located near Primary Health Centres and Training Centres as 'Pilot Demonstration Schemes' for improvement of environmental sanitation. There is a programme to take another 50 piped water-supply projects during the current year at a cost of about Rs. 60 lakhs. It is proposed to cover all the bigger villages numbering about 466 under the Piped Water-supply Scheme by the end of the Third Plan depending on availability of funds from the Centre.

### GOLD CONTROL SCHEME

Consequent upon the introduction of Gold Control Order in 1963, the question of rehabilitation of goldsmiths assumed importance and the State Government have taken steps to meet the situation effectively. Schemes of rehabilitation such as stipend for general education and technical training facilities to the children of the affected goldsmiths, grant of waste lands and industrial loans on liberal terms to individuals and co-operatives have been provided for. Provision has been made in the current year as well as next year's Budget for implementation of these schemes.

The State Government have set up a Gold Control Organisation for implementation of the Gold Control Order and for taking effective steps towards rehabilitation of affected goldsmiths.

I may also mention here that for the first time, during the current year, it has been decided to give 50 per cent of the net proceeds of Entertainment Tax to Municipalities and Notified Area Councils. This was according to the recommendations

