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ORISSA
LEGISLATIVE ASSEMBLY DEBATES

(Ninth Assembly)

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ASSEMBLY SECRETARIAT, BHUBANESWAR

Sir,

I rise to present before the august House the Annual Financial Statement and other Budget documents for the year 1989-90.

2. While presenting the Budget Estimates for 1988-89 I had stated before the House that in 1987-88 the economy of the State as a whole was under severe pressure. The quick estimates of the economy's performance for 1987-88 reveal that the foodgrain production registered a decline. The S.D.P. at current prices also deteriorated. It has been computed at Rs. 58,78.94 crores. The drought of 1987-88 has been said to be the worst in this century. It had its traumatic effect on all sectors of the State's economy and had also its toll on the resources of the State Exchequer. Receipt and recovery levels anticipated in the revised estimates of 1987-88 did not fully materialise and the consequent deterioration was reflected in the net position of the year's transactions. The anticipated year end deficit of Rs. 61.82 crores for 1987-88 actually worked out to Rs. 116.25 crores as per the accounts for that year. The year 1988-89 thus opened with a negative cash balance of Rs. 116.25 crores. Drought conditions continued in some of the districts of the State for the second successive year and a few others suffered from ravages of floods. To mitigate the distress caused by these natural calamities the State Government have undertaken appropriate relief measures including execution of a massive programme of labour intensive works in rural and other affected areas.

3. The Revised Estimates for 1988-89 envisage a total receipt of Rs. 46,32.28 crores and a total outgo of Rs. 45,16.02 crores. The surplus of Rs. 116.26 crores is intended to be set off against the opening deficit of the year in order to remedy the structural imbalance in the State's finances. The objective is sought to be achieved by improving mobilisation of resources and by recasting the size of the State's Annual Plan. The transactions of the year 1988-89 are expected to close with a balance of only Rs. 1 lakh which would form the opening balance for 1989-90.

4. As the Hon'ble members are aware, the award of the Ninth Finance Commission for the year 1989-90 will govern the devolution of State's share in Central taxes and grant-in-aid of revenues. The Budget estimates of 1989-90 have been framed taking into account, *Inter alia*, the Central devolutions as recommended by the Commission. The aggregate level of non-Plan revenue expenditure as provided in the Budget including a provision of Rs. 93 crores for maintenance of completed Plan schemes of the Sixth Plan, more or less, conforms to the level recommended by the Commission. Improved estimate of tax and non-tax receipts have also been incorporated keeping in view their recommendations in that regard. The Ninth Finance Commission while assessing the non-Plan receipts of the State Government for the fiscal '89 on a normative basis have taken into account a portion of the revenues raised by the State Government up to the year 1988-89 for financing the Plan. This approach has severely constrained the scope of raising further additional resources in the ultimate year of the 7th Plan. Our Chief Minister while presenting the State's case before the Commission during their visit to the State, has strongly pleaded *inter alia* that the Commission's interim award for Orissa for (1989-90) was not adequate and fell far short of the State's expectation. Since it would not be possible to mobilize additional resources of a high order in 1989-90, it has been assumed in the Budget Estimate that the extra receipts required for financing the Annual Plan, 1989-90 should be mobilized by resorting to higher market borrowing, securing a higher level of Central Assistance and other capital receipts. Against this backdrop of assumptions, the budgeted receipts of the State Government have been estimated at Rs. 48,32.33 crores in 1989-90.

The aggregate disbursements would be of the same magnitude. The year's transactions envisage a total receipt of Rs. 31,36.40 crores and total expenditure of Rs. 33,38.71 crores in the Consolidated Fund. The receipt of Rs. 20.00 crores in the Contingency Fund will be fully matched by an outgo of Rs. 20.00 crores. The Public Account is estimated to have an aggregate receipt of Rs. 16,75.93 crores whereas the total outgo is expected to be of the order of Rs. 14,73.61 crores. The deficit in the Consolidated Fund would be offset by plus balance in the Public Account. The opening balance of the year 1989-90 would form the closing balance. (Appendix-I contains the abstracts of these transactions).

5. The Hon'ble Members are aware that since 1980 it has been the firm determination of our Government to set Orissa on a path of accelerated economic growth and all-round development. During the 6th and 7th Plan period (1980-81 to 1986-87) the growth rate of the State's economy has averaged at 4.9 per cent (at constant prices) as against less than one per cent during the preceding seven years ending 1979-80. The State Government's Budget for 1989-90 is one more step in our unremitting efforts to strengthen and diversify the economy of the State so that the present and future generations of Orissa could have access to a fuller, richer and prosperous life.

6. The Annual Plan for 1989-90 envisages an outlay of Rs. 925 crores, of which Rs. 800.10 crores would be provided in the State Budget and the balance amount of Rs. 124.90 crores would constitute the Plan outlay of the Orissa State Electricity Board, the Orissa State Road Transport Corporation and the Urban Local Bodies. The allocation for different sector under the Plan is as follows :—

	Rs. in crores
(i) Agriculture and allied activities	.. 90.06
(ii) Rural Development	.. 60.09
(iii) Irrigation and Flood Control	.. 184.54
(iv) Energy	.. 261.84
(v) Transport	.. 53.37
(vi) Industries and Minerals	.. 51.73
(vii) Science, Technology & Environment	.. 1.61
(viii) General Economic Services	.. 14.02
(ix) Social Services	.. 163.22
(x) General Services	.. 44.52
Total	.. 925.00

The budgetary provision of the State Government includes Rs. 18.22 crores for upgradation of the standards of administration and Rs. 10.58 crores for construction of Primary School buildings which formed a part of the award of the Ninth Finance Commission. Special Central Assistance of Rs. 31.85 crores is expected during the year for tribal development programmes. Another sum of Rs. 1.61 crores would be available from the ESI and UNICEF. For the Central and Centrally Sponsored Plan Schemes expenditure of Rs. 294.51 crores has been assumed in the Budget. Thus, the total outlay in the State Budget for

various programmes under the State Plan, Specially assisted Tribal Development Programme, Central Plan and Centrally Sponsored Plan aggregates to Rs. 11,28.07 crores.

7. I will now briefly indicate the major thrusts in certain important sectors of development.

8. Stepping up of production and productivity in agriculture has been our major strategy. Schemes and programmes of development have been formulated accordingly. Programmes in this sector cover farmer's education, introduction of improved technology, adoption of new cropping pattern and a package for farmers to enable them to have easy access to high-yielding seeds, improved agricultural implements and other critical inputs and services. The total rice production in the State is likely to be of the order of 53.43 lakh tonnes in 1988-89 against 51.21 lakh tonnes achieved in 1983-84 and 29.18 lakh tonnes in 1979-80. Total oil-seed production which stood at 1.23 lakh tonnes in 1979-80 reached a figure of 3.99 lakh tonnes in 1983-84. The production is likely to be of the order of 9.24 lakh tonnes in 1988-89 and the target for the next year has been set at 10.32 lakh tonnes. It is gratifying to note that a break through in ground-nuts production has been achieved in the State and the productivity has gone up to 14.34 quintals per hectare which is higher than the national average. In respect of production of pulses it has been possible to almost double the output during the period 1979-80 to 1987-88. In respect of all these crops higher targets of production for the next year have been fixed. Other important activities in this sector include measures for conservation of moisture and protection of soil. 4,738 Water Harvesting Structures have been completed to help conserve moisture in non-irrigated areas and are providing protective irrigation to about 76,000 hectares of land. The programme for the next year includes construction of 519 Water Harvesting Structures, 84 Kms. of Stream Bank erosion control work, plantation over 1,745 hectares of land and development of 5,852 hectares of eroded land.

8.1. Co-operatives play a vital role in Rural Development Programmes. By 1988, more than 80 per cent of the agricultural families have been enrolled in the Co-operative fold. The target for 1990 is to cover 90 per cent of the agricultural families. Short-term loan investment is likely to be of the order of Rs. 70.00 crores in 1988-89 and Rs. 80.00 crores in 1989-90. The targets in respect of medium and long term loans are Rs. 28 crores and Rs. 35 crores for 1988-89 and 1989-90, respectively. More than 60 per cent of the total loan is expected to be availed by weaker section of the society. Special credit support is being extended to rice production programme and the national oil-seed development programme. Benefits to the extent of Rs. 13.19 crores would be available to farmers in the current year under the Crop Insurance Scheme in respect of Khariff 1987 paddy crop. A number of measures have been taken to strengthen co-operatives in housing, marketing and consumer service areas. An Oil Complex with a processing capacity of 70 tonnes of ground-nut per day and a Sugar Factory with a crushing capacity of 1,250 tonnes of cane per day have commenced production in the co-operative sector.

8.2. Activities associated with Animal Husbandry and Dairy contribute in a large measure to the rural economy of our State. Upgradation of both milch and draught animals and health cover for them are the basic components of the strategy in this sector. The Operation Flood II Programme covers the districts of Cuttack, Puri, Keonjhar and Dhenkanal for augmentation of milk output in the State. A special programme of dairy development is under implementation in the Nawapara Subdivision of Kalahandi district. Poultry

and duck farming, Sheep and Pig rearing are being encouraged by motivating small and marginal farmers. A number of private entrepreneurs have responded well to larger poultry farming and other animal husbandry schemes.

Fisheries

8.3. Fishery resources of the State whether estuarine, marine or freshwater are being exploited on an increasing scale. Infrastructural facilities, such as, hatcheries and fish seed production farms have been expanded. Approval of the Central Government has since been received to set up a fishing harbour at Astaranga. A large sized prawn-hatchery at Gopalpur-on-Sea has been set up with collaboration of the French Government and assistance of the MPEDA. So far 26,102 hectares of fresh water area and 2,898 hectares of brackish water area have been developed for taking up pisciculture. The departmental agencies and farms and the Orissa Fish Seed Development Corporation have succeeded in implementing a sizeable programme of producing spawn and quality fish fry through induced breeding.

Forest

9. Our efforts to conserve existing forest wealth of the State and to enlarge the forest cover will continue uninterrupted during 1989-90. Hon'ble Members are aware that our Government have set the pace in the whole country by adopting the policy to ban felling of trees in the forests of the districts Kathahandi, Phulbani and Balangir. The responsibility for management and protection of certain categories of reserve forests has been assigned to villages of adjoining villages with a view to promote greater awareness about the utility of forests and a sense of responsibility about their use and exploitation. A massive plantation programme has been undertaken to upgrade large tracts of degraded forests and to bring in new areas under forests. The programme for 1989-90 envisages plantation over 36,225 hectares of land and rehabilitation of 1,300 hectares of degraded forests. The State Government have in the meantime issued a Notification declaring their intention to constitute Bhitari Kanika as a sanctuary. Deer parks and sanctuaries have been set up at different locations in the interest of preservation of wildlife.

Irrigation & Flood Control

10. Greater spread of irrigation works and availability of water are the key inputs for the growth and modernisation of agricultural and allied economic activities particularly in rural areas. By the end of the current financial year two modernisation schemes, namely, Extension of Ghodabada and Bhaskel Dam will be completed and renovation of Bargah main canal, Anandapur barrage and Kanjhari will be substantially achieved. Additional irrigation facilities during 1988-89 would be available for an area of about 57,744 hectares in Khariff and about 30,545 hectares in Rabi under major, medium, minor and lift irrigation schemes. The additional coverage during 1989-90 is likely to be 65,378 hectares in Khariff and 43,089 hectares in Rabi through the schemes. Mahanadi-Birupa Barrage Project, Ramjala, Suni, Kansbaha Sunder, Upper Suktel and extension of Remal are expected to be completed during 1989-90. Besides, completion of 40 distribution schemes in the Mahanadi delta and stabilisation of 12 Drainage schemes are likely to be achieved by June, 1989. Lift Irrigation Programmes during 1989-90 envisage installation of more than 1,000 lift points for irrigating an additional area of 24,000 hectares. Of the 41,000 Sq. Kms of flood prone and waterlogged areas in the State, protective measures have been provided to 28,000 Sq. Km area. Further measures would be taken during 1989-90.

Power

11. To meet the growing demand of energy in the State, steps have been taken to renovate existing power projects, commission those in the pipeline and identify new projects for meeting future needs. Two units of the Upper Kolab Hydro-electric Project have become operational in the current financial year. The first unit of the Rengali Stage-II would be shortly commissioned.

generation. Other units which are expected to go on stream during 1989-90 are the third unit of Upper Kolab the 2nd unit of Rengali Stage-II and the 7th unit of Hirakud. The total installed capacity at the close of the 7th Plan including captive generation would be of the order of 2761 MW in the State. Besides, the 1b Thermal Power Project with an installed capacity of 840 MW has been taken up and the sanctioned Super Thermal Power Project at Talcher will have an installed capacity of 1000 MW.

Industries
and Mining.

12. The Industrial Policy pursued by the State Government has been of considerable assistance in the process of industrialising the State. The Industrial Development Corporation have programmed to invest more than Rs. 200 crores in course of the next couple of years in setting up new projects and expanding the capacities of the existing units. IPICOL would be receiving an equity support of Rs. 8 crores next year for their ongoing projects. Another Rs. 4.10 crores are available for disbursement of assistance to eligible entrepreneurs as electricity duty loan, sales tax loan, assistance for project feasibility studies and adoption of appropriate technical know-how. The Orissa State Financial Corporation have kept a loaning target of Rs. 53 crores for 1989-90 for assisting 1,200 units. By way of infrastructural support, HDCO would be completing development of 649 acres of land, construction of 318 industrial sheds and 180 industrial housing units by the current financial year. For 1989-90 their programme is to develop 1,205 acres of land construct 75 numbers of sheds. A sum of Rs. 3 crores has been allocated for their activities. Another provision of Rs. 1.50 crores is available for the three important growth centres of the State. A number of electronic industries have been set up in the State involving an investment of Rs. 36.30 crores. The Electronic Development Corporation would be further intensifying activities in this area during 1989-90.

12.1. Significant strides have been made during the 7th Plan period in organising and establishing small-scale industries in the State. About 2,000 new units are expected during 1989-90. In the artisan sector, 460,770 artisan units are in operation by December, 1988 providing employment to about 783,000 persons. Next year there would be further expansion in this area covering Khadi and Village Industries, powerlooms, Sericulture and handlooms.

12.2. Technical education and craftsman training in the State are being reoriented to cater to the manpower needs of the State. A scheme has been drawn up to modernise polytechnics and other similar institutions in the State through World Bank assistance. Some of the courses introduced are computer application, architectural engineering and applied electronic instrumentation.

12.3. Exploration and investigations carried out during the current year have established occurrence of sizeable deposits of beach sand, thermal grade coal, kyanite and limestone among others. A detailed project report has been completed for development of iron-ore mines in the hinterland of Paradeep Port for a potential annual export of six million tonnes of ore through this port. The total mineral production in the State is likely to touch 24 million tonnes during 1989. The Orissa Mining Corporation has identified a number of gemstone bearing areas for operation.

13. To popularise the benefits of science and technology among the masses and to generate greater awareness about the environment, a number of workshops, seminars, exhibitions and science fairs have been organised. The planetarium at Bhubaneswar named after the eminent astronomer of Orissa Samant Chandra Sekhar is nearing completion. The Orissa Remote Sensing Application Centre have expanded their activities. Efforts are continuing

through various programmes of the Orissa Computer Application Centre to introduce computers in different spheres of public administration and training of manpower. A number of schemes have been developed over the last few years for utilising non-conventional energy, such as, biogas, wind mills, solar and tidal sources.

Transport
& Commu-
nication.

14. A network of all-weather roads constitutes one of the basic infrastructural supports for the growth and development of an economy. A number of programmes, such as the Road Development Programme, Minimum Needs Programme, Rural Labour Employment Guarantee Programme and the National Highways are under implementation for laying down new road connections, improving the existing linkages and providing bridges and cross drainage works. The year 1988-89 will witness the completion of 74 bridges, 399 cross drainage works and improvement of 2,348 Kms. of road under various programmes including RLEGP. Efforts will continue during 1989-90 to further these activities. Construction of two major bridges, one over the river Brahmani in Dhenkanal district and the other over river Vansadhara in Koraput district is in progress.

Rural Deve-
lopment &
Water-sup-
ply and
Land
Reforms.

15. All anti-poverty programmes, such as, the IRDP, ERRP, NREP, RLEGP & ASMFP, etc. are being implemented for improving the lot of weaker sections and small and marginal farmers. Apart from the families already assisted under the IRDP and the ERRP schemes, another 108,000 families under the IRDP and 170,000 families under the ERRP would stand to benefit during 1988-89. The programme for 1989-90 will cover 2.22 lakhs more families. To provide gainful employment in rural areas allocations under NREP and RLEGP have been stepped up to Rs. 33.16 crores and Rs. 38.77 crores. Man-days of employment likely to be generated in 1989-90 under these two programmes would be of the order of about 3.41 crores. A special programme of providing 18,000 irrigation wells in the rural areas is under execution and additional 5,000 such wells will be provided in the drought prone areas of Kalahandi district. This programme will also continue during 1989-90. A sizeable programme of providing drinking water through tube-wells has been implemented in the State. Under the MNP and accelerated rural water supply programme, more than 26,000 tube-wells have been sunk during the first three years of the 7th Plan. It has been programmed to sink 9,278 tube-wells in 1988-89 and 8,341 in 1989-90. Implementation of the DANIDA assisted drinking water-supply projects in the coastal belt is in progress. The National Technology Mission on drinking water now covers the district of Phulbani and 5 neighbouring Blocks of Ganjam district along with the district of Koraput.

15.1. Programmes for the welfare of women and children are under execution. Remunerative schemes have been drawn up to augment the resources of Grama Panchayats.

15.2. House-sites are proposed to be allotted to 15,000 homesteadless families. Consolidation measures will cover one lakh hectares of land and 1,500 villages would come under survey settlement operations.

Harijan &
Tribal
Welfare.

16. Socio-economic development of the Scheduled Caste and Scheduled Tribe population has been accepted as a programme of special priority by the State Government. Integrated Tribal Development Agencies, Modified A.P. Development Agencies, Micro Projects and Cluster Projects have been set up in the State for implementing various welfare and protective schemes. Funds of the order of Rs. 281.46 crores would be flowing to the Sub-Plan areas from different sources in 1988-89 and for 1989-90 it may be of the order of Rs. 323.75 crores. Including the I. F. A. D. assistance of Rs. 2.61 crores for

