Speech of
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Chief Minister, Orissa
Presenting the Budget Estimates
For the year 1965-66
To the Orissa Legislative Assembly
BUDGET SPEECH FOR 1965-66

SIR,

I rise to present the Budget Estimates for the year 1965-66. The year 1964-65, which is coming to a close, is an eventful year in several respects. The sad demise of our beloved Leader Pandit Jawaharlal Nehru on May 27, last year, gave the greatest shock to the Nation. He was the architect of modern India. He led relentless fight for ending of poverty, ignorance, disease and inequality of opportunities. Whatever we do today or I wish to place before the Honourable Members is only an attempt to fulfil his desire. I would humbly request the Hon’ble Members to help me and co-operate with the Government in our attempt to complete the unfinished task of our beloved Leader.

Hon’ble Members are aware about the state of emergency which exists in the country today on account of uncertain condition of our relation with China. Threat of Chinese aggression persists and it has become more potent since China now possesses Atom Bomb. In spite of our endeavour to maintain best of relations with our neighbour Pakistan, there were troubles and we had to face a serious economic situation and law and order problem of an unprecedented nature when large number of refugees came to this State from East Pakistan. Migration of large number of families from Burma to this State also added to the strain on our economy.

I would now place before the Hon’ble Members certain salient features relating to the economic situation of the State. Agricultural production which contributes to nearly two-thirds of the State Income has been on the
increase. During the year, the crop condition proved to be excellent on account of favourable weather throughout the State. The total production of cleaned rice as estimated by the Bureau of Statistics and Economics is of the order of 43.59 lakh metric tons as against 42.49 lakh metric tons during the previous year although the acreage has remained more or less constant. It is gratifying to note that the rice production achieved during this year has been the highest so far for the State. The yield rate of winter paddy has been estimated at 6.62 qtl. per acre as against 6.44 qtl. during the previous year.

Attempts are being made to diversify agricultural production and to ensure economic distribution of the area under all crops. Jute, sugarcane and pulses are receiving careful attention. Efforts are being made to increase the acreage and production of these crops.

Industrial production has also shown substantial increase during the year. Production of sugar has gone up by 62 per cent over the production of the previous year. Production of paper and cement during January to August 1964 has recorded increases of about 12 per cent and 2 per cent respectively over the production in the corresponding period of 1963. Generation of electricity during January to August 1964 has also registered an increase of 9.5 per cent over what it was in the corresponding period of the previous year.

Mineral production, however, showed slight decline during the first half of 1964 as compared to the same period of the previous year. The production of iron-ore, coal and manganese fell by 13.9, 10.5 and 0.7 per cent during the first half of 1964 as compared to the corresponding period of the previous year. The fall in production of iron-ore is due to lower rates offered by the National
Mineral Development Corporation to the mine owners of Orissa. The decrease in production of manganese is due to the export market being dull during the period. Coal production was adversely affected during the year as a colliery in Talcher was closed for a considerable period. The production of China Clay and Fire Clay, on the other hand, showed increases of 53.2 per cent and 0.3 per cent respectively.

The most disconcerting feature of our economy during the period under review was the steep rise in prices. The working class consumers’ price index of Cuttack and Bhubaneswar were 180 and 166 respectively in September 1964 as compared with the general index of 148 and 140 for the year 1963. This has upset the results of higher production and increase in wage rates.

There has been increase in the wages earned by agricultural workers. Available statistics show that the index number of agricultural labour wages for male workers has gone up from 158 in June 1963 to 166 in June 1964.

It is, however, gratifying that the State income and the per capita income have been on the increase. According to the estimates formulated by the Bureau of Statistics and Economics, the State Income in the year 1962-63, at 1958-59 constant prices, was Rs. 429.99 crores as against Rs. 422.59 crores at the end of the Second Plan. On the basis of the present trend of growth, the State income by the end of the Third Plan has been estimated to be of the order of Rs. 512 crores.

The per capita income in 1962-63, at 1958-59 prices, was Rs. 241. The index of per capita income for the period 1951-52 to 1962-63 shows that the increase during the
period has been about 11 per cent. The rates of increase have been more significant in Second and Third Plan periods as compared to the First Plan.

Last year on this occasion, the Hon'ble Members were informed that the anticipated Third Plan outlay on the State Plan Schemes was likely to be of the order of Rs. 227 crores. Since then, the scope of some of the programmes of agricultural production, minor irrigation, soil conservation and such other programmes have been expanded. The provision for Paradeep Port has been increased to Rs. 19 crores. These changes have been effected largely by making adjustments in the outlay earlier planned. The revised State Plan ceiling has, however, been maintained at about Rs. 227 crores. The State Government have also requested the Government of India to take over the Paradeep Port Project and I am glad to inform the House that Government of India have since decided to take over the Port for completion of the construction. This will not only improve the position of the State resources to a considerable extent but will also open up the prospects of great future for the Paradeep Port.

The progress of implementation of the Third Plan Schemes has been fairly satisfactory. The anticipated expenditure during first four years of Third Plan period is 78 per cent of the total outlay under Social services, 76 per cent under Agriculture and Community Development sector, 75 per cent under Industries, Transport and Communication and 70 per cent under Irrigation and Power Schemes. In physical terms, the progress is encouraging. The production of rice excluding Dalua has reached the all time record figure of 43.59 lakh metric tons. Under Power, work of Talcher Thermal Scheme and Bali-mela Hydro-Electric Project is progressing according to
schedule. Power generation will commence at Talcher Thermal by about the end of 1965-66 and capacity generation would be reached during the Fourth Plan period.

I would like to indicate here to the Hon’ble Members the broad objective of the Fourth Plan in Orissa, which has already been submitted to the Planning Commission. The rate of progress of Orissa has to be faster than the pace envisaged for the country as a whole as she has to reach a level of economic equality with other States in India. The economic forces will have to be generated, which will make the progress self-sustained and accelerating. It has been stated by the Planning Commission that “the crucial problem for the Fourth Plan is thus, of accelerating the tempo of development without accelerating inflationary trend in the economy”. Government of Orissa’s stress is, therefore, on schemes which seek to increase production in a short time. The State Government would endeavour to increase productivity and achieve technological advancement in various fields. Priorities have, therefore, been formulated giving preference to quick yielding schemes, maximum utilisation of potential already created, ensuring people’s participation and improving the technological standards and practices, feasible and economic schemes for which the State is or plans to be techno-administratively prepared. Great emphasis has been laid on agricultural production which can be a potent instrument in controlling spiral rise in prices. All possible efforts will be made to ensure an annual growth rate of 8 to 9 per cent in agriculture. Out of proposed Plan outlay of Rs. 460 crores, the tentative allocation to agriculture and allied subjects is Rs. 188 crores constituting almost 41 per cent of the total Plan outlay. This is in keeping with the objective of achieving an accelerated growth rate with a minimum inflationary pressure.
REVISED ESTIMATE FOR 1964-65

I shall now deal with the Revised Estimates. The Budget of the current year has undergone some changes not only to provide for expenditure in connection with agricultural “Crash Programmes” but also to provide for expenditure in connection with the emergencies arising out of influx of East Pakistan refugees to the State. While presenting the Budget Estimate of the current year, it was expected that the year would open with a plus balance of Rs.1,99 lakhs but the year actually opened with a minus balance of Rs. 8,28 lakhs thus, showing deterioration of Rs. 10,27 lakhs. This was mainly due to transactions under Remittances and less receipt of Central assistance for Plan Schemes. I do not want to take the valuable time of the Hon’ble Members in going into details of the Revised Estimate as they might have since glanced through the Budget documents already circulated to them. The details of development schemes as provided in the Revised of the current year and the Budget of the next year have been given in the White Paper on Economic Conditions and Developmental Activities in the State and in the Explanatory Memorandum.

The Revised Estimates as have now been calculated show that the current year which opened with a minus balance of Rs.8,28 lakhs is expected to close with an overall surplus balance of Rs. 54 lakhs. During the current year the revenues have shown improvements under share of Income-tax, Sales tax, Motor Vehicle Tax, Electricity Duty, etc.

Though during the current year relief was given to manufacturers by reducing sales tax on raw materials to be used for manufacture from 5 per cent to 2 per cent and milk and books were exempted from sales tax, due to efforts
made by the Intelligence Wing of the Commercial Tax Department and the Political and Services (Vigilance) Department, the total collection of sales tax is expected to be Rs. 788 lakhs as against Rs. 744 lakhs during 1963-64.

Special attention has been given to provide irrigation facilities to as much areas as possible to augment food production. Besides, the execution of 3 major irrigation projects of Mahanadi Delta, Salandi and Anandapur Barrage Projects, 9 medium irrigation projects are under execution. Most of these projects excepting medium irrigation projects of Joro-Harabhangi will be completed by about the second year of the Fourth Plan. Salki and Hiradharbatí projects are now giving benefits. With a view to providing more extensive and better irrigation facilities, the Rural Engineering Organisation and the Lift Irrigation Directorate have been strengthened. The Rural Engineering Organisation took up 85 projects during the year 1963-64 and has taken up 121 projects during the current year. It has been programmed to bring 37,000 acres of land under minor irrigation. This organisation has also taken up renovation of derelict projects so that 59,000 acres can be brought under irrigation from this source. The Lift Irrigation Directorate has the main task of providing water to cultivators in flood-affected areas in the districts of Cuttack, Puri and Balasore. It is the intention of Government to make over the completed irrigation projects to Co-operative Societies to be formed by the beneficiaries. 186 lift irrigation societies have been formed out of which 70 have already been registered.

Attention has been given to provide drinking water facilities in rural and urban areas. 17 schemes for supply of protected water are being executed in some important
urban local body areas. In order to derive quick benefits from these schemes, it was decided to aim at supply of 35 to 45 litres of water daily per head through stand-posts in the streets in the Third Plan period. Such schemes have been completed at Rourkela Civil town, Barbil, Nawarangpur, Baripada, Balasore, Jharsuguda and Phulbani. A special Investigation Division has been set up under the Chief Engineer, Public Health, to survey and assess water-supply facilities and requirement in the difficult and scarcity areas, specially in backward areas and areas where existing inadequate and unwholesome water-supplies have to be replaced. This Division has since completed the survey and it has been estimated that the total requirement to provide adequate drinking water facilities in the villages will be Rs. 41.63 crores out of which Rs. 19.74 crores required for the endemic areas and Rs. 21.89 crores for the scarcity and difficult areas. Protected water-supply through 70 piped water-supply schemes at an estimated cost of Rs. 1 crore has since been sanctioned. The State Government have been pressing Government of India for financial help for such protected water-supply. With funds available, it is hoped to complete 100 piped water-supply schemes by the end of this year. We have been pressing the Central Government for additional financial help for such schemes in the State.

Rural sanitation programme has been taken up as an integral part of rural water-supply scheme. Rural water-works operators from the villages are being trained in the principle of well construction and protection, maintenance of pumps and distribution system, disinfection of wells and water sampling. Officials and non-officials at the various levels of the Panchayati Raj Organisation have been associated in the implementation of this programme
and co-ordination committees have been set up at different levels to aid and advise and to review and evaluate the progress of the schemes.

**BUDGET ESTIMATE FOR 1965-66**

Before I deal with the Budget proposal for 1965-66, I would like to mention that the State Government, in spite of their slender resources could not but agree to the persistent demand made by the various services for enhancement of their pay scales and dearness allowances in view of the abnormal rise in prices. Their demand was accentuated by the fact that the Government of India in the meantime twice sanctioned additional dearness allowances to low paid employees to meet the rise in prices. In our State, increased dearness allowance was once allowed with effect from 1-4-1964 and has again been given from 1-1-1965. The extra expenditure on account of the first increase was estimated to be of the order of Rs. 44 lakhs per annum and the second increase is of the order of about Rs. 1 crore per year. Besides this, the anomalies existing in the introduction of revised pay scales on the recommendation of the Pay Committee have since been removed and this may cost Government about Rs. 96 lakhs per annum. Consequent on the increase of pay scales given to Class II Government servants, there was demand from Class I Government servants for revision of their pay scales. This was also revised and given effect to from 1-1-1965. The extra cost on this account may be of the order of about Rs. 14 lakhs per year. Besides these, other more important benefits given to Government servants, have been the introduction of new Family Pension Scheme, 1964 for providing adequate relief to the families of deceased Government servants, specially Government servants with less than 10 years of service. Under the new Scheme, family
pension is payable in case of death while in service, if at the time of death a Government servant has completed one year of service. The L. I. C. has also introduced the Salary Savings Scheme in this State which, if taken advantage of, will afford financial relief to the families of Government servants dying at a premature age.

I shall now proceed to indicate briefly the main features of the Budget Estimates for the year 1965-66.

The total revenue for the year is estimated to be Rs. 81.35 crores and the expenditure charged to revenue is estimated to be Rs. 91.38 crores, thus indicating a revenue deficit of Rs. 10.03 crores. Though it was my earnest endeavour to present a balanced budget, in view of the large commitments and the need for improving the living conditions of our people, I could not do so. I am, however, to indicate that the extra expenditure has been considered absolutely necessary which I could not reduce further though all the time I was alive to the consequences of such a revenue deficit budget. Levy of new taxes to cover the revenue gap was very carefully considered and I could not find any new sources or to increase the rates of existing tax structure. Unlike many other States, though we had promised to the Planning Commission while formulating our development plans for the Third Five-Year Plan period that we would be raising an extra revenue of Rs. 23 crores from additional measures of taxation, we have by now estimated that from the new measures undertaken and the revision of the existing rates, our total revenue from additional measures during the Third Plan period will be more than Rs. 31 crores. Keeping in view the conditions of our people and their incapacity to bear further burden I have not ventured to impose further taxes during the year 1965-66. I have, however, taken
steps, as I shall indicate shortly, to cover this uncovered gap in the Revenue Account by other measures and surpluses in the Capital and Public Accounts.

In a developing economy such revenue deficit cannot be avoided, but I can assure the House that when all the development projects undertaken are successfully implemented the position is sure to improve.

On the capital side including Public Accounts, receipts and disbursements are estimated at Rs. 177.42 crores and Rs. 167.23 crores respectively indicating a surplus of Rs. 10.19 crores. Provision has been made in these estimates to float a loan of Rs. 8 crores in the open market by the State Government and assumption of a loan of Rs. 11 crores on account of Paradeep Project.

A statement showing the debt position of the State for the year is given in Appendix ‘A’. The Budget in brief showing net transactions of the State has been circulated to the Hon’ble Members separately.

In December last, the State Government presented to the Planning Commission annual Plan proposals for the year 1965-66 at a proposed outlay of Rs. 59.23 crores. The Planning Commission agreed to a Plan ceiling of Rs: 55.8 crores and indicated that additional provision would be made for important agricultural programmes and programmes which qualify for being considered as advance action for the Fourth Plan. In addition, the State Government have been allowed a ceiling of Rs. 50 lakhs for agricultural production, Rs. 20 lakhs for Soil Conservation and Rs.1 crore for Minor Irrigation. We have also requested the Centre for additional assistance for Delta Irrigation and some Minor Irrigation Projects. For financing the Plan outlay in the State Sector, we have assumed for the time being a Central assistance of Rs. 27.48 crores
in the form of grant and loan and we hope that for Delta Irrigation Project, Government of India will give us further assistance to step up agricultural production. The details of Plan expenditure of several schemes to be undertaken by the various Departments of Government during 1965-66 have been indicated in volume III of the Budget Papers and in Appendix 'B'. I shall now deal with only a few important programmes.

AGRICULTURE AND FOOD PRODUCTION

As I have indicated earlier after the mid-term appraisal of the Third Five-Year Plan, much importance has been laid on agricultural production in order to meet the growing needs of the population for food and of the industries for raw materials. The Government of India have offered special development programme—Crash Programme—in the agricultural sector. The entire cost of this programme will be borne by them. Schemes for production of fruits and vegetables, construction of Cold Storage and 200 godowns on the Panchayat headquarters have been taken up under this programme. Schemes for intensive cultivation of rice, potato and vegetables have been introduced and that of oil-seeds will be included in the programme for the year 1965-66. For rice cultivation, 60 irrigated blocks have been selected and for oil-seeds, 9 irrigated blocks and for potato cultivation, certain areas in Puri, Cuttack, Koraput and Sambalpur districts have been selected. In the irrigated areas, efforts are being made to raise three crops and in non-irrigated areas, short duration paddy seeds are being distributed so as to utilise moisture of land for a second crop. To supplement seed production to conduct regional research and to carry on extension agricultural activities, it has been decided to go in for large sized mixed farms combining agriculture with veterinary. Besides such a farm at Similiguda, five more farms at Hirakud, Lachida,
Kuarmunda and Kulimposh are in the process of establishment. The organisation to cope with the agricultural production has been strengthened. The entire State has been divided into 26 agricultural districts and six ranges. Each agricultural district is in charge of a District Agricultural Officer and each range is in charge of a Deputy Director of Agriculture.

With a view to step up agricultural production, integrated agricultural programme has been drawn up at the district and block level for the whole area taking the Khariff and Rabi crop together. On the basis of target fixed in consultation with the Panchayats and Panchayat Samitis, the entire production programme is organised at the village level by arranging necessary supplies and services.

The Orissa University of Agriculture and Technology which was established in 1962 for co-ordination of education, research and extension is progressing well. Post-Graduate Classes in different subjects of agriculture have been started and new Faculty, namely, Basic Science and Humanity has been added to this University.

SOIL CONSERVATION

Soil conservation work has been mainly confined to catchment area and river valley. Recently, coffee plantations have been started in the areas of shifting cultivation in Koraput and Kashipur areas and these have been successful. Other economic crops like citrus fruits, mangoes, etc., have also been tried in these shifting cultivation areas and they have also proved successful. The
importance of such economic crops in the control of the shifting cultivation cannot be over-emphasized. Government now are trying to extend such plantations in the above areas as far as possible.

INDUSTRIES

Progress of industries in the public sector has been fairly satisfactory. The Industrial Development Corporation, which is the biggest of our Corporations, will have a capital investment by Government to the extent of Rs. 5.07 crores including an amount of Rs. 99 lakhs provided for the year 1965-66. Besides the two units of Kalinga Iron Works, Barbil and Hirakud Industrial Works at Hirakud, which are in operation, the Cement Project, the Tile Factory, the Re-rolling Mill and the Cable Factory, for which the Government of India have already granted industrial licence, may go into production very soon. The Corporation has started preliminary work for establishment of Ferro-chrome Plant, Vanadium Pig-Iron and Ferro Vanadium, Talcher Integrated Project and Industrial Grade Salt Factory. The Corporation has also been entrusted with the implementation of the Panchayat Samiti Industries Programme. It has undertaken investigation and studies into the feasibility of establishing a plant for manufacture of building boards from rice straw at Basudevpur and Engineering Works at Jamunkira. They have received a letter of intent from the Government of India for setting up Power Tillers Plant at Jeypore. They will also take up industries in three more Samitis selected recently under the Panchayat Prize Programme.

The programmes of development of Small-Scale Industries have been re-oriented to fit in with the rapid Rural Industries Programme. It aims at establishment of Tile Factories, Khandasari-Gur Factories, Rice Mills,
Oil Mills, Carpentry, Blacksmith Units, Limestone, Stone-crushing Industries, etc. So far, 137 units have been sanctioned out of which 71 are in production. Next year, 34 units in prize-winning Grama Panchayats will be taken up.

Two rural industries projects have been sanctioned by the Government of India for Berhampur and Jeypore. The aim is to start small-scale Industries and village industries intensively. Twelve units have been undertaken in the zone of operation in each of these projects.

The Small-Scale Industries Corporation has since become the agency of implementing the Grama Panchayat Industries Programme in the State. They have also taken up a number of small-scale Industries in the district of Koraput with a view to provide employment to displaced persons from Pakistan who have been settled in this area. The Industrial Estate Programme runs concurrently with the programme of development of small-scale Industries. So far, 177 factory sheds have been constructed. On account of Panchayat Industries Programme, 83 Panchayat Samiti Industrial Estates have been established and 34 more estates are under construction. The Co-operative Sugar Factory at Aska has gone into production.

In the private sector also, progress has been made for setting up of different industries. In the private sector, there has been some activity, though not to any considerable extent. The Bharatex Company has received an intent for manufacture of Styrene and Poly-styrene at Rourkela. The Hindustan Gas and Industries Limited has since obtained licence for manufacture of cotton yarn with installed capacity of 25,000 spindles. Necessary lands have been acquired and machineries have been ordered. This will be established at Jharsuguda. Bhaskar
Textile Limited has got licence for manufacture of cotton yarn with an installed capacity of 25,000 spindles. Construction work is already complete and production has started. A. Stock & Co. Structural and Vessels, Choudwar, have got licence for manufacture of steel bridge girders and structurals and 8,360 metric tons of steel storage tanks.

It has been our endeavour to give as much financial and other help as possible to entrepreneurs for establishment of industries in the State; with the generation of electricity from Talcher Thermal Station and Balimela, power in this State would be plenty and cheap. Besides, there is no dearth of raw materials and minerals in this State. It is hoped that entrepreneurs will take advantage of the above and take active part in industrialising the State.

CO-OPERATION

In accordance with the recommendations of the All-India Rural Credit Survey, the Reserve Bank of India have been making available funds through the co-operative banks to be given to the agriculturists. These co-operative credit institutions have saved many agriculturists in rural areas from exploitation by private money-lenders. During the current year, Rs. 11.56 lakhs are proposed to be advanced as short-term and medium-term loans. Government have also decided to route taccavi-loans amounting to Rs. 15 lakhs through co-operatives. Under the Agricultural Package Programme now taken up in Sambalpur, the co-operative credit societies have been functioning successfully to provide agricultural credit, fertilisers, improved seeds, etc., in a planned manner. They have also been helpful to market surplus agricultural produce of the members. To strengthen the co-operative
movement in the State, National Co-operative Development Corporation is financing schemes for co-operative development in respect of agricultural credit, co-operative marketing and processing and consumers' co-operative. They have been releasing assistance regularly. Besides the short-term and medium-term credits, which are provided to the agriculturists, 17 primary land mortgage banks provided long-term credit to the cultivators. Their target of advance for 1964-65 has been fixed at Rs. 76.00 lakhs and this is likely to be achieved.

Co-operative farming and cold storage plants in co-operative sector have been established to step up agricultural production and to stabilise the prices of some of the vegetables. Consumers' co-operative stores, both wholesale and retail, have been started in several urban and rural areas to ensure supply of consumers' goods at fair price. Wholesale stores in Cuttack, Puri, Berhampur and Bhubaneswar are functioning with 52 primary units including 35 branches. Besides 23 Rice mills sanctioned in the year 1963-64, 35 Rice mills have been sanctioned during the current year in the co-operative sector. It is proposed to sanction 60 more Rice mills during 1965-66. The Government of India will be giving Rs. 120.00 lakhs for share capital participation. Marketing co-operative societies are making purchases of agricultural produce with the aim to handle marketable surplus of agricultural produce to the tune of Rs. 4.00 crores as a measure for stabilisation of prices of foodgrains. Jute baling plants have been set up for baling of raw jutes procured by the Jute Marketing Co-operative Societies for despatch outside the State.

It is proposed to organise a co-operative Jute mill during 1965-66. Another sugar factory unit in the co-operative sector is likely to be sanctioned for the package area of Bargarh.
Although under the directive principles of State policy embodied in our Constitution, children of the age-group of 6 to 14 are to be provided with free and compulsory education by the end of 1960, it has not been possible to do so. In view of the considerable resources required to give effect to these directive principles of the Constitution, we had to lower imparting of free and compulsory education to children of the age-group between 6 to 11 instead of 6 to 14. The time-limit had also to be extended up to the end of 1965. For our State, a lower percentage at 82 had to be fixed but even this is not going to be fulfilled. There is also a great deal of wastage and stagnation which is apparent from the total number of enrolment in the classes of the elementary stage and secondary education. There is acute shortage of adequate trained teachers, especially women teachers. In spite of the enrolment drive undertaken by the State every year, the percentage of girls enrolled in schools is very low, which is mainly due to social and economic hindrances. It is expected that by the end of this Plan period, we may be reaching a target of 75 per cent enrolment. But this includes 95 per cent boys and 5 per cent girls. The original programme at the beginning of the Third Plan was to appoint 16,000 Primary school teachers during this Plan period. Due to paucity of funds, it will not be possible to reach the target of 16,000 by the end of the next year as only 1,600 new primary school teachers will be appointed during 1965-66, thus bringing the total number to 12,600.

In the field of middle school education, appreciable enthusiasm has been shown by the public as in place of 500 middle schools programmed for the Third Five-Year Plan, about 1,000 new middle schools for boys and girls have
already been opened and most of these through private enterprise. It is now expected that by the end of Third Plan period, about 1,800 middle schools would be opened. Till 1964-65, 165 middle schools for girls have been started in the State and 30 more schools are likely to be opened during the coming year. Though it is the earnest desire of Government to provide adequate building facilities, equipment and books for libraries to all these middle schools, for want of adequate resources, we may have to go slow in this direction.

Similar is the case with High-School Education. There were 452 High Schools at the end of the Second Plan period for boys and girls. 170 more High Schools have since been opened both by Government and private enterprise. This is a hopeful sign, in view of our large requirement of matriculates for various Sectors of development in the State.

As the number of High Schools is on the increase, the policy of giving grant-in-aid to aided High Schools after three years from the first batch of Matriculates has now been changed. It has been decided to give grant-in-aid to High Schools soon after the first batch of students appear for High School Certificate Examination. As a measure of providing incentive for efficiency, it has been decided to discontinue the grant-in-aid if percentage of successful students appearing in the Final Examination is below the prescribed standard. In order to provide facilities to poor and meritorious students, it has been decided to increase scholarships to a large extent, so that the objective of getting more students in Middle and High Schools may be achieved.

During the Third Plan period, rapid expansion of College education took place in the various districts of the State. Besides the increase in the opening of new
Colleges in the different parts of the State, the existing Colleges were also expanded. Post-Graduate Classes in a few subjects were started in Khalikote College and Gangadhar Meher College. Special attention has been paid to introduce Science Classes at the Pre-University stages in some Colleges.

Utkal University continues to expand its developmental activities during the Third Plan. From 1965-66, the University authorities are likely to increase the intake capacity of Burla Engineering College from 200 to 250. Provision has been made in the Budget for payment to the University for expansion of the Burla Engineering College and for meeting expenditure of the University in connection with the various Post-Graduate Departments under its control.

In order to meet the growing demand of the State for printing, due to implementation of various development schemes during the Five-Year Plan periods and printing of nationalised text-books, the State Government Press has been reorganised. Ten books comprising of all the text books required for classes I, II and III and English text-books for classes IV and V have so far been nationalised. All these books are being printed and supplied from the Government Press including the Branch Press at Bhubaneswar. During the year 1965-66, it is proposed to nationalise and print four more books of class IV from the next academic session.

TECHNICAL EDUCATION

In order to meet the growing demand for technical personnel, facilities of training to students are being expanded from year to year. Besides increasing the number of seats in Burla Engineering College, the intake capacity of the Regional Engineering College at Rourkela
has been increased to 250 with effect from 1963-64. Besides the existing five Engineering Schools and the Polytechnic the Engineering Schools at Kendrapara and Bhadrak have been taken over by Government for better management. In order to give facilities to the Diploma-holders for higher studies, coaching classes for A. M. I. E. examination have been opened at Orissa Engineering School of Cuttack, B. J. B. College, Bhubaneswar and Berhampur Engineering School. Two technical schools have been established at Choudwar and Aska this year and it is proposed to establish three more during the year 1965-66.

PARADEEP PORT

The construction of an all-weather deep sea port at Paradeep which was taken up towards the end of 1962 has made substantial progress during the year 1964-65. Most of the ancillary works, such as road, navigational canal approaches to the Port including eight kilometres of the Expressway in the Port area, water-supply works and staff quarters have been nearly completed.

So far as construction of harbour proper is concerned, the lagoon has been dredged and the sides of the lagoon well protected against wave wash. The approach and the entrance channel to the lagoon from the sea are being dredged and are expected to be completed before the end of 1965. The Western Breakwater has been built to a length of 1,067 metres with secondary armouring against the total length of 1216 metres. Heavy armouring of the breakwater so far built is in hand. The work on constructing the Eastern Breakwater has also commenced and is in progress. There has been some delay in the construction of Iron Ore Berth due to difficulties in getting the steel tubular piles fabricated, but it is hoped that the delay will be made up and Iron Ore Berth built to keep to the target
date of October, 1965 fixed for opening of the Port. Major portion of the Iron Ore Handling Plant has since been received at the site. Civil works for installing Iron Ore Handling Plant has also reached advanced stage of construction. Steps to procure the necessary harbour crafts required for the operation of the Port as soon as it is ready, have also been taken. Maintenance dredger required for tackling the problem of annual sand drift at the Port after its construction is completed has also been ordered and is under manufacture. It is expected that the State would have the benefit of a modern deep Port functioning by the end of this year.

LAND REFORMS AND SETTLEMENT

In the light of the Constitution (17th Amendment) Bill passed by Parliament in June, 1964, the Orissa Land Reforms (Amendment) Bill, 1964 which was referred to the Select Committee was examined and necessary modification to the Bill has been effected. It is hoped that the Bill will be passed as an Act in the present session of the Assembly.

On account of the Estate Abolition, the State Government are required to pay compensation to the extent of Rs. 6.76 crores against which Rs. 3.79 crores has already been paid by the end of December 1964. Besides, several intermediary interests in the districts of Sundargarh, Bolangir, Balasore, Phulbani, Ganjam, Mayurbhanj, Koraput and Sambalpur and a good number in the ex-State areas of Athgarh, Baramba, Tigriria and Narsingpur have been abolished during the year 1964-65. For speedy disposal of claim cases, additional Tahasildars and staff have been appointed. Existing village officers in the different ex-State areas of the State will be abolished soon under the provision of the Orissa Merged Territories (Village Offices Abolition) Act, 1963.
With a view to provide proper record-of-rights for all the areas in the State which will facilitate Land Reform measures, Survey and Settlement operations have been taken up in twelve districts of the State. Rents are also settled along with Survey as it is proposed to have additional revenue on account of rent settlement in the Fourth Plan period.

WELFARE OF BACKWARD CLASSES

The Scheduled Tribes and the Scheduled Castes concentration is 24.07 and 15.74 per cent respectively of the total population of the State. Compact blocks of inaccessible hilly areas covering more than 1/3rd of the total area of the State where the Scheduled Tribes mostly live, have been declared as Scheduled Areas under the Constitution. The State has the highest percentage of tribal population among the Indian States next only to Nagaland.

The welfare of all these backward classes has been engaging the attention of Government in the State for the last 18 years. Substantial achievements have been made in the field of educational and cultural development, economic uplift, health, housing and other matters.

The purchase-sale and fair-price pilot schemes now in operation in some of the units of Belghar areas in Phulbani district and Banspal Block of Keonjhar district are intended to benefit the most backward tribes living in the said areas. Under the scheme, the essential daily requirements of the tribes—such as, paddy, rice, salt, dry-fish, tobacco leaves, cloth, etc., are supplied through fair-price shops and commodities produced by tribals are purchased by Government at reasonable prices to prevent tribals from being exploited by the middlemen in the sale of such produce.
COMMUNICATION

Necessity for expansion of communication in a State to cater to the needs of the country's expanding economy can never be over-emphasized. Unfortunately for this State, we have very little of railways and not much of road communication. By the end of March, 1964, the total railway mileage in the State was only 1,461 Km. The interior of several districts are not connected with good roads. There has, therefore, been a great handicap not only in the movement of people from one part to the other, but in the movement of raw materials and agricultural produce from surplus to the deficit areas. Large number of forest produce are now wasted in our forests mainly on account of lack of communication. The last Finance Commission very kindly considered this aspect of the question and allowed a yearly grant of Rs. 1,75 lakhs for development and improvement of communications in the interest of national economy. In view of the paucity of railway mileage and the non-availability of wagons, road transport, of late, have assumed far greater importance. Most of our roads do not even have a load carrying capacity of 5 to 6 metric tons. With the assistance given by the Government of India on the recommendations of the last Finance Commission and from funds allocated under the plan, it has been possible to lay out some new roads and to improve some of the existing roads to take higher tonnage. Besides the road wing of the P. W. D., the Rural Engineering Organisation has been entrusted with the task of bringing 6,484 Km. of rural roads to district road standard. They have been placed in charge of Panchayat and Panchayat Samiti roads for improvement. With the available means, all steps are being taken not only to improve the existing roads, but also to lay out new roads to open up new areas for trade and commerce. Out of the seven major bridges over Mahanadi, Birupa
Brahmani, Baitarani, Salandi, Budhabalang and Kharsuan, the bridges over Mahanadi and Birupa have been completed and opened for traffic in June last year. There are 95 minor bridges and 290 culverts on the National Highway. The work on the road work, bridges and culverts are in full swing. It is expected that the major bridges over all except Baitarani and Budhabalang will be completed during next year. Besides the National Highway, the Expressway Project was taken up in 1962 to carry the iron-ore traffic from Daitari-Tomka mines to Paradeep Port by a route of 145 Km. via Haridaspur, Marsaghai, and Bhutmundi.

Steps are being taken with the help of the Government of India for development of inland water transport. This includes expansion of Taladanda Canal and remodelling of the Locks and improvement to the High Level Canals.

Before I close I would like to make a mention about Fourth Finance Commission which has since been set up under the Chairmanship of Shri P. V. Rajamannar. The revenue deficit during the Fourth Plan period is likely to be very substantial primarily because, committed expenditure and maintenance expenditure on account of completion of development schemes undertaken during the Third Five-Year Plan will form a part of the committed liability on the State exchequer. We have made out a case for Central assistance to cover this expenditure and we hope that the Finance Commission who are now considering various issues relating to the financial position of the State will appreciate our needs. We have urged before Finance Commission to take account of the low standard of living of the people of Orissa and the underdeveloped nature of our economy which justifies the need for larger allocations out of the proceeds of divisible Union
Taxes and duties and also for special grant from the Union Government. I fervently hope that with the assistance to be received from Government of India as a result of the recommendation of the Finance Commission, we may be able to come up to the standard comparable with those obtaining in our sister States.

Finally, I would like to place on record my great appreciation of the valuable work done by the Secretary, Joint Secretary, Finance and other officers and staff of the Finance Department for their hard and sincere work in preparing the Budget documents within a very short period. I am also thankful to the officers and staff of the Government Press for taking pains and doing additional hours of work to print all these Budget documents in time.

With these words, Sir, I present the Budget Estimates for the year 1965-66 for consideration and acceptance by the House.

JAI HIND
# APPENDIX A

<table>
<thead>
<tr>
<th>Particulars of Loans</th>
<th>Outstanding on 1st April 1964</th>
<th>Estimated outstanding on 1st April 1965</th>
<th>Estimated outstanding on 1st April 1966</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Loans from the open Market.</td>
<td>Trs.</td>
<td>Trs.</td>
<td>Trs.</td>
</tr>
<tr>
<td></td>
<td>28,16,81</td>
<td>37,00,28</td>
<td>45,00,28</td>
</tr>
<tr>
<td>2. Floating Debt</td>
<td>1,00,00</td>
<td>1,00,00</td>
<td>2,00,00</td>
</tr>
<tr>
<td>3. Loans from Government of India.</td>
<td>1,93,00,83</td>
<td>2,32,11,26</td>
<td>2,60,49,22</td>
</tr>
<tr>
<td>4. Loans from the Reserve Bank of India.</td>
<td>81,06</td>
<td>94,27</td>
<td>1,27,38</td>
</tr>
<tr>
<td>5. Loans from the Life Insurance Corporation of India.</td>
<td>2,62,83</td>
<td>3,85,64</td>
<td>4,89,81</td>
</tr>
<tr>
<td>6. Loans from the National Co-operative Development Corporation.</td>
<td>58,88</td>
<td>79,06</td>
<td>2,38,61</td>
</tr>
<tr>
<td>Total</td>
<td>2,26,20,41</td>
<td>2,75,70,51</td>
<td>3,16,05,30</td>
</tr>
</tbody>
</table>
## APPENDIX B

Plan Outlay and Budget Provision for 1965-66

<table>
<thead>
<tr>
<th>Head of Development</th>
<th>Plan Outlay</th>
<th>Budget provision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Agricultural Programme</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Agricultural Production including</td>
<td>2,36.74</td>
<td>2,36.74</td>
</tr>
<tr>
<td>Land Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Minor Irrigation</td>
<td>1,46.72</td>
<td>1,48.72</td>
</tr>
<tr>
<td>4. Animal Husbandry</td>
<td>1,17.60</td>
<td>1,10.73</td>
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<tr>
<td>5. Dairying and Milk Supply</td>
<td>1.10</td>
<td>7.41</td>
</tr>
<tr>
<td>6. Forests</td>
<td>77.26</td>
<td>77.57</td>
</tr>
<tr>
<td>7. Fisheries</td>
<td>53.30</td>
<td>52.86</td>
</tr>
<tr>
<td>8. Warehousing and Marketing</td>
<td>9.40</td>
<td>4.07</td>
</tr>
<tr>
<td><strong>Total—I—Agricultural Programme</strong></td>
<td>6,75.37</td>
<td>6,51.34</td>
</tr>
<tr>
<td><strong>II. Community Development and Co-operation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Co-operation</td>
<td>63.85</td>
<td>64.55</td>
</tr>
<tr>
<td>2. Community Development</td>
<td>3,94.20</td>
<td>3,94.20</td>
</tr>
<tr>
<td>3. Panchayats</td>
<td>19.08</td>
<td>19.11</td>
</tr>
<tr>
<td><strong>Total—II—Community Development and Co-operation</strong></td>
<td>4,77.13</td>
<td>4,77.86</td>
</tr>
<tr>
<td>Head of Development</td>
<td>Plan Outlay</td>
<td>Budget provision</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------</td>
<td>------------------</td>
</tr>
<tr>
<td></td>
<td>(Rs. in lakhs)</td>
<td></td>
</tr>
</tbody>
</table>

**III. Irrigation and Power**

1. Irrigation           5,42·69   5,38·55
2. Flood Control        97·35     99·00
3. Power                12,29·86  12,42·88

Total—III—Irrigation and Power 18,69·90  18,80·43

**IV. Industries and Mining**

1. Large and Medium Industries 1,24·00   1,24·00
2. Mineral Development        81·97     77·97
3. Village and Small Industries 1,23·44  1,15·08

Total—IV—Industries and Mining 3,29·41  3,17·05

**V. Transport and Communication**

1. Roads                  3,53·90  3,56·62
2. Road Transport         
3. Port and Harbours (Paradeep) 5,00·00  5,00·00
4. Ore Transport          80·00    80·00
5. Tourism                5·34     5·19

Total V—Transport and Communication 9,39·24  9,41·81
<table>
<thead>
<tr>
<th>Head of Development</th>
<th>Plan Outlay</th>
<th>Budget provision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VI. Social Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. General Education</td>
<td>4,21·73</td>
<td>4,07·46</td>
</tr>
<tr>
<td>2. Technical Education</td>
<td>80·69</td>
<td>80·11</td>
</tr>
<tr>
<td>3. Health</td>
<td>2,60·00</td>
<td>2,57·42</td>
</tr>
<tr>
<td>4. Housing</td>
<td>29·75</td>
<td>29·42</td>
</tr>
<tr>
<td>5. Welfare of Backward Classes</td>
<td>1,04·00</td>
<td>1,03·67</td>
</tr>
<tr>
<td>6. Social Welfare</td>
<td>4·12</td>
<td>4·29</td>
</tr>
<tr>
<td>7. Labour and Labour Welfare</td>
<td>24·29</td>
<td>22·71</td>
</tr>
<tr>
<td>8. Public Co-operation</td>
<td>0·72</td>
<td>0·70</td>
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<tr>
<td><strong>Total—VI—Social Services</strong></td>
<td>9,25·30</td>
<td>9,05·78</td>
</tr>
<tr>
<td><strong>VII. Miscellaneous</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Statistics</td>
<td>10·44</td>
<td>10·45</td>
</tr>
<tr>
<td>2. Information and Publicity</td>
<td>12·51</td>
<td>12·44</td>
</tr>
<tr>
<td>3. Local Bodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. State Capital Projects</td>
<td>1·30</td>
<td>1·42</td>
</tr>
<tr>
<td>5. Others (Government Press)</td>
<td>5·00</td>
<td>10·84</td>
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<tr>
<td><strong>Total—VII—Miscellaneous</strong></td>
<td>29·25</td>
<td>35·15</td>
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<tr>
<td>Schemes to be executed by State Electricity Board.</td>
<td>5,05·75</td>
<td>5,05·75*</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>57,51·35</td>
<td>57,15·17</td>
</tr>
</tbody>
</table>

*Includes 49·92 to be given as loan by the State Government.