



GOVERNMENT OF ORISSA

*SPEECH OF*

*SHRI JUGAL KISHORE PATNAIK*

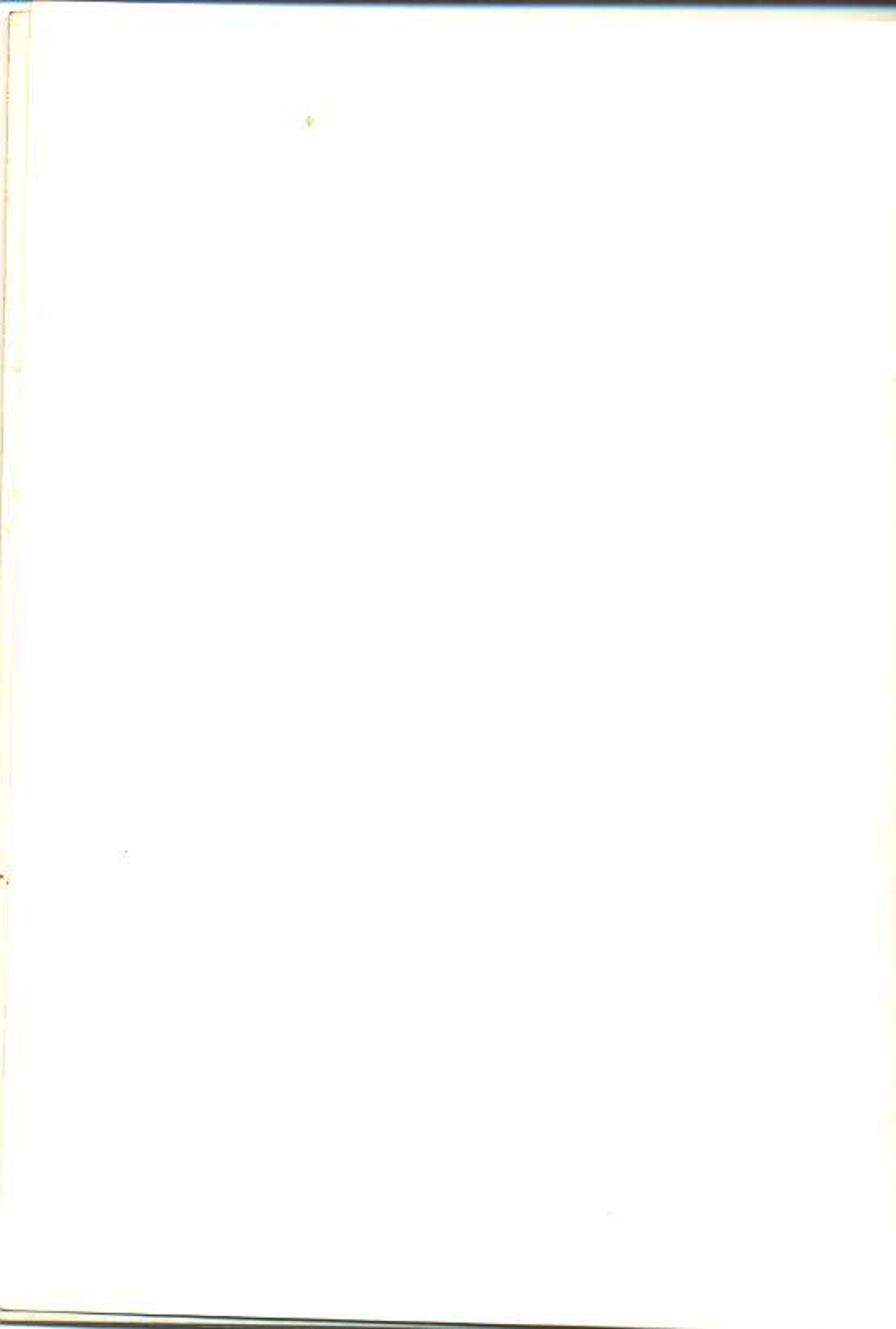
*FINANCE MINISTER, ORISSA.*

*PRESENTING THE BUDGET ESTIMATES*

*FOR THE YEAR 1988-89*

*TO THE ORISSA LEGISLATIVE ASSEMBLY*

*MARCH 2, 1988*



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Speaker Sir,

I rise to present before this august House the Budget Estimates for 1988-89 and take this opportunity to extend my warm greetings to the Hon'ble Members of the House.

2. The year 1987-88 has been a year of considerable stress and strain for us. Failure of the monsoon and the consequent drought conditions have been widespread affecting adversely the production of khariff output and generation of power particularly in hydro-projects. Economy of the State as a whole was under pressure leading to impairment of activities in agricultural and industrial sectors. Income and purchasing power of the people of Orissa and the State Government's resource gathering efforts suffered a set back. Various items of revenue and recoveries anticipated in the Budget for 1987-88 are therefore not likely to materialise.

3. The Revised Estimates for 1987-88 framed in the aforementioned background envisages a total receipt of Rs. 3832.93 crores and a total outgo of Rs. 3811.46 crores, showing a cash surplus of Rs. 21.47 crores. This surplus, which represents the sale proceeds of treasury bills held at the end of the financial year 1986-87 is to be adjusted against the deficit of Rs. 83.29 crores in the State Government's cash account for 1986-87 as reported by the R. B. I. The deterioration in the transactions for the year which was estimated at Rs. 12.09 crores at the budget stage was mainly attributable to shortfall in the State's share in Central taxes, lesser receipt from Government of India on account of plan schemes in the Central Sector and relief expenditure and lesser realisation under some heads of the State's revenues. Therefore, the overall transactions for 1986-87 disclosed a net deficit of Rs. 61.82 crores which became the opening balance for 1987-88. Aggregates of other transactions during the year 1987-88 are estimated to even out and the closing deficit of Rs. 61.82 crores is to be rolled over to the next financial year.

4. As the Hon'ble Members are aware, the State is in the grip of a severe drought. To mitigate the distress and misery of people, particularly in rural segments, State Government have undertaken large scale programmes



of relief for generating income and employment. Appreciating the need for greater intensity and spread in drought management efforts, the Government of India have allocated additional resources by way of advance plan assistance for drought relief and drought proofing schemes. Steps have been taken for administration of relief programmes, execution of labour intensive works and nutrition programmes in different affected areas of the State.

5. Inadequate and irregular precipitation during the last monsoon season has caused dislocation in many areas of the State's economy. Shortfalls under the various heads of revenue—mainly land revenue, generation and sale of power and electricity duty—are unavoidable in the current financial year. This has created a crunch in the resources estimated for the Annual Plan for 1987-88. A sharp reduction in the Annual Plan outlay by about Rs. 163 crores could be staved off by effecting improvements in the resources of the State Government as well as the State Electricity Board. The revised outlay as provided in the Revised Estimates would stand at Rs. 684.40 crores. Together with the advance plan assistance for drought relief measures, the plan size would be of the order of Rs. 742 crores.

6. The Budget Estimates for the fiscal 1988-89 envisage that the total receipts of Rs. 3989.79 crores will be matched by a total disbursement of Rs. 3989.79 crores. The year's transactions thus are expected to close without creating either a surplus or a deficit. Broad details of the Budget figures disclosing the transactions in the Consolidated Fund, the Contingency Fund and the Public Account of the State Government are exhibited in the statement at Appendix-I. Provisions allowed in the Non-Plan side of the Budget for various items of expenditure have been carefully scrutinised and by and large conform to the norms and standards laid down by the 8th Finance Commission. The revenue account of the State Government for 1988-89 has a surplus of Rs. 60.77 crores whereas there is a deficit of Rs. 171.02 crores in the capital account. The net deficit in the Consolidated Fund comes to Rs. 110.25 crores which would be offset by an equal amount of surplus in the Public Account.

7. The Honourable Members are aware that since 1980 the successive Budgets have been dedicated to achieving our Government's prime objective of building a prosperous Orissa and carving out for the people of the State a path of higher economic growth and social progress. A series of growth-oriented policies combined with stability and firm



direction have contributed in a large measure to amelioration of poverty in the State, generation of employment opportunities in rural areas and other many sided developments having a multiplier effect. Despite the frequent occurrence of natural calamities, the State's journey towards a better tomorrow remains unabated.

8. Thanks to the efforts of our Chief Minister, the Annual Plan for the year 1988-89 has been fixed at Rs. 835.00 crores despite the overall constraints in resources experienced by almost all the States including the Central Government. I am also glad to announce here that we have been able to provide a larger plan outlay for the next financial year without resorting to any large dose of taxation. The scheme of financing a plan of Rs. 835.00 crores in 1988-89 is given in Appendix-II. We propose to raise additional resources of the order of Rs. 95.70 crores to support the next year's plan outlay by rationalising and restructuring the various tax and non-tax sources and rates of imposts of revenue which are within the parameters wherever laid down by this august House. I would like to record here my deep appreciation of the gesture of all sections of Government employees as well as employees of aided educational institutions and local bodies who have invariably given their consent to temporarily

impound the additional instalments of dearness allowance for financing the Annual Plan. We have also anticipated higher forest receipts on account of nationalisation of the working of bamboo areas in the State. Sector-wise allocation of the State Plan outlay is as follows :—

		(Rs. in crores)
1.	Agriculture and Allied activities.	79·91
2.	Rural Development ..	50·59
3.	Irrigation and Flood Control ..	193·13
4.	Energy ..	224·83
5.	Industry and Minerals ..	52·53
6.	Transport ..	52·55
7.	Science & Technology ..	1·23
8.	General Economic Service ..	10·51
9.	Social Services ..	141·70
10.	General Services ..	28·02
		835·00
Total ..		835·00

Of the above outlay, the State Budget will have a provision of Rs. 749·50 crores. The balance of Rs. 85·50 crores comprises the plan of the O. S. E. B. at Rs. 78·51 crores, of the O. S. R. T. C. at Rs. 4·56 crores and Urban Local Bodies at Rs. 2·43 crores. The budgetary outlay of Rs. 749·50 crores includes



a provision of Rs. 19.43 crores for upgradation of the standards of administration. Special Central Assistance of Rs. 25.57 crores is expected during 1988-89 for Tribal Development Programmes. Another sum of Rs. 1.74 crores will be available from the E. S. I. and UNICEF. The Central and Centrally Sponsored Plan Schemes aggregate to Rs. 247.32 crores. Thus the total outlay in the State Budget for various programmes under State Plan, Central Plan and Centrally Sponsored Plan comes to Rs. 1024.13 crores.

9. I will now come to some of the major thrusts in the different sectors of development.

Agriculture  
and Soil  
Conservation.

10. Activities in the agricultural sector would continue to play a dominant role in the State's economy for sometime, despite the diversification which of late has been taking place. The programmes under this sector aim at improving productivity through extension of crop area, introduction of improved agricultural implements and practices, diversification of cropping pattern, use of high yielding varieties of seeds, fertilizers and pesticides. Continuing schemes for improving production of paddy, oil seeds and pulses will be further strengthened. The target for 1988-89 has been fixed for production of 81.42 lakh tonnes of food grains, 9.51 lakh tonnes of oil seeds and 39.30 lakh tonnes of sugarcane. Other significant programmes in this sector

are improvement of horticulture, plantation of fruit bearing trees and training of housewives in techniques of food preservation. More than 50 per cent of the land surface of the State being prone to hazards of erosion, due emphasis has been laid on soil conservation measures. Programmes like plantation of trees, water harvesting structures and stream bank erosion control have been taken up. It is also proposed to take up integrated watershed management programme in the catchment area of the Subarnarekha, Indravati and Upper Kolab rivers.

#### Co-operation

11. Co-operatives play a vital role in the agrobased economy of the State. The target up to the next year is to bring within the co-operative fold 32.35 lakh families under progressive coverage out of a total of 36.72 lakh agricultural families in the State. The Co-operative Credit Structure is being activated to disburse to farmers short term loans of Rs. 70.00 crores, medium term loans of Rs. 12.00 crores and long term loan of Rs. 15.00 crores during 1988-89. Two new sugar factories one at Nayagarh and another at Baramba are under execution and these factories are expected to go into stream next year.

#### Animal Husbandry

12. Most of the programmes in the Animal Husbandry field are intended to step up production of milk, meat and egg through



scientific breeding, feeding and management practices. Production of quality animals at economic cost, strengthening of organisations for supply of required input and marketing of the output, provision of animal health cover and control measures will continue to receive attention in 1988-89. Integrated cattle development programmes are proposed to be taken up newly in the districts of Koraput and Bolangir with assistance of the Danish Government. There is also a proposal to take up a dairy development programme in the district of Ganjam with the Swiss Government assistance. A provision has been made to convert 100 chilled semen centres to frozen semen centres during 1988-89.

#### Fishery

13. Both marine and inland fishery development programmes are directed towards augmentation of production and *per capita* consumption of fish in the State. Provision has been made for infrastructure development by construction of fishing harbours at Paradeep, Gopalpur and Nuagarh. A scheme has also been taken up for development of traditional fishery at Kasafal. Modernisation programmes include introduction of new technology for fishery development in the field of hatchery for prawn and fish seeds production. Welfare measures for fishermen



like provision of insurance cover, saving-cum-relief fund, housing and drinking water supply will continue with a larger coverage.

Forest

14. Development without destruction has been the guideline in using the forest wealth of the State. Nearly 36 per cent of the State's geographical area is under forest cover. To maintain the agro-climatic and ecological characteristics of the region and in line with the overall approach of protection of the environment, the policy emphasis has been on plantation of new forests and preservation of the existing forest areas. In 1988-89 it has been programmed to cover 74,000 hectares under forests of which 30,000 hectares will be commercial plantation. Nearly one lakh hectares of degraded forests will be rehabilitated. Seedlings of the order of 155 lakhs would be distributed for the aforesaid programmes.

Irrigation &  
Flood Control

15. Provision of Irrigation is one of the key inputs in our agro-based economy. Priority has been accorded to progressive utilisation of the irrigation potential of the State through major, medium and minor irrigation projects. During the first two years of the Seventh Plan the Rengali Dam Project and nine other medium irrigation projects have been substantially completed. Steps are being taken to complete as many on-going projects as are possible by the end of the next

financial year. Ayacut served by lift irrigation points will also be expanded particularly in those districts where ground water potential exists. In course of the next financial year, additional irrigation would be available for about 29,400 hectares in khariff and about 43,000 hectares in rabi seasons from major, medium, minor (flow) and lift irrigation sources. Since 1980, irrigation facilities have been provided for 3,08,000 hectares in khariff and 1,40,000 hectares for rabi crops. To provide protection against floods, several schemes are under investigation.

Industries &  
Mining.

16. Policies of the State Government in respect of industrial finance, infrastructure and technical know-how have created an all-round environment for establishment and growth of industrial activities in the State. The State Public Sector Undertakings like the Orissa State Financial Corporation, the Industrial Development Corporation Ltd., the Industrial Promotion and Investment Corporation, the Industrial Infrastructure Development Corporation and the Electronic Development Corporation have drawn up programmes for greater development during 1988-89 of small and large industries in the State. Up to the end of December 1987, 7,499 units of Small-Scale and Village Industries were set up creating employment opportunities for more than 50,000 persons. Artisan-based industrial



units received an investment support of about 37 crores from the financing institutions during the current financial year. Next year the investment would be of the order of Rs. 59 crores from Small-Scale and Village Industries and Rs. 39 crores for artisan-based industrial activities.

Nineteen units of medium and large scale industries promoted by IPICOL with an investment of Rs. 70.91 crores are expected to go into production during 1987-88. 48 more industries with an investment of Rs. 130.80 crores may go into production in different phases next year. The Industrial Development Corporation proposes to expand its activities in the existing units as well as by setting up new industries involving more than Rs. 100 crores of investment. An electronic industries complex would be set up in Bhubaneswar by the Electronic Development Corporation during 1988-89 for promoting electronic units by small entrepreneurs. The output of various types of minerals in the State would be of the order of 22 million tonnes during 1988-89, Gem stone based industrial activities are proposed to be initiated in gem stone bearing areas of the State through the Orissa Mining Corporation Ltd. The Charge Chrome Factory at Brahmanipal has gone into commercial production. A chrome ore beneficiation plant is proposed to be set up by the Orissa



