



GOVERNMENT OF ORISSA

Speech of
Shri Raghunath Patnaik
Finance Minister, Orissa
Presenting the Budget Estimates
For the year 1982-83
To the Orissa Legislative Assembly

March 11, 1982

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SHRI RAGHUNATH PATNAIK

FINANCE MINISTER, ORISSA

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FOR THE YEAR 1982-83

TO THE ORISSA LEGISLATIVE ASSEMBLY

Sir,

The Annual Financial Statement for 1982-83 and other Budget documents have already been supplied to the Honourable Members.

2. Nearly a year ago when I presented the Annual Financial Statement for 1981-82, I had mentioned that the economic prospects for 1981-82 were brighter than in the preceding year. The Gross National Product in real terms registered a growth of 7.5 per cent in 1980-81 compared to 1979-80. In 1981-82 it is likely to grow further by 4.5 per cent. There has been remarkable recovery in agriculture. Improved industrial relation and larger investment have provided brighter prospects for industrial growth. National

economy which stagnated for some time has shown positive signs of sustained growth. We have, however, to lay greater emphasis on productivity to continue the pace of growth.

3. The year 1981 had its quota of natural calamities, as in previous years. Besides flood and cyclonic storm in Cuttack, Puri and Balasore districts, a tornado hit some villages of Keonjhar and Mayurbhanj districts causing extensive damage. Despite these adversities for which resources had to be utilised, the State's effort to finance the developmental programmes has remained unabated.

4. As I had informed the House while presenting the Budget last year, an outlay of Rs. 1,500 crores has been provided for Orissa in the State Sector in the Sixth Plan, to be supplemented by funds under the Central Sector. I am happy to mention here that the Central Government have already taken action for grounding the Aluminium Complex in our State. Besides in two more Central Sector Projects, namely, the Port-based Steel Plant and the Phosphatic Fertiliser Plant at Paradæep, work is likely to commence soon. Because of our efforts the construction of the Rayagada-Koraput and the Jakhapura-Bansapani Railway Links has been sanctioned by Government of India. We shall continue to press for Talcher-Sambalpur Line. With the implementation of such projects our economic development will be accelerated to a great extent. We are also laying emphasis on mobilisation of institutional finance as that would supplement our budgetary resources. The Banking infrastructure in the State has considerably expanded during the year and there were 1,140 branches of Commercial and Rural Banks

in the State by the end of December 1981, as against 882 by end of December 1980 which I had mentioned last time. We will make all possible efforts to make further progress in this sector.

5. In this background Sir, I would now place before the House some of the important features of the Revised Estimates for the current year and the Budget Estimates for 1982-83.

6. In the Revised Estimates for the current year, an additional expenditure of Rs. 8.60 crores is envisaged under State Plan Sector for power schemes in Rengali, Upper Kolab and Upper Indravati Projects. Besides, provision has also been made for an additional expenditure of Rs. 20.98 crores towards additional dearness allowance for employees of the State Government, Local Bodies, Aided Educational Institutions, etc. This extra outgo is proposed to be met by stepping up collection of revenue, improving receipt in the Public Account and economising Non-Plan Expenditure. At the end of the year there would be a nominal cash balance of Rs. 7.68 lakhs, which would be the Opening Balance for the next year.

7. The Budget for 1982-83 provides for Revenue Expenditure of Rs. 479.51 crores in the Non-Plan Account. In framing the estimates higher allocation has been made for the unavoidable commitments like increase in the salary and dearness allowance of employees, increased payment of pension, better maintenance of public assets like roads

including Panachayat Samiti and Gram Panchayat Roads, Irrigation Works, etc. The need for economy, however, has also been kept in view. Of the various items under the Non-Plan Sector, Education has the largest allocation amounting to Rs. 118.19 crores which is 24.63 per cent of the total provision for the Sector. Next in order of allocation are Police with Rs. 30.61 crores and Health and Medical Care with Rs. 24.40 crores. An amount of Rs. 74.77 crores has been kept for payment of interest on the borrowings of State Government. Pursuant to the award of the Seventh Finance Commission, Rs. 5.90 crores has been provided for Upgradation of Standards of Administration in Jails and Police, opening of new courts and for reorganisation of administrative units including incentive allowance to transferable Government employees working in tribal areas. The Legal Aid and Advice Board has been constituted in the State for implementation of the programme of legal aid to the weaker section of the community. A programme of legal aid camps and legal aid clinics with a view to expediting disposal of cases is being implemented from the current year. All districts will be covered by a separate Sessions Court with the establishment of new Courts during the current year. Besides 9 more lower Courts have been established during the current year and 11 more such Courts will be established during 1982-83. There is a provision of Rs. 35.00 lakhs for modernisation of Police force and Rs. 4.26 crores on account of rebate on sale of handloom and Janata cloth, which will be reimbursed by the Government of India.

8. It is estimated that after meeting the Non-Plan Capital Outlay disbursements including repayment of loans, the Non-Plan Capital Account will have a surplus of Rs. 3.83 crores which will be utilised for Plan Expenditure.

9. The Annual Plan for 1982-83 will be of the order of Rs. 300.00 crores, the provision in the State's Budget being Rs. 258.30 crores. The balance amount of Rs. 41.70 crores relates to the Public Sector Undertakings and Urban Local Bodies and is outside the Consolidated Fund of the State. The allocation for different Sectors under the Plan is as follows:—

	Rs. in crores	Percentage to total
(i) Agriculture and Allied Sectors including Co-operation.	71.50	23.83
(ii) Water and Power Development.	157.00	52.33
(iii) Industry and Mining	15.88	5.30
(iv) Transport and Communication.	17.63	5.88
(v) Social Services ..	36.19	12.06
(vi) Economic and Miscellaneous Services.	1.80	0.60
Total ..	300.00	100.00

To supplement our own developmental efforts in the State Plan, Rs. 13.50 crores will be received from the Centre under the Tribal Development Programme. Thus, the total Plan Outlay in the State Sector will be over Rs. 313.00 crores. In addition to this, there is an outlay of Rs. 48.62 crores in the Central Plan including Rs. 4.67 crores under the Scheduled Caste Component Plan and Rs. 34.23 crores in Centrally Sponsored Plan.

10. I will mention here briefly some of the important programmes in different sectors.

11. Agriculture is the mainstay of our economy and therefore, full attention is being paid to its development. During the coming year our programme is to cover 64.40 lakh hectares under Kharif crops and 36.26 lakh hectares under Rabi. Agricultural output will be stepped up by measures like land reforms and consolidation, adoption of diversified cropping pattern, supply of improved seeds to farmers, increased application of chemical fertilizers and timely plant protection measures. There will also be emphasis on soil conservation, proper water management, provision of storage facilities and improved marketing arrangements. Special attention will be given to the small and marginal farmers. For the year 1982-83, the target for production of foodgrains and oil-seeds has been fixed at 68.46 lakh tonnes and 8.08 lakh tonnes respectively as against 62.87 lakh tonnes and 6.05 lakh tonnes of the current year. To boost agriculture, credit to the tune of Rs. 120 crores will be made available through the Co-operative Societies

next year against Rs. 101 crores during the current year. The assistance available under the World Bank (IDA) assisted projects will also be fully utilised. Development of horticulture will be given adequate attention.

12. The main objectives of the programmes of animal husbandry and dairy development are to ensure increase in live-stock products like milk, poultry, eggs, etc., and planned live-stock development through provision of scientific breeding, better feeding and management practices with health control measures. Additional frozen semen banks will be established in backward districts. Emphasis will continue to be laid on animal health care.

13. Development of fisheries includes important programmes like intensification of induced breeding, development of marine fishing by the Fishermen Co-operative Societies, development of brackish water fishery and increased availability of extension services for traditional inland and marine fishermen. World Bank assistance for Fish Farmers' Development Agencies will be continued. The share capital base of the Fish Seed Development Corporation which aims at production and supply of quality fries and fingerlings in the State would be strengthened. Small landing and berthing facilities as also assistance to brackish water fish farmers will be provided.

14. The major thrust in the forestry sector will be afforestation and rehabilitation and reforestation of degraded forests besides adequate coverage under mixed and economic

plantations and plantation of quick-growing species. Emphasis will also be laid on fuel wood plantation to meet the shortage of fuel in the rural areas.

15. The Budget provision for 1982-83 under Agriculture, Co-operation and allied activities including Minor Irrigation is Rs. 71.50 crores as against Rs. 69.32 crores of the current year.

16. Since irrigation plays a vital role in development of agriculture, for 1982-83 a sizeable allocation under the State Plan has been earmarked for this sector. In our development strategy, emphasis has been laid for increasing the area under irrigation and ensuring full utilisation of the potential created. In order to make the irrigation facilities spread to the needy regions about 74 per cent of the proposed outlay will be spent in the drought-prone and tribal areas. The target is to create an additional irrigation potential of 67.28 thousand hectares. Besides the Subernarekha Irrigation Project with an irrigation potential of 90,000 hectares will be started during the coming year.

17. In our programme for the next year special importance is attached to Electricity, which is essential for industrial development. Power schemes account for the single largest share in allocation of funds (Rs. 84.00 crores including Rs. 38.96 crores of State Electricity Board as against Rs. 75.44 crores of the current year). The two Units of the Talcher Thermal Power Station expansion will be commissioned during 1982. 1,200 villages will be electrified including 681 villages in the Tribal Sub-Plan Area.

Eight

18. We attach high priority to rapid industrialisation of the State. The concessions given under the Industrial Policy Resolution have gone a long way in facilitating quick growth of industries. Because of our efforts 14 large and 35 medium industries together with 3 Co-operative Spinning Mills with a total investment of about Rs. 200 crores and direct employment potential of about 30,000 persons have been established. Besides, 40 large and 118 medium industries along with 4 Co-operative Spinning Mills involving a total investment of over Rs. 800 crores are now at various stages of implementation. A nucleus complex at Chandaka has been started with a programme to set up 10 mother industries and 60 ancillary industries. Four similar industrial complexes are programmed to be developed in the backward districts of Kalahandi, Bolangir, Dhenkanal and Mayurbhanj. In addition to the industries already taken up, the IPICOL has identified 196 medium and large units. Similarly, the Industrial Development Corporation has identified 34 new projects. The Infrastructure Development Corporation has launched the programme for providing basic infrastructure for industrial growth by developing the areas and constructing sheds. The Electronic Development Corporation has a programme to set up 8 medium and large electronic industries and will manufacture T. V. sets and cheap radio sets. The programme of Orissa State Financial Corporation envisages coverage of larger number of industrial entrepreneurs. For the next year there is also a programme to set up 2,800 small-scale industries with employment potential of 20,770. In addition to reviving sick small-scale industries, we have

taken up the rehabilitation of Orissa Textile Mills, which had been closed down throwing about 6,000 employees out of employment, with the help of Government of India and financing institutions.

19. With a view to promoting village industries and artisans there will be continued emphasis on handloom, sericulture and handicrafts.

20. Detailed investigation has helped in locating deposits of coal, chromite and limestone in the State. Prospecting of tin deposits in Salimi area of Koraput district is in progress. Mineral investigation programmes will be further intensified. We have entered into collaboration with a foreign agency for establishment of the Charge-Chrome Project and its execution will commence in 1982-83.

21. An outlay of Rs. 15.88 crores has been provided for Industries and Mineral Development in the Budget for 1982-83 as against Rs. 14.02 crores of the current year.

22. Education has been given due emphasis as a programme of developing human resources. Besides continuing the efforts to provide improved facilities for elementary education, adequate attention will be paid to the subsequent stages. Provision has been made for the Sanskrit University which was set up this year, and for formation of Higher Secondary (+2) Board. For Education an outlay of Rs. 9.60 crores has been envisaged in the Budget in the State Plan over and above the provision of Rs. 118.19 crores under Non-Plan.

23. Medical and Health Care programmes to extend preventive and curative facilities to the rural and tribal areas of the State would be given special importance. Control and eradication of communicable diseases and family welfare programmes will be emphasised. Besides setting up new Public Health Centres, Subsidiary Health Centres and Sub-centres, training facilities for Pharmacists, Radiographers, Nurses and Laboratory Technicians would be continued during 1982-83. The programme for strengthening health and family welfare services and the medical infrastructure in the rural areas taken up in five districts will be implemented with a provision of Rs. 7.38 crores. Promotion of indigenous and homoeopathic systems of treatment and expansion of these facilities will be given due attention. Under the Health Sector the outlay for 1982-83 including the schemes under the U. K. Aid Programme and special tribal assistance is Rs. 14.45 crores.

24. One of our principal objectives is to bring about rapid socio-economic development of the Scheduled Castes and Scheduled Tribes who constitute a sizeable portion of our population. Our strategy is to raise their economic status by providing opportunities for higher income and to arrange for spread of education to create a greater awareness among them of their rights and social responsibilities. During 1982-83 there will be larger coverage of Tribal and Scheduled Caste families under the income generating and anti-poverty programmes. Development of most backward primitive tribes will be given special attention. The Scheduled Caste Finance Corporation will play a bigger role for assisting the Harijans in economic schemes.

The special programmes like Integrated Tribal Development Programme, Special Component Plan for Scheduled Castes, Modified Area Development and Primitive Tribes Development will be implemented. The total amount provided under the Tribal Sub-Plan and Scheduled Caste Component Plan is Rs. 132.60 crores in 1982-83 as against Rs. 108.13 crores in 1981-82.

25. With regard to food and other essential commodities our policy is to ensure adequate supply and proper distribution in the State. The public distribution system is being operated through a network of 17,056 fair price shops for supply of essential articles to the public at reasonable prices. To make it effective Block level depots have been opened and larger involvement of Co-operatives has been envisaged. We have programmed to open at least one Consumer Co-operative Store at every Gram Panchayat headquarters to deal in essential commodities and articles of daily use. The State Civil Supplies Corporation is engaged in both procurement and distribution of these commodities. The Orissa State Co-operative Marketing Federation has also been associated with procurement.

26. We have made it our objective to provide houses and house-sites to the landless and weaker sections. A massive rural housing programme in flooded areas has been launched in the State and construction of 20,000 houses has been taken up through the Orissa State Housing Board. Programmes for housing development like village housing project and schemes for low and middle income groups will be implemented. Landless labourers will be

provided assistance for house-sites and construction of houses. The Improvement Trusts will continue to take up housing development in urban areas. Programmes will also be undertaken for providing basic services to slum dwellers in some towns. The Orissa Development Authorities Bill has been introduced in the Legislature to ensure systematic and planned urbanisation in the industrial and potential growth centres in the State.

27. Provision of potable drinking water in the rural areas and protected water-supply to urban population is among our important objectives. There is a programme for installation of 5,932 tube-wells and 2,085 sanitary wells in the rural areas during 1982-83. The programme for providing potable drinking water in the villages situated in the saline belt of the State is likely to be augmented by assistance under Danish International Development Agencies. The project when grounded will benefit a population of about 33 lakhs. Of the 17 on-going and 5 new water-supply schemes in urban areas, 13 will be completed in 1981-82. Besides continuing the remaining on-going projects, 7 new schemes will be taken up during the year 1982-83. For water-supply an outlay of Rs. 9.15 crores has been provided in the Budget against Rs. 8.25 crores of the current year in addition to funds available for the Accelerated Rural Water-Supply Programme under the Centrally Sponsored Plan.

28. The basic infrastructure for economic development is provided by transport and communication. Our aim is to get over the deficiencies in these sectors and to come

to the national standard. The work in respect of Jakhapura-Bansapani (2nd phase) Rail Link will commence soon. We are also pressing for a separate Railway Zone and an additional Division in Orissa.

29. In the roads sector, speedy completion of on-going works and provision of communication facilities to villages and clusters having population of 1,500 or more is our objective. During 1982-83 we have a programme to complete 100 numbers of approved M. N. P. roads. Besides, 72 numbers of rural roads will be taken up for improvement.

30. A sizeable part of the passenger transport facilities is provided by the Orissa State Road Transport Corporation. The Corporation proposes to augment its fleet strength in 1982-83 by acquisition of 135 new buses. As a social welfare measure the travel concession of 50 per cent of the normal fare has been allowed to students. Provision has been made for the construction work of the minor port at Gopalpur and attention will also be paid to the improvement of inland water transport facilities. An outlay of Rs. 17.01 crores has been envisaged in the Budget under State Plan for the Transport Sector as against Rs. 16.16 crores of the current year.

31. For development of tourism we have decided to establish Panthasalas at different centres of pilgrimage. The Orissa Tourism Development Corporation has taken up the work of providing tourist facilities in the State. Motels will be set up, additional luxury coaches acquired and centres of tourism developed. For tourism development an amount of Rs. 62 lakhs has been provided.

32. Protection of the interests of the working classes is one of our principal aims. The scheme to organise rural workers and educate them about their rights and duties is being implemented in selected Blocks in the backward areas of the State. We are giving special emphasis for eradication and rehabilitation of bonded labour. Industrial safety and prevention of occupational diseases have received our special attention. Coverage under the Employees' State Insurance Scheme as an integrated measure of social security and health insurance for the industrial workers will be further extended. It is hoped that there will be positive response from the working classes to discharge their social responsibility.

33. Ensuring adequate opportunities for gainful employment has been the State Government's special concern. With this end in view, measures have been taken for providing vocational guidance. A scheme for training the rural youth needing employment (TRYSEM) in avocation having a rural bias is being vigorously pursued. Proper liaison is maintained with prospective employers to facilitate employment of local people. Steps to promote self-employment opportunities are being implemented with earnestness. We hope that with these efforts it would be possible to reduce the unemployment in our State which was estimated at 22.6 lakhs in the beginning of Sixth Plan. Provision of employment opportunities in the rural areas to improve the economic conditions of the poor people is another measure in this direction. Under the National Rural Employment Programme there is an outlay of Rs. 16 crores including assistance from Centre for taking

up various types of activities in the rural areas during 1982-83 to generate 213 lakh man-days of employment simultaneously with creation of assets. This would also eliminate contractors and middlemen to an extent and confer direct benefit on the rural people.

34. With a view to promoting economic growth with social justice we have adopted the target-group approach in respect of the poor and under-privileged sections of the society. To this end, we have launched the programme for Economic Rehabilitation of the Rural Poor, which has the objective of giving suitable economic base to the poorest of the poor in the villages. There is an outlay of Rs. 13.80 crores for 1982-83 as against Rs. 9.68 crores provided for the current year. The programme is to cover 71,000 families in addition to the beneficiaries of 1980-81 and 1981-82.

35. Because of its wide-ranging impact on the development of the State, we have attached high priority to the implementation of the 20-Point Economic Programme. For the various schemes under the programme there was a total budget provision of Rs. 360.89 crores for the current year out of which the State share was Rs. 310.57 crores. To supplement the budgetary resources, the Financing Institutions have also been called upon to give support by making available adequate credit for different schemes. During the year 1981 till September credit to the extent of Rs. 13.73 crores was disbursed by them. The Programme will be implemented next year more vigorously.

36. Resources of the State Government and its Undertakings for financing the Plan for 1982-83 have been estimated at Rs. 116.27 crores at current rates of taxation and borrowings, etc. Central assistance to the extent of Rs. 146.64 crores will be received. The State Government and its Undertakings are, therefore, required to mobilise additional resource of Rs. 37.09 crores for financing the State Plan of 1982-83. It has been estimated that Rs. 7 crores could be mobilised by impounding a part of the fresh instalments of Additional Dearness Allowance into the Provident Fund Accounts of the employees concerned.

The balance amount of Rs. 30.09 crores is proposed to be raised from the following sources—

	(Rs. in crores)
Power Tariff and Duty	.. 17.30
Sales Tax	.. 7.85
Forest Revenue	... 2.60
Stamp Duty	.. 1.00
Excise Revenue	.. 0.64
Tax on carriage of Goods	.. 0.25
Royalty on Iron-ore and Manganese	.. 0.25
Toll on new bridges	.. 0.20
Total	.. <u>30.09</u>

Seventeen

Sir, since ours is a backward State with widespread poverty, the scope for mobilisation of additional resources by way of taxation is limited. Therefore, to meet the pressing needs of developmental programmes we have to keep raising of revenues through taxation to the minimum and to balance it by maximising yield from non-tax sources. In the back drop of a large developmental outlay in 1982-83, the burden of the above proposals may not be considered heavy. I seek co-operation of the Hon'ble Members for carrying through the requisite legislative and other measures to give effect to the proposals.

38. Despite severe constraints, to give relief to the common man and poorer sections we contemplate to exempt "firewood", and "wheeled chairs" used by physically handicapped persons from the purview of sales tax, and to reduce its incidence on cycle rickshaws under self-employment scheme and yarn used by the weavers.

39. The outgo from the Consolidated Fund in 1982-83 for the programmes I have just mentioned together with other expenditure commitments of the State will be of the order of Rs. 1,128.58 crores. As against this the receipt from tax and non-tax revenues of the State will be Rs. 291.33 crores. We have estimated devolution of grants, shared taxes and loan assistance from the Government of India at Rs. 499.51 crores. Rs. 285.91 crores will be available by way of borrowings from the open markets and other sources like Reserve Bank, State Bank of India and the Life Insurance Corporation together with recovery of loans and advances. The cash surplus in the Public

