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# ORISSA LEGISLATIVE ASSEMBLY DEBATES

( Eighth Assembly )



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Shri RAGHUNATH PATNAIK (Minister): The Annual Financial Statement for 1981-82 and other Budget documents are with the Hon'ble Members.

2. Six months ago, while presenting the recast Budget for 1980-81, I had apprised the House of the severe economic stress in which the estimates were framed. When we assumed office last year, the national economy was in shambles. There was spiralling inflation, declining rate of national income and pervading sense of drift. Although price pressures continue to cause us concern, perceptible improvements have been brought about in the meantime as a result of sound and determined economic management. The prospects for 1981-82 are now quite bright. The inflation rate, as high as 19 per cent in 1979, came down to 13 per cent last year. The national income which in real terms had registered a decline of 4.5 per cent in 1979-80, is expected to show a growth of 6.5 per cent in the current year. There has been a remarkable recovery in agriculture. Improved industrial relations and easing of infrastructural constraints provide reassuring prospects of industrial development. The national economy now seems well poised again for sustained growth.

3. For Orissa, the year 1980 was particularly trying. In September last, the State had to face unprecedented fury of floods just as it was recovering from the severe drought of the previous year. The flash floods of Vansadhara completely swept away parts of Koraput and Ganjam district causing acute misery. Floods in Mahanadi also severely affected large areas. To meet the situation the State Government had to mobilise massive resources of man, materials and money for relief and restoration work. I would like to take this opportunity to express our sincere appreciation of the help rendered by the Government of India in providing timely assistance for relief and restoration operations in the flood affected areas. The Supplementary grants recently voted by the House indicate the magnitude of the operations undertaken by the State Government for relief of the distress.

4. Despite these unfavourable conditions, stability has been maintained in the prices of foodgrains throughout the State. Procurement operations have been stepped up and improvement has been brought about in the distribution of essential commodities. Our efforts towards accelerating the pace of development of the State continue.

5. The Sixth Plan recently approved by the National Development Council envisages an outlay of Rs. 1,500 crores for Orissa in the State Sector. This would be supplemented by investment in the Central Sector. It is gratifying that the Central Government have already decided to locate a massive Aluminium complex in Orissa. The need for establishment of another Steel Plant has also been recognised. The economic justification for setting up a fertilizer plant at Paradeep, a super-thermal plant at Talcher, a major hydro project at Bhimkund and rapid development of the Paradeep port in the Central Sector are all well appreciated. I have every hope that implementation of these and several other projects would strengthen considerably our economic base in the Sixth Plan period. The flow of institutional finance is also intended to be stepped up considerably to supplement budgetary resources for integrated development of the State. Banking infrastructure in Orissa is by no means adequate. Our persistent effort has been to expand these facilities. As a result, the number of Commercial Bank branches in Orissa has increased from 766 in December, 1979 to 882 in December, 1980. Our efforts in this direction will continue unabated.

6. With this background, Sir, I would now place before the House some of the salient features of the Revised estimates for the current year and Budget Estimates for 1981-82.

7. The Revised estimates for the current year include additional expenditure of Rs. 42.89 crores on flood relief operations towards which Government of India have sanctioned a grant of Rs. 32.16 crores. As the State does not have adequate resources to meet the

remaining amount of expenditure on flood relief, a further assistance of Rs. 10.73 crores has been assumed to be received from the Government of India. The Revised estimates envisage that the year would close with a nominal cash balance of Rs. 7 lakhs which would be carried forward to the next year as the opening balance.

The Budget for 1981-82 envisages Revenue expenditure of Rs. 406.54 crores in the Non-Plan account. The estimates have been framed keeping in view the need for economy while providing larger funds for inescapable commitments like increase in the salary and dearness allowance of employees, higher payment of pension and better maintenance of public assets like roads, irrigation, works etc. in the Non-Plan sector, the largest single allocation of Rs. 102.98 crores is for Education. In this sector, the provision for Health and Medical care is Rs. 27.85 crores; for Police the allocation is Rs. 27.26 crores. Interest payment accounts for Rs. 65.12 crores. On the basis of Seventh Finance Commission's award and the action programme approved by the Government of India, a provision of Rs. 3.64 crores has been made for improvement of standards in Jails, reorganisation of administrative units, opening of new Courts and strengthening of Police administration.

9. The Non-Plan capital disbursements including repayment of loans are estimated at Rs. 100.54 crores.

10. The size of the Annual Plan for 1981-82 has been fixed at Rs. 275 crores of which the budget reflects a provision of Rs. 226 crores. The balance of Rs. 49 crores relating to public sector undertakings remains outside the Consolidated Fund. The sectoral allocation of the Plan outlay is the following :—

	Rupees in crores	Percentage to total
(i) Agriculture and Allied Sectors including Co-operation.	69.32	25.20

(ii) Water and Power Development.	139.7	50.82
(iii) Industry and Mining.	14.02	5.10
(iv) Transport and Communication.	17.16	6.24
(v) Social Services	32.77	11.92
(vi) Economic and Miscellaneous Services.	1.98	0.72
<b>Total ..</b>	<b>275.00</b>	<b>100.00</b>

Our developmental efforts in the State sector would be supplemented by Rs.11.35 crores for tribal development and by a further sum of Rs.4 crores under the Scheduled Castes Component Plan, funded fully by the Centre. The Plan outlay in the State sector is thus over Rs.290 crores. Besides, the Budget also envisages an outlay of Rs.61.99 crores in the Central sector for development programmes to be implemented by the State.

11. I may now indicate briefly some of the major programmes in different sectors.

12. Agriculture occupies a pivotal position in our economy. The main elements of our strategy for development of agriculture are land reform and consolidation, diversification of cropping pattern, provision of storage and marketing, soil conservation, improved water management and timely supply of inputs and credit. Development of small and marginal farmers has been given top priority. The target of foodgrains production next year is 64 lakh tonnes against 62 lakh tonnes in 1980-81. Coverage under commercial crops is proposed to be increased to 11.76 lakh hectares and of high yielding varieties of cereals to 13.98 lakh hectares from the existing levels of 9.84 lakh and 12.48 lakh hectares respectively. Provision of credit through the co-operative sector in 1981-82 is expected to exceed Rs. 100 crores against Rs. 85 crores in the current year.

26. Our policy on food and other essential commodities aims at ensuring supply and distribution of these commodities through a chain of fair price shops, fully utilising Co-operatives. Measures have been initiated to strengthen and streamline the public distribution system. The programme for the next year is to increase the number of fair price shops, particularly in the co-operative sector, so as to bring essential commodities within easy reach of the rural masses at reasonable prices. The State Civil Supplies Corporation formed recently has taken up procurement and distribution of food grains and other essential commodities. For meeting the requirements of public distribution and building buffer stock, a programme has been taken up for procurement of two lakh tonnes of rice in the current khariff year. In this venture also co-operatives have been assigned an important role with a view to protecting the interests of the farmers. It will be our endeavour to further activate public agencies to facilitate procurement and ensure supplies of essential commodities at stable and reasonable rates.

27. Provision of house and house sites to the landless and weaker sections will continue to receive priority attention. The State Housing Board has launched a massive programme of construction of Rs.30,000 houses for the benefit of the rural poor who have lost their houses in the recent floods. The entire margin money required to avail institutional finance from the Housing & Urban Development Corporation is being provided by the State Government. Provision has also been made for construction of houses for distribution among landless labourers. Assistance for housing development will continue to be provided to people belonging to middle and low income groups and under the village housing project. Improvement Trust are being activated to undertake bigger programmes of housing development in urban areas.

28. In furtherance of our aim to provide protected water-supply to the entire population with a reasonable time frame,

the Budget includes provision for installation of 5,400 tube-wells and 1,400 sanitary wells in rural areas. In the urban sector, 8 of the 23 ongoing water-supply schemes would be completed and 7 new schemes would be taken up. The budgetary allocation for water-supply next year is Rs.8.25 crores against Rs. 7.75 crores this year. This would be supplemented by additional allocations expected from other agencies under the programme of International Decade of Water-Supply.

29. Transport and communication are among the basic infrastructure for economic development. We are, therefore, determined to remove the severe handicaps from which the State suffers in this matter. The Koraput-Rayagada rail link has since been included in the Sixth Plan. We shall continue to press our claims for Talcher-Sambalpur and Jakhapura-Banspani rail links.

30. In the road sector, our objective is to complete expeditiously the ongoing works and to provide all-weather communication facilities to villages and clusters with a population of 1,500 and above. The programme for 1981-82 includes commencement of 252 new works under the Minimum Needs Programme. 185 kms. of major roads and 705 Kms. of rural roads would be improved. 14 major bridges and 23 other cross drainage works will be completed.

31. For improving public transport facilities, plan outlay for the Orissa State Road Transport Corporation has been stepped up substantially. As a result the Corporation would be able to strengthen its fleet strength by adding 200 new buses. Minor ports and inland water transport facilities are also proposed to be improved. The State Plan allocation for development of transport and communication has been stepped up from Rs. 13.71 crores this year to Rs. 16.16 crores in 1981-82.

32. Tourism development is being accorded high priority having regard to the rich potentials of the State. Apart from

[ Shri Raghunath Patnaik (Minister) ]

39. As I have mentioned before, we wish to lay greater emphasis on non-tax measures for mobilisation of additional resources. Losses in the management of irrigation works and electricity supply need to be cut down. Rationalisation of working arrangements and revision of royalty in respect of our forest and mineral resources can provide additional revenues. Institution of the Provident Fund Scheme for employees not yet covered by such arrangements can help mobilisation of savings, which may also profitably be deployed for development financing. It will be our endeavour to explore these and similar other avenues for accomplishing the task of additional resource mobilisation without hurting the common man.

40. With these words Sir, I present the Budget Estimates for 1981-82 for consideration and approval of the House.

JAI HIND

