

ANNEXURE I

SIR,

The Annual Financial Statement for 1986-87 and other Budget documents are with the Hon'ble Members. While presenting the Budget documents for the current year before this August House in July last, I had indicated that with a State-Plan outlay of Rs. 486.23 crores against the plan size of Rs. 440.00 crores approved by the Planning Commission, the overall deficit in State Government's account shall be kept within the limit allowed by the Planning Commission. Added to this, the need for further augmentation of Non-Plan and Plan requirements in course of the year was considered and suitable appropriation was obtained through Supplementary Statement of expenditure during February, 1986. Constant monitoring of the ways and means position and strict observance of financial discipline have enabled us to have a comfortable balance with the Reserve Bank of India. The opening overdraft has been completely wiped out and we have not even availed any ways and means advance since 10-9-1985.

2. The execution of developmental programmes by the State Government has been appreciated by the Planning Commission during discussion with the Chief Minister for finalisation of the Annual Plan for 1986-87. Our efforts to cover the deficit to start a zero based budgeting and mobilisation of resources have enabled us to get a plan size of Rs. 600.00 crores for 1986-87 which is an increase of 33% over the allocated State plan size for the current year.

3. Hon'ble Members will agree with me that our achievements during the Sixth Plan have been excellent. We could achieve an average growth rate of 6.1% against all-India average of 5.0%. While for the Seventh Plan period this all-India average growth rate is estimated to remain at 5% per annum, our aim is to sustain a growth rate of at least 6.1%

The investment support for sustaining a continued higher growth rate mainly comes from State-Plan, Central Sector Plans and institutional finance. The more progressive States, on account of their large and productive resources have been able to generate surpluses for higher investment in the Plan. Our State even with the Eighth Finance Commission's award is not left with adequate resources for financing Plan for a higher investment. A substantial step up in the *per capita* investment through higher plan outlay in State sector with adequate Central assistance is, therefore, imperative. The total investments during the Seventh Plan period including State-Plan, Central Plan and Centrally Sponsored Plans to be executed through State Government, direct investment in Central Projects of NALCO, Railways, Super Thermal, Defence Project at Bolangir, Paradeep Phosphates, Investment in private sector and from institutional finance sources are expected to be of a substantial order. With these investments the assumed growth rate of 6.1% during the Seventh Plan period is expected to be achieved.

4. Our earnest endeavour is also to catch up with the all-India average of *per capita* income. One of the main factors affecting the growth of State's income is recurrence of natural calamities causing erosion in State's resources year after year. In spite of this, due to our sustained efforts during the Sixth Plan period, the gap between the national and State *per capita* income has perceptively been reduced. With the Projected growth rate of 6.1% in the State's economy during the Seventh Plan period as against all-India average growth rate estimated at 5%, the existing gap is expected to be considerably reduced by the end of Seventh Plan period.

5. There were about 33.7 lakh families below poverty line in our State in 1980-81. The poverty ratio in 1977-78 was 66.4% against all-India average of 48.13%. As per assessment of the Planning Commission, the all-India average which declined to 36.9% by the end of Sixth Plan shall reduce to 25.8% by the end of Seventh Plan. During Sixth Plan, a total of 14.30 lakh families were assisted under various poverty amelioration programmes in the

State. The evaluation made in 1984 through some eminent consultancy organisations revealed that 25 to 40% of the beneficiary families exceeded the prescribed annual income level for determination of poverty line and the State average works out to 32% of the assisted families having crossed the poverty line. Exercise on poverty estimation made by our Planning organisation reveals that the magnitude of poverty which was 66.4% has been reduced to 52% by the end of Sixth Plan. Dr. Hanumantha Rao, Member, Planning Commission in an attempt to estimate Rural Poverty in India and State by using National Sample Survey 38th round consumption data has determined that by 1983-84, the population below poverty line in Orissa, constituted roughly 45% of the rural population. Hon'ble Members will appreciate the magnitude of the problem of reducing poverty. Our efforts in enlarging the scope and investment in poverty amelioration programme will

continue to be intensified during the 7th Plan period. The State is fortunately at take off stage.

6. The Seventh Plan envisages a outlay of Rs. 2,700 crores for Orissa in State Sector. This will be supplemented by investments in Central Plan and Centrally Sponsored Plan Sectors, Special Central Assistance for tribal development and Scheduled Caste component Plan Schemes through the State Government. As stated earlier the annual State Plan size has been fixed for 1986-87 at Rs. 600 crores. Of this the State Budget reflects provision of Rs. 515.88 crores and the balance comprises. Plan efforts O. S. E. B. (Rs. 73.86 crores), Orissa State Road Transport Corporation (Rs. 8.33 crores) and Urban Local Bodies (Rs. 1.95 crores). The sectoral allocation of the plan outlay is as follows:—

Sectors	Plan Size for 1986-87 (Rs. in crores)	Percentage to total	Percentage increase on plan size of 1985-86 at Rs. 486.23 crores
(1)	(2)	(3)	(4)
1. Agriculture and allied services including Co operation.	57.12	9.52%	34.73%
2. Rural Development	45.42	7.57%	21.16%
3. Irrigation & Flood Control	145.50	24.25%	24.15%
4. Energy —			
State Govt. 70.97	144.83	24.14%	25.78%
O. S. E. B. 73.86			
5. Industry & Minerals	42.15	7.02%	12.25%
6. Transport—			
State Govt. 31.62	39.95	6.66%	0.48%
O. S. R. T. C. 8.33			

	(1)	(2)	(3)	(4)
7.	Science, Technology and Environment.	1.00	0.17%	4.17%
8.	Other Economic Services	7.72	1.29%	55.32%
9.	Social Services—			
	State Govt. 93.89	} 95.01	15.83%	12.17%
	U. L. Bs. 1.93			
10.	General Services	21.30	3.55%	65.82%
	Total	600.00	100%	—

7. I would now mention briefly some of the important programmes in different sectors.

8. The strategy of the 7th Plan for the agriculture sector is to raise the levels of productivity, specially in rainfed and droughtprone conditions. Adoption of improved dryland technology, diversification of cropping pattern to achieve optimum land use, extension of area under high yielding varieties and strengthening of infrastructure for timely supply of inputs would be our principal instruments in this strategy. Low productivity of rice in the eastern region of the country is one of the major constraints to growth and poverty-alleviation in this region. In acknowledgement of this critical bottleneck, a special programme is in operation in 63 selected blocks of our State. 10,000 seed Minikits would be distributed in each Block under this programme, in addition to supply of improved inputs at a subsidised rate. The crop insurance scheme introduced during 1985-86 for rice crop shall be continued. To reduce the increasing trade-gap on account of large scale import of edible oil, a thrust has been given in recent years to increase production of oil seeds, through a package of incentives and price support measures. The performance of Orissa in this regard indeed deserves a mention. The productivity of groundnut in our State is one of the highest in the country and our efforts to increase the coverage under the same crop in the riverine tracts exploiting the residual

moisture has been an acknowledged success. The target of production of foodgrains and oilseeds for 1986-87 has been fixed at 76.32 lakh tonnes and 9.10 lakh tonnes respectively. Out of a total number of 36.72 lakh agricultural families, 28.26 lakh families have already been brought under the aegis of Co-operative sector by June, 1985. Of the enrolled families about 70% belong to the small and marginal categories. During 1986-87, special provision has been made to enroll 25,000 Scheduled Caste and Scheduled Tribe families each. Development of horticulture will be given adequate attention.

9. About 47% of the land area of the State is ravaged by soil erosion. It is, therefore, imperative that effective measures have to be undertaken to control this menace. Our targets for 1986-87 are to cover 6,014 hectares under plantation, develop 7,734 hectares of land and take up construction of 447 numbers of soil conservation and water harvesting structures and stream bank erosion control work of 168 k. ms.

10. The focus of the Plan programme for Animal Husbandry and Dairy Development is on cattle development through wider and intensive coverage of artificial insemination through frozen semen technology, better feeding, adequate health care, boosting of the Operation Flood-II programme in the State and assistance to the rural community for improvement of their economic status

by providing gainful employment through live-stock rearing. The artificial insemination through frozen semen technology now provided through 700 centres would be extended to 100 more centres during the next year. Farmers are being encouraged to grow fodder in their own land and take up backward fodder cultivation for which seeds and fertilisers are distributed in shape of minikits. Assistance is proposed to be provided to OMFED for creation of infrastructure for integrated Dairy Development in the districts under Operation Flood-II. Chilling Plants shall be established under the District Milk Unions, in the Kalahandi, Bolangir, Balasore and Sambalpur districts.

11. Programmes for development of fisheries include development of inland, marine and brackish water fisheries. The loan linked beneficiary oriented pisciculture programmes implemented through 11 Fish Farmer Development Agencies with assistance from IDA resulted in development of 12,323 hectares of inland water area covering 29,195 beneficiaries. Two Brackish Water Development Agencies covering 4 coastal districts were set up under Area Development Approach Programme for development of brackish water fisheries. A beginning has been made for systematic stocking in major, medium and minor irrigation reservoirs of the State for exploitation through fishermen co-operative societies. These programmes shall be stepped up. A target of 54,000 tonnes of inland and 55,000 tonnes of marine fish production has been fixed for 1986-87. Subsidy will be provided to scheduled caste beneficiaries for purchase of country boats, nets and motorised country boats. Fishermen Welfare Programmes including streamlining of fisheries co-operatives, insurance coverage of fishermen drinking water facilities in fishermen villages, old age pension for fishermen shall continue to be implemented. Infrastructure development by construction of fishing harbour at Astarang with U.K. aid and Norway assisted project at Kasafal for development of traditional fisheries, approach roads to fishing villages, and fish seed hatcheries shall have our priority attention.

12. The strategy in the Forest sector is to conserve, protect and expand the existing forest resources and at the same time to exploit the same in a sustained and optimum manner so as to augment the revenue resources of the State. A large scale afforestation programme has been envisaged through various schemes so as to bring additional area under forest cover and to rejuvenate the degraded forests. As a conservation measure, 5 Units of special A.P.R. force have been created to prevent large scale illicit felling and smuggling in vulnerable pockets. Arrangements are being made to equip these Units with fast moving vehicles, arms and sophisticated communication systems in order to enhance their efficacy. The felling of timber and collection of minor forest produce are being operated through Forest Corporation, Co-operatives and departmentally. With the constitution of a National Wasteland Development Board, a definite and time bound programme to achieve additional coverage under plantation and afforestation with people's participation has been envisaged. Under the S. I. D. A. assisted Social Forestry Programme, 5,770 hectares were brought under plantation, 3,732 hectares of degraded forests were rehabilitated and about 70 lakh seedlings were distributed free of cost among the public for plantation in their own land during 1985-86. During 1986-87, an area of 14,800 hectares is targetted to be brought under plantation and rehabilitation and 100 lakh seedlings are to be distributed free of cost.

13. The Kendu leaves operation is entirely labour oriented. Besides ensuring fair wages and better employment opportunity to the rural poor, the scheme has continued to generate additional revenue from year to year.

14. House sites upto extent of 4 decimals of Government land are provided to each home-steadless family free of premium in rural, semi-urban, and rapidly developing areas. During the current year by the end of January, 1986, 30,955 families including 9,141 Scheduled Tribe and 7,290 Scheduled Caste families have been provided with house sites as against the annual target of 30,000. The target for distribu-

tion of sites during the next year is to cover 20,000 families. So far an area of 9.60 lakh hectares has been covered under the programme of Consolidation of Land holdings. An area of 46,000 hectares was consolidated by the end of 5th Plan and 3.48 lakh hectares during 6th Plan period. Target has been fixed of completion of the operation in 1.31 lakh hectares during 1985-86.

15. Special efforts are being made to improve the socio-economic conditions of the Scheduled Castes and Scheduled Tribes and to protect them against all forms of exploitation. Various programmes have been undertaken and adequate investments are being made under Tribal Sub-plan, Scheduled Caste component plan, Micro Project, Modified Area Development Approach and Special Educational Programmes to improve their socio-economic conditions. The scheme of upgradation of standards of administration and provision of infrastructural facilities in respect of health, drinking water, communication and education etc. in 184 villages with an additional investment of Rs. 5 lakhs per village is being taken up.

16. We have continued to attach due priority in the matter of investment for water development. By the end of Sixth Plan irrigation potential of 8,49,280 hectares in Khariff and 3,89,290 hectares in Rabi has been created under Major and Medium Irrigation Projects. The target for creation of additional irrigation potential for the current year is 21,140 hectares in Khariff and 10,960 hectares in Rabi. The State Plan Outlay for 1986-87 for Major and Medium Irrigation Projects has been fixed at Rs. 114 crores. With this investment it is programmed to create an additional irrigation potential of 26,310 hectares in Khariff and 4,590 hectares in Rabi.

17. During the current year it is programmed to create an additional gross irrigation potential of 4,013 hectares (2,761 hectares in Khariff and 1,252 hectares in Rabi) through Minor Irrigation Projects. The allocation for 1986-87 for Minor Irrigation (Flow) has been fixed at Rs. 13 crores. The investment will create an additional irrigation potential of 3,004 hectares in Khariff and 660 hectares in Rabi.

18. The ground water potential of the State for lift irrigation has been estimated at nine lakh hectares. By the end of the 6th Plan, Irrigation potential to the extent of 1,87,480 hectares could be created by installing 8,243 lift irrigation points. The allocation for the financial year, 1985-86 in this sector was Rs. 10 crores. The allocation for 1986-87 has been fixed at Rs. 12 crores with the target to instal 1,000 new lift irrigation points and create an additional irrigation potential of 24,000 hectares.

19. Orissa is a chronically flood affected State of India. Out of the total 41,000 Sq. Kms. of flood-prone and water-logged areas of the State, an area of 27,500 Sq. Kms. has been given protection to different degrees upto end of 6th Plan. With the allocation for 1985-86 and 1986-87 at Rs. 3.00 crores and Rs. 3.50 crores respectively, priority has been given for completion of ongoing schemes.

20. In order to tide over the present power crisis and meet the ever growing power demand in the State, Government have given first priority to the completion of ongoing projects namely, Rengali, Hirakud 7th Unit, Upper Kolab and 1st Unit of Upper Indravati Project during 7th Plan. The first unit of Rengali Hydro-Electricity project was commissioned on 27-8-1985. The second unit with 50 M. W. capacity is scheduled to be commissioned in March' 1986. Commissioning of the first unit with 80 M. W. of Upper Kolab Hydro Electric project is scheduled for March, 1987 and subsequent two units at an interval of six months each. It has also been programmed for commissioning of first unit of Upper Indravati Hydro-Electric project in 1990 and Hirakud 7th Unit in September, 1987. A renovation and modernisation programme has also been taken up at an estimated cost of Rs. 23.46 crores to increase the plant load factor of Talcher Thermal Power Station. State Government have established Orissa Power Generation Corporation for execution of Ib Valley Thermal Power Station with an installed capacity of 4×210 M. W. at an estimated cost of Rs. 939.05 crores which has been agreed to by the Planning Commission in principle.

21. Till the end of Sixth Plan 23,762 villages were electrified out of 46,992 villages in the State which works out to 50.56% of villages, covering more than 72% of rural population. During 1986-87 it is programmed to electrify 1,386 villages with a provision of Rs. 18.19 crores. A target for energisation of 7,630 pump set has been fixed for 1986-87.

22. The liberalised industrial policy initiated during the Sixth Plan and the enlarged package of incentives envisaged therein, has indeed provided a noticeable fillup to industrialisation in the State. During the 7th Plan period, the work done in this regard would be consolidated and the rate of growth in the industrial sector would be accelerated. While adequate outlay has been provided for large and medium scale units under Public and Joint Sector, special emphasis has also been laid on the growth of the scale sector, enhancement, modernisation and development of traditional crafts and artisan based units. For development of electronic industries through joint ventures, a share capital assistance of Rs. 1.75 crores would be provided to the State Electronic Development Corporation.

23. As a result of sustained efforts during the 6th Plan, production in the Handloom sector had gone up to 740 lakh metres of fabric valued at Rs. 46 crores. During the 7th Plan, the number of looms would increase from 1.05 lakhs to 12.5 lakhs generating direct employment for 2.50 lakh persons. During 1986-87, the target for coverage of looms is 4,443 and in addition, 4,000 looms would be modernised.

With a view to providing marketing assistance to the products of the small scale sector and to ensure quality control, a testing laboratory is proposed to be set up at Angul under the Directorate of Export Promotion and Marketing. It has also been proposed to set up an Export Development Corporation to facilitate the export of products of the S. S. I. Units.

24. To take advantage of the accelerated pace of industrialisation in the State, specific attention has been given to the creation of skilled and trained man-

power, Training of women in trades like electronics, textile designing and the like deserves special emphasis in this context. A new Women's Polytechnic would be set up in Dhenkaul during 1986-87. Degree courses in Computer Science and Applied Electronics in Regional Engineering College at Rourkela and Architectural Engineering Course in O. U. A. T. would be introduced from the next year. A sum of Rs. 100 lakhs has been provided for a separate complex of Bhubaneswar Engineering College. Besides, Rs. 1.50 crores has been provided for setting up an Institute of Business Management at Bhubaneswar.

25. There has been significant progress in mineral development and exploration in the State during the Sixth Plan Period. Out of a total area of 39,000 Sq. Kms. delineated as mineral bearing area, 24,000 Sq. Kms. had been covered by survey and exploration by the end of the Sixth Plan period resulting in discovery of coal, lime stone, tin ore, fire clay, graphite and mineral sands in different parts of the State. Remote sensing technique in the field of mineral investigations will be taken up and comprehensive assessment of mineral resources would be made in collaboration with other agencies of Government of India, i.e. Geological Survey of India, Department of Atomic Energy, Coal India Ltd., India Space Research Organisation and Regional Research Laboratory. Emphasis will be given for proving reserves of coal, sponge grade iron-ore, lime-stone, gold, graphite, tin and associated minerals, heavy mineral in beach sands, assessment of minor mineral deposits will be made by systematic exploration. Irrigation Projects and ground water investigations would be taken up for determining geological parameters. Government of India have agreed to carry out air borne survey in certain parts of the State during 1986-87. A scheme for study and prevention of adverse effects of mining operation on environment has been taken up. The Charge Chrome Project set-up by the Orissa Mining Corporation Alloys Ltd., a subsidiary of O. M. C. Ltd., is now ready for commercial production.

26. During the 6th Plan Period, keeping the National Health Policy "Health for all by 2,000 A. D." in view, infrastructure for implementation of primary health care was augmented. 14,421 Health Guides were trained and put to service during the 6th Plan Period, thus raising the total number of Village Health Guides to 23,297 in the State. 2,089 Sub-Centres, 20 Additional Primary Health Centres were established during the 6th Plan Period. Besides, 1,096 additional beds were also provided in the hospitals of the State. An amount of Rs. 1,298.00 lakhs has been proposed under State Plan for 1985-87 which includes Rs. 38.00 lakhs towards 8th Finance Commission award and Rs. 10.00 lakhs as special central assistance. During the next financial year, it is proposed to convert 4 Primary Health Centres and 7 Sub-divisional Hospitals to Community Health Centres, 90 existing Medical Institutions to additional Primary Health Centres and to establish 10 new additional Primary Health Centres, at places where no institutions exist. To provide better Medical care, three intensive coronary care units and 2 accident unit are proposed to be established. There is also proposal to take over the National Paediatric Foundation at Bhubaneswar by the Government. Seven District Rehabilitation Centres are proposed to be established and provision for 309 additional beds in various hospitals and Dispensaries has been made.

27. A Special Scheme of Universal Immunisation under Maternity and Child Health Programme has been taken up from 19th November, 1985 covering Cuttack and Puri Districts and the catchment areas of Berhampur and Cuttack Medical Colleges. It is proposed to extend this programme to four other Districts and the Burla Medical College area during the year, 1986-87, in the annual Plan for 1986-87. It has been programmed to establish 25 Ayurvedic and 25 new Homeopathic Dispensaries in the State. In the field of Hospital Service one Ayurvedic, one Homeopathic and one Naturepathy Hospital shall be established. Out of the above programme, 10 new Ayurvedic and 10 new Homeopathic Dispensaries have been earmarked to be established the tribal sub-plan areas of the State.

28. During the 6th Plan Period a target of 8,81,200 Sterilisation 2,41,200 I. U. Ds., and 5,45,000 C. C. Users had been fixed and the achievements accounted for are 6,64,431. Sterilisations 1,82,570, I. U. Ds. and 4,21,875 C. C. Users. During 1985-86 (upto end of January, 1986) 1.30 lakh Sterilisations, 0.68 lakh I. U. Ds. and 1.00 lakh C. C. Users have been achieved. During 1986-87 it is targetted to achieve 2,10,000 Sterilisations, 1,00,000 I. U. Ds. and 1,57,000 C. C. Users. To encourage acceptance of Small Family norm several individual and institutional incentive schemes are in operation. The State Government are also giving an additional incentive of Rs. 30.00 and Rs. 20.00 respectively to the Vasectomy and Tubectomy acceptors.

29. There was considerable expansion of educational facilities during the Sixth Plan. The enrolment targets of children of the age group of 6-11 years and 11-14 years were exceeded. During the current year opening of 747 new primary schools and appointment of 1,547 primary school teachers including 800 additional teachers for single teacher schools have been sanctioned. Educational institutions run by Christian Missionary organisations and Madrassas receiving two-third pay and 80 per cent D. A. or 85 per cent pay and 100 per cent D. A. have been given full assistance from the 1st January, 1985. Tuition fees has been exempted in case of boy students upto Class X and for girl students upto post-graduate level from 1st August, 1985. As a measure of intensification of efforts in the direction of achieving universalisation of elementary education, it is proposed to appoint 2,300 primary school teachers under the State Plan and to create 800 posts of primary school teachers for the single teacher schools. Provision is also being made for appointment of 1,000 women teachers with a view to catering to the needs of drop outs and non-attending children and for opening of 4,000 new non-formal centres under Centrally Sponsored Plan sector. As against 1,000 adult education centres established so far under the State Adult Education Programme, 800 new centres are proposed to be established during 1986-87.

