Speech of
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Chief Minister, Orissa
Presenting the Budget Estimates
For the year 1968-69
To the Orissa Legislative Assembly
BUDGET SPEECH FOR 1968-69

SIR,


STATE-CENTRE RELATIONS

At the time of presenting the 1967-68 Budget in July 1967, I had mentioned the need for review of the Centre-State Relations in administrative and financial matters. This has assumed importance both because of the changed political context and the further widening gap in the State's resources and responsibilities as well as needs.

There is need for considerable improvement in the existing procedure for devolution of resources and making necessary Constitutional provisions to ensure larger resources to the States. The present system has failed to secure the objective of balanced Regional development and the last three Plans have widened the gap, making the rich States richer and the poor lagging far behind. Unless the relative financial weakness, social and economic backwardness of the population and the per capita income or per capita consumption levels of the State are taken into account in devising a formula for inter se division of share of taxes and duties, this situation cannot be remedied. The tendency to concentrate control in a Central Planning Authority affecting every detail of State Plans has introduced an element of inflexibility in the execution of the State Plans not visualised by the Constitution.

The Administrative Reforms Commission has constituted a Study Team on "Centre-State Relationships". Several aspects of the State-Centre Relationship in the context of the changed political conditions were also raised in the meeting of the National Development Council held in December 1967. I hope, the Administrative Reforms Commission would be submitting its report soon and as a result thereof, the Centre-State Relationship will be placed on a more realistic basis.
ECONOMIC SITUATION

It is well-known that the national economy reached its peak in the year 1964-65 mainly due to large agricultural production. According to the revised series of estimates of national product, the national income (1960-61 prices) during that year came to Rs. 1,62,19 crores and the per capita income stood at Rs. 339.2. There was a sharp decline of both the gross national product and the per capita income during the following year 1965-66 owing to several reasons including droughts, recession in industrial production, adverse balance of payment position, abnormal rise in prices and larger defence expenditure. It has been estimated that during that year there was a decline of 4.8 per cent in the national income and 7.1 per cent in the per capita income and the figures stood at Rs. 1,54,41 crores and Rs. 315.3, respectively. During the following year 1966-67 there was hardly any recovery. The preliminary estimates show that the gross national income in the last year stood at Rs. 1,57,06 crores and the per capita income came to Rs. 313.1 (1960-61 prices). Most of the factors which led to the decline in the economy during the year 1965-66 also continued though with a somewhat lesser severity during the last year. The national per capita income registered no substantial increase over the per capita income of Rs. 310 during the year 1960-61, the last year of the Second Five-Year Plan. Thus the benefits of the implementation of the Third Five-Year Plan and one annual Plan merely compensated the increase in population and there was only marginal increase in the average standard of living as reflected in the per capita income.

Figures for the State of Orissa are available only at 1958-59 prices which are not fully comparable to the all-India figures quoted above. According to the estimates prepared by the Bureau of Statistics and Economics of the State Government, the gross income of the State during 1966-67 stood at Rs. 480 crores as against Rs. 454 crores in 1965-66 showing an increase of 5.6 per cent. The per capita income also increased from Rs. 236.63 in 1965-66 to Rs. 245.25 in 1966-67, showing on improvement of 3.6 per cent.
In Orissa, the year 1967-68 started with bright expectations but floods in Mayurbhanj and Balasore districts, unprecedented cyclone in parts of Cuttack district and drought conditions in various parts of the State during the late Kharif season severely affected the prospects of a bumper crop. However, the agricultural production in the State was better than the previous two years though it is still far below the 1964-65 level.

Our State is one of the poorest in India. It has been often repeated that there is an abundance of natural resources. It is necessary that all these resources must be utilised to the optimum extent in order to accelerate the economic progress of the State. This requires massive investment and in a State like Orissa there is very little scope for resource mobilisation because of the lack of savings of the people. Thus necessarily the development will largely depend on investments from outside the State and mainly from the Government of India. At the same time it has to be ensured that unremunerative schemes should be abandoned and wasteful expenditure should be avoided. It should be the endeavour that capital investment results in maximum production. The State Government is pledged to take steps accordingly.

PRICES

The working class consumers' price index (base 1949) for all-India stood at 157, 169 and 191 during 1964-65, 1965-66 and 1966-67, respectively. The corresponding figures for Cuttack were 178, 188 and 213. The increase in prices was due to inflationary pressures created by deficit financing during the Third Five-Year Plan period and due to shortfalls in agricultural production and recession in industrial production. The upward trend continued during 1967-68 till it reached peak of all-India index of 215. The alarming increase in the price index caused anxiety both to the Central Government and to the State Governments and the Central Government decided to avoid a deficit financing to the extent possible. This resulted in severe curtailment of the Plan expenditure of the States also. The impact of these measures have, however, been only marginal. The index has decreased to 214 in September 1967. The Budgets for the next year are being framed by the Centre and
the States to continue the policy of avoidance of deficit financing. Thus, the pace of development is being slowed down in order to arrest the rising trend in prices.

DROUGHT

Sir, the House is aware of the widespread drought conditions in 1965-66 and 1966-67. The timely and adequate rains in the early part of 1967-68 raised hopes of a bumper crop in Orissa and it looked that the cultivators will have a much needed relief this year. Unfortunately, however, the monsoons again failed in the month of October. Against the normal rainfall of 10789 millimetres, the actual rainfall in the month of October was only 21-28 millimetres. This resulted in damage to the medium and late varieties of paddy crop in different districts. The damage was acute in Bolangir, Cuttack, Ganjam, Dhenkanal, Puri and pockets of Phulbani district. It also affected other districts to a smaller extent. The State had been undertaking relief measures in drought affected areas since 1965-66 at considerable cost. During the year 1967-68, the entire amount in the Famine Relief Fund has been earmarked for undertaking relief in areas affected by last year's drought as well as this year's drought. Besides, a sum of Rs. 30 lakhs has also been provided for Taccavi loans in drought affected areas.

FLOOD

Due to heavy rains in the last week of July in their catchment areas, the rivers Mahanadi and Tel were in flood in the districts of Kalahandi, Bolangir, Cuttack and Puri. Flood damages were particularly heavy in the districts of Kalahandi and Bolangir which are not subjected to floods usually. Again, during the last week of August and first week of September, 1967, there were floods in the rivers of Subarnarekha, Budha Balanga, Salandi and Baitaran which caused large damages in the districts of Balasore, Mayurbhanj, Cuttack and Keonjhar. A population of about 20 lakhs was affected and about 32,000 houses were damaged. There was extensive damage to the Government properties like roads, bridges, buildings, embankments, etc. Large number of High Schools, M. E. Schools and Primary Schools were also affected. A Central Team of Officers visited the
State during September, 1967 and after discussion with the Officers of the State Government, recommended relief expenditure of Rs. 215 lakhs in flood affected areas. Relief measures have been taken up accordingly and are being continued.

**CYCLONE**

An unprecedented cyclone swept over the coastal belt of districts of Cuttack, Puri and Balasore on the 9th October 1967 and caused large scale devastation of life and property shattering the economy of the affected areas. Altogether 15 Blocks comprising an area of 1,450 Sq. miles covering 22,191 villages and a population of 8,74,000 have been affected by this cyclone. Public offices, residential buildings, electrical installations, hospitals, roads, school buildings and other properties were damaged. The Central Team of the Government of India have agreed to a relief expenditure of 240 lakhs. The relief measures were taken up in the affected areas at top speed and are continuing to the extent necessary.

**AGRICULTURAL PRODUCTION**

The chief crop of Orissa continues to be paddy. The average production of paddy in terms of cleaned rice is 37 lakh metric tonnes. We, however, had a bumper crop in 1964-65 when the estimated production was 42-48 lakh metric tonnes. During 1965-66, due to severe drought conditions, the production fell down to 31-88 lakh metric tonnes. During 1966-67, it improved to 35-37 lakh metric tonnes. For 1967-68 the provisional estimates prepared by the State Bureau of Statistics and Economics show that the production is likely to be of the order of 34 lakh metric tonnes which will be slightly less than the previous year. This is due to damage caused by floods, cyclone and failure of October rains.

The Government continues to lay great emphasis on rice production schemes. The Intensive Area Development Programme has covered the entire district of Sambalpur. The intensive rice cultivation scheme is being implemented in 86 Blocks and it is proposed to cover 20 new Blocks during 1968-69. The high-yield variety programme was implemented in 60 Blocks during 1967-68 and 95,000 acres were
brought under this programme during the Kharif year and about 1,90,000 acres are likely to be brought under the Rabi programme. During 1968-69, the programme will be extended to 15 more Blocks. The target for 1968-69 is 374 lakh acres for Kharif and 230 lakh acres for Rabi.

Jute is an important cash crop of the State. The latest available statistics show that the production in 1966-67 was 2,84,000 bales as compared to 2,08,000 bales in the previous year showing an increase of 36.5 per cent. The increased jute production has been obtained mostly on account of the high-yield per acre obtained by the farmers. Another important achievement under this scheme is Foliar spraying in an area of about 58,000 acres.

Sugar-cane production received a set-back in 1966-67 and 1967-68 due to drought conditions, unattractive pricing as well as competition from the high-yielding varieties and other short duration remunerative crops. The areas under sugar-cane cultivation declined from 47,000 hectares in 1965-66 to 36,000 hectares in 1966-67. The estimated production during 1967-68 is 25 lakh tonnes in terms of Gur. The programme for 1968-69 is 342 lakh tonnes. This needs very great effort on the part of the Agriculture Department.

The Oil-Seeds Development Programme has been taken up to cover crops like ground-nut, mustard, til, linseed and niger. The total area brought under oil-seeds during 1967-68 was 9 lakh acres. An important achievement under the scheme is to procure our requirement of ground-nut seeds for rabi internally. About 3,000 quintals of seeds used to be obtained from Maharashtra in previous years which have now been obtained by internal production. During 1968-69, it is proposed to cover 8.85 lakh acres under oil-seeds.

FOOD POLICY

During the Kharif year 1966-67, the State Government continued the procurement of rice and paddy on a monopolistic basis. A quantity of 206 lakh tonnes in terms of rice was procured during the year. About 98,000 tonnes of rice were supplied to the Central Government through the Food Corporation of India. In addition to this, carry over stocks of rice procured during the year 1965-66 to the extent of 5,273 tonnes were exported to West Bengal on State to
State basis and 650 tonnes of rice were sent to Bihar for relief purposes. Besides, 8,642 tonnes of paddy seeds were also despatched to Bihar to meet their needs. For internal consumption a quantity of 94,650 tonnes of rice and 127 tonnes of paddy were issued.

During the current Kharif year State Government have decided to undertake procurement of rice and paddy on monopoly basis as in the preceding two kharif years. The Food Corporation of India has been appointed as the sole purchasing and supply Agent of the State Government to purchase rice and paddy on behalf of the State Government at the rates approved by the Government of India. It was originally decided to procure 3,00,000 tonnes this year with a hope to export 2,00,000 tonnes for the Central pool keeping and 1,00,000 tonnes for internal consumption. There were unprecedent floods in the district of Balasore and devastating cyclone in some of the coastal districts. There was also failure of rains in the month of October in certain parts of the State. It is, therefore, apprehended that there will be shortfall in the over-all yield of paddy as a result of which, the State Government will not be able to reach the procurement target of 3,00,000 tonnes of rice originally contemplated. The target has, therefore, been now reduced to 2,00,000 tonnes.

The Food Corporation of India has appointed 227 millers and 270 non-millers as their sub-Agents, as against 360 Agents appointed last year. Till the 13th February 1968, the State Government have procured through the Food Corporation of India 1.14,438 tonnes of paddy and exported 21,673 tonnes of rice including 5,690 tonnes of carry over stock of the year 1966-67 to the Central Reserves. The State Government will earn bonus on all exports made by the State Government according to a scheme approved by the Government of India and a receipt of Rs. 60 lakhs has been assumed in the Budget Estimates. With the approval of the Government of India, the State Government announced the procurement price of common paddy at Rs. 48 per quintal which is Rs. 7 higher than the price fixed last year. Keeping the normal difference in prices in view, corresponding increased prices have been fixed for fine and superfine varieties. The consumers’ prices have also been increased this year to some extent.
Government of India fixed much higher price for the bordering States, viz., West Bengal and Bihar which has created a problem for this State. There has been flow of rice and paddy to these adjoining States by way of smuggling in spite of all possible measures taken to stop it. The State Government, therefore, have decided to take strongest measures against smugglers and their associates and take all possible steps to curb such anti-social elements of the society.

PAY COMMISSION

The State Government constituted a Pay Commission in December, 1966. Shri Justice Abhimanyu Mishra, Judge of the Orissa High Court, has been appointed Chairman of the Commission in January, 1968. The Commission has been requested to submit its report by the 30th June 1968.

DEARNESS ALLOWANCE

The Dearness Allowance Commission (Gajendragadkar Commission) submitted its report in May, 1967. The Central Government accordingly revised the rates of Dearness Allowance admissible to Central Government employees, with effect from the 1st February 1967 and the 1st June 1967. The Government of Orissa considered the revision of the rates of Dearness Allowance admissible to State Government employees, Primary School Teachers and employees of Local Bodies and aided institutions. The rates were enhanced with effect from the 1st November 1967. Though our rates are somewhat lower than the rates of the Central Government, the percentage of neutralisation allowed by us is equal or more than the percentage of neutralisation recommended by the Gajendragadkar Commission for various slabs. Due to further increase in the price index, the Government of India have again enhanced the rates of Dearness Allowance to Central Government employees, with effect from the 1st November 1967. The question of further enhancement of rates of Dearness Allowance by the State Government is under our active consideration. One of the difficulties in allowing rates of Dearness Allowance at par with the rates of the Central Government is the constriction of resources. The enhancement in the rates of Dearness Allowance made subsequent to the Award of
Fourth Finance Commission has already contributed to an additional annual expenditure of about Rs. 10 crores in the non-Plan sector alone. Obviously, this burden has adversely affected the resources available for the development programmes of the State. Thus this State Government along with many other State Governments have repeatedly requested the Government of India to bear whole or a part of this additional burden as it arises directly out of Central Government’s policies. It is, however, unfortunate that the Central Government has declined to accept any responsibility in the matter.

ACCOUNTS 1966-67

There was an opening deficit of Rs. 6.47 crores on the 1st of April 1966 and the year 1966-67 closed with a deficit of Rs. 6.51 crores. According to the final accounts, the revenue receipts amounted to Rs. 106.80 crores and the expenditure met from revenue came to Rs. 104.41 crores. Under the ‘Capital Account’ there was a deficit of Rs. 30.34 crores excluding Rs. 4 crores transferred to the Contingency Fund. The net transactions under ‘Public Debt’ came to Rs. 38.60 crores. Under ‘Loans and Advances’ there was a deficit of Rs. 11.77 crores. The net transactions under the ‘Public Account’ produced an excess of receipts over outgoings amounting to Rs. 1.08 crores. Thus, the deficit at the end of the year came to Rs. 6.51 crores.

WAYS AND MEANS POSITION

On the occasion of presenting the last Budget, I had informed the House that the Reserve Bank of India and the Government of India have taken a firm decision not to tolerate overdrafts by the State Governments. The Government of India sanctioned a special ways and means advance of Rs. 9.55 crores on the 31st March 1967. In spite of this, the year closed with a minus balance of Rs. 6.51 crores. We have been pressing the Government of India to sanction a further ways and means advance to this extent. The Central Government has, however, sanctioned a further advance of Rs. 4.65 crores only. We are still pressing the Central Government for sanction of the remaining Rs. 1.86 crores. We have also requested the Government of India not to insist on the repayment of any part of this
advance during 1967-68 as there is already a gap in the resources for financing the current year’s Plan. It is likely that the Government of India would accede to our request. During 1968-69, we have proposed to repay one-third of the outstanding special ways and means advance to the Government of India for which necessary provision has been made in the Budget Estimates.

REVISED ESTIMATES 1967-68

According to the Budget Estimates passed by the Legislative Assembly in July last, there would have been a small surplus of Rs. 36 lakhs. This was on the assumption that the Central Assistance for the Plan would be Rs. 35 crores. Actually, however, we are receiving only Rs. 26 crores indicating a shortfall of Rs. 9 crores. All the resources mobilisation measures contemplated at the time of the Budget could not be implemented. On the other hand, we have requested the Central Government not to insist on repayment of the special ways and means advance to cover the earlier year’s deficit. In the Revised Estimates, we are not assuming any such repayment. Action has also been taken to recover outstanding loans and to reduce the outstanding advances under the Heads Remittances, Suspense and T—Deposits. With these measures it is hoped that the year 1967-68 will end with a deficit of about Rs. 38 lakhs.

BUDGET ESTIMATES 1968-69

I now present a broad picture of the Budget Estimates for the ensuing year. As explained above, the current year is expected to close with a deficit balance of Rs. 38 lakhs. The total revenue receipts during the next year are estimated at Rs. 123-08 crores and the revenue expenditure at Rs. 122-19 crores thus, showing a small revenue surplus of Rs. 0-89 crores. On the capital side, including the ‘Public Account’, receipts and disbursements are estimated at Rs. 217-12 crores and Rs. 217-51 crores, respectively resulting in a deficit of Rs. 0-39 crores. Thus, there would be an over-all surplus in the transactions of the next year to the extent of Rs. 0-50 crores so that after eliminating the deficit of the current year amounting to Rs. 38 lakhs, the year 1968-69 will close with a small over-all surplus of Rs. 0-12 crores.
The estimates include a provision of Rs. 34.07 crores for schemes included in the Annual Plan out of which Rs. 27.59 crores are in the State Sector and Rs. 6.48 crores are in the Central Sector. We are proposing to float a loan of Rs. 4.5 crores in the ensuing year. The Orissa Loan 1968 will fall due for repayment during the next financial year. Thus, an amount of Rs. 3.05 crores would have to be repaid. The net accrual to the State's resources under these transactions will, therefore, amount to a small sum of Rs. 1.45 crores. We wanted to go to the market for a larger loan but we were advised by the Reserve Bank of India and the Planning Commission that the loan should be restricted to Rs. 4.5 crores and we have adopted this figure in our estimates. A statement showing the debt position of the State is given in Appendix A. The Budget showing the net transactions of the State has been circulated to the Hon'ble Members separately.

FOURTH FIVE-YEAR PLAN

The Fourth Five-Year Plan of the State for the period 1966-67 to 1970-71 was discussed with the Planning Commission in November, 1966. It was then agreed that the State Government should have a Plan of Rs. 300 crores out of which Rs. 150 crores would be the Central Assistance and Rs. 150 crores would be the State's own resources. At the meeting of the National Development Council held on the 1st December 1967, it was announced by the Prime Minister and the Deputy Chairman, Planning Commission, that the Fourth Five-Year Plan will cover the period from the 1st April 1969 to the 31st March 1974. The intermediate three years 1966-67 to 1968-69 will, thus, be treated as the period only of Annual Plans. This decision has been taken because of difficulties in the Indian economy since the year 1965 arising out of external aggression and extreme recession in agricultural and industrial production. The year 1968-69 is likely to continue to be a year of some difficulties. The intention of the Planning Commission appears to be that the year 1968-69 may be utilised essentially as a year of transition in which gains of the current year's good harvest may be consolidated, the economy stabilised and beginning made
for resuming the process of rapid development in the proposed deferred Fourth Five-Year Plan period. Thus, fresh work will have to be undertaken for the preparation of the proposed Fourth Five-Year Plan. No indications have yet been received from the Planning Commission regarding the size or other guide lines for the preparation of such Plan. It shall be the endeavour of the State Government that the legitimate requirements of the development of the State are included in the proposed Plan and development programmes are not allowed to suffer for paucity of funds.

ANNUAL PLAN 1967-68

An Annual Plan of Rs. 46'92 crores was formulated and is being implemented during the current year. There was a gap in the resources available for financing such an outlay. The Planning Commission has been repeatedly advising us to reduce the outlay on the Annual Plan so as to conform to the available resources. We have scrutinised the components of the Annual Plan more than once to locate fields where reduction in outlay can be done. It has been found that no sizeable reduction is possible in any sector of the Plan as the Annual Plan merely provides for the barest minimum requirements of various sectors. Only marginal savings are likely to occur in a few sectors. The total expenditure on Annual Plan is, therefore, likely to be of the order of Rs. 45-46 crores.

Provision of funds for the Balimela Dam Project and for Expressway were completely inadequate in the Annual Plan. We have taken up with the Central Government the question of additional special Central Assistance for these Projects.

ADDITIONAL RESOURCE MOBILISATION

The revenue resources of the State are such that after meeting the expenditure on that account very little surplus is normally left for financing development schemes. Hence, it has been the policy to find out additional resources in order that the development expenditure can be augmented.
For the year 1968-69, it has been decided that the following additional resources should be raised and the same have been adopted in the Budget Estimates:

(Rupees in Crores)

(1) Additional rent on urban land Salami for leasing Government land, Taxes on rural immovable property and non-agricultural land tax.  
(2) Reorientation of Excise Policy  
(3) Revision of rates of Sales Tax  
(4) Imposition of tax on passenger fares  
(5) Additional income from royalty on minerals due to increase of rates approved by the Government of India.  
(6) Additional income from Kendu leaf (Rs. 50 lakhs out of which Rs. 25 lakhs will go to the Panchayat institutions)—

Net  

Total  

PARADEEP PORT

The State Government had incurred an expenditure of about Rs. 16 crores on the Paradeep Port Project. The Port has been handed over to the Central Government and subsequently, a Paradeep Port Trust has been constituted. The Central Government had earlier sanctioned a loan of Rs. 15·69 crores in this connection. The State Government is obliged to repay the loan and interest thereon. We had taken up the question of reimbursement of the expenditure incurred on the Paradeep Port Project by the Central Government. The Central Government have firmly informed us that they are not agreeable to the proposal of reimbursement. Instead, they have suggested that the repayment shall
be made by the Paradeep Port Trust as and when it is able to take up the responsibility for such repayments. This is a very unsatisfactory position and we are pursuing the matter further with the Central Government and the Paradeep Port Trust. For the purpose of Budget Estimates, however, we have assumed a receipt of Rs. 80 lakhs on this account.

ANNUAL PLAN 1968-69

Due to paucity of resources, it has not been possible to have a reasonable Annual Plan for the year 1968-69. The Government of India indicated the Central Plan assistance at Rs. 22.70 crores. The State’s resources including public borrowings were estimated at Rs. 10 crores. This figure included the internal resources and public borrowings of State Undertakings amounting to Rs. 5.69 crores. Under these circumstances, we are obliged to have an extremely inadequate Plan of Rs. 33.28 crores. The situation has arisen because of rigid insistence on the part of the Central Government to avoid any further deficit financing. The Central Assistance to the State has also been reduced compared to the previous year by more than Rs. 3 crores. We have been able to provide in the Plan only maintenance expenditure of the development programmes already undertaken. There has been very little scope for including new schemes. In particular, provisions for Balimela Power Project, the Expressway and the Ferrochrome Factory of the Industrial Development Corporation are completely inadequate even to meet their essential commitments. The question of meeting the minimum requirements of these Projects will have to be taken up separately with the Central Government to find a satisfactory solution. I hope that it will be possible for the Central Government during the course of the year to render additional assistance for these essential projects. Out of the total Annual Plan outlay of Rs. 33.28 crores, provision in the Budget will be made to the extent of Rs. 27.59 crores and the rest will be outside the Budget to be financed by the resources of the State Undertakings. Details of the Budget provision for each head of development is indicated in Appendix B.
CENTRAL GOVERNMENT LOANS

The Fourth Finance Commission while dealing with the subject of indebtedness of the States to the Centre had emphasized the need for a review of the existing terms of repayment and interest payments by the States to the Centre and the accounting practices in that respect. The difficulties arose because the Central Government grants for Plan Schemes did not fully cover the revenue component of the Plan expenditure resulting in revenue deficits. In other words, the Central Government granted loan assistance for schemes which by their nature could not be productive enough to enable the State Government to discharge the repayment liability out of the yield of such schemes. The various State Governments had been pressing the Government of India for a review on the lines indicated by the Fourth Finance Commission. I am happy to say that the Government of India have now agreed to review the position and evolve a suitable scheme of consolidation of the outstanding loans with the State Governments together with refixation of the repayment terms and rationalisation of interest rates. We have received tentative proposals from the Central Government in this regard. The matter will have to be examined very carefully and the views of the State Government will be furnished to the Central Government soon. It is hoped that as a result of the review, the burden of repayment on the State Government will be reduced, particularly, in earlier years. This might, to some extent, improve the resource position of the year 1968-69.

MINERAL DEVELOPMENT

The State Government has been taking all steps to increase the exploitation of iron-ore and boost up export. Absence of Railway communication to the Paradeep Port, inadequate rail link in the mining areas Banspani-Joda area, indifferent attitude of the M. M.T. C. Limited for purchasing iron-ore from mines in Orissa, slowing down of the production from the iron-ore mines in Mayurbhanj district, and closure of Durgapur Steel Plant for long period are some of the factors which have arrested the growing trend in the production of iron-ore. Erection of Ore Handling Plant at
Daitari under the Orissa Mining Corporation is likely to be completed soon and exploitation of the mines is expected to start in full scale by June, 1968. The production capacity will be 2.5 million tonnes per annum.

The State Government has been pressing for enhancement of the rate of royalty on iron-ore. The Standing Committee of the Mineral Development Advisory Board has, however, not recommended any increase in such rates. The matter is being pursued further at the highest level. I cannot help feeling disappointed that the iron-ore royalties have not been increased even marginally. We had pinned great hope on the additional income from this source. I do not think that there is any moral justification for Government of India to enhance their Export Duty on iron-ore and then plead that the International markets are falling when it comes to a question of provision of slight increase in Mining royalty. The State Government has informed the Central Government that whatever increases may be permitted now can be reduced later if and when the Export Duty is completely abolished and the International price demands reduction. I still hope that the Central Government may accede to our request for enhancement of rates of royalty on iron-ore.

The Government of India have, however, taken a tentative decision to raise the rate of royalty on several minerals including bauxite, china-clay, chromite, dolomite, fireclay, graphite and limestone. There has been no increase in case of manganese.

71 leases were granted for different ores and mines, e.g., iron-ore, manganese, chromite, china-clay, graphite, soap-stone, limestone, dolomite, etc., during 1967 covering roughly 100 sq. Kilometres of area.

The Orissa Mining Corporation has started production of limestone at Dungri to feed the Cement Plant at Bargarh. Necessary machineries and equipments are being installed to achieve rated production capacity of 8 lakh tonnes per year. This is likely to be achieved during 1968-69.
As I had indicated while presenting the Budget Estimates of 1967-68, it is our intention to work the mineral wealth both intensively and extensively for providing increased employment opportunities and revenues. There have been complaints that compared to other States, the disposal of applications for mining leases and prospecting licences is very dilatory in our States. Steps for improving this situation are now under our active consideration.

ABOLITION OF LAND REVENUE

Immediately on assumption of office this Government took a decision to abolish land revenue with effect from the 1st of April 1967. Accordingly, directions were issued on the 28th April 1967 to stop collection of the current demand of land revenue due to Government for the year 1967-68. The normal demand towards land revenue is Rs. 196 lakhs annually. As a result of the decision to abolish land revenue, the sum of Rs. 196 lakhs will not be available. This is a measure which will benefit numerous cultivators and will give a fillip to agricultural production.

The arrears of land revenue due up to the 31st March 1967 will, however, be realised. Now that the current demand will not be collected, emphasis has to be laid on the collection of arrears. It should be possible for the tenants to pay up all the arrears of land revenue together with the current demands and arrears of cess without difficulty in order to free their holding from indebtedness. The total amount of arrears of land revenue on the 1st April 1967 amounted to about Rs. 180 lakhs. It is hoped that a substantial collection of the same would be made.

WATER-RATE

The Government appointed an Irrigation Rates Revision Committee with the Minister, Revenue, as Chairman and 7 non-officials and 3 official Members. The Committee was required to (1) study the question of levy of water-rates, (2) review the various types of water-rates for crops leviable under the Orissa Irrigation Act, 1959 and the rules made thereunder and (3) recommended to Government, if there is a case for modification, alteration or exemption in the levy of various types and quantum of water-rates in different areas of State.
The Committee submitted its report in September, 1967. The Committee could not, unfortunately, be unanimous in their recommendations. The majority recommendation of the Committee were considered by the Government and were accepted subject to certain minor modifications. As a result of this decision, the compulsory basic water-rate will be abolished and there will be only optional water-rate both for staple cereal crops and other crops. To implement this decision, amendment of the Orissa Irrigation Act, 1959 is necessary. Executive instructions have been issued to realise water-rates for the years 1966-67 and 1967-68 at the proposed reduced rates.

There are large arrears of water-rate outstanding because of lack of firm decision on the demands of the cultivators. Now that a firm decision has been taken after a thorough enquiry into all aspects, it is hoped that the realisation of the arrears as reduced by the concession given by the Government would be speedily made and all concerned will extend their fullest co-operation in this matter.

**EXCISE POLICY**

The House may recall that in the last Assembly Session, I had proposed a uniform Excise Policy throughout the State for regulation and control of liquor. The State Government have decided to prohibit use of toddy as an intoxicant throughout the State from the 1st April 1968. The existing concession enjoyed by the Adibasis in scheduled areas will, however, continue. While considering the revision of the Excise Policy, the emphasis was not on obtaining increased revenue but to prevent large scale illicit distillation and to bring under control the undesirable factors of crime and corruption. With this end in view, it was decided to open outstill shops in the existing dry districts with effect from the 1st April 1968. It has been decided that liquor shops should be opened only in urban areas and in such pockets in rural areas where there is clear evidence of large scale violation of Excise laws. The location of shops has been done on this basis. Areas of predominant Adibasi population have generally been excluded.
IRRIGATION

Under the Hirakud Project the extension of the Lahanda Minor and Chiplima Distributory are in progress to irrigate an additional area of 16,000 acres. Under Mahanadi Delta Irrigation Project an area of 5.54 lakh acres has already been brought under irrigation. On completion of the Luna Syphon, the work on which was speeded up, an additional irrigation potential of 5,000 acres has been created. It will soon be possible to complete some further works covering an area of 22,000 acres.

The work on Salandi Project is being accelerated. Already 25,000 acres have been irrigated from this source during the last Kharif season. All the major irrigation project put together provided irrigation facility to 10.9 lakh acres during 1967.

The 8 irrigation projects, namely, Salia, Salki, Budha Budhiani, Goda-Hada, Dhanei, Derjang, Bahuda and Hira Dhara Bati are in advanced stage of construction and all except Salia and Goda-Hada are already supplying partial irrigation to 8,000 acres. The work on Pita Mahal Project in Sundargarh district has been started during 1967-68. The work on Utei Project in Kalahandi district will be started next year. Investigation of 27 other projects are being programmed. In addition to the command area of 5.70 lakh acres under minor irrigation the physical target to be achieved during the current year is 36,700 acres. During the next year the programme is to achieve a target of 20,000 acres under minor irrigation.

LIFT IRRIGATION

In Orissa there is vast scope for Lift Irrigation. The hurdle, however, is the want of power feeder lines, besides financial resources. Even so stress has been laid that such projects are taken up with the available resources as far as possible. By the end of the Third Plan 360 Lift Irrigation Projects were executed out of which 258 projects have been completed by December last with the potential of 26,282 acres. About 1,400 mobile pump sets of capacity varying
from 5 to 40 H.P. are in operation serving about 60,000 acres during the current year in drought affected areas. The incomplete Lift Irrigation Projects will be completed during the next year and an additional potential of 10,000 acres is likely to be created. The work on ground water survey has been intensified. In the Private Sector encouragement is extended to the installation of pump sets and tube-wells through finance from Land Mortgage Banks. The response from the individual cultivators appears to be satisfactory.

POWER

The inauguration of the Talcher Thermal Plant was done by the Prime Minister of India on the 8th of this month on which date the first unit was commissioned. The other 3 units will be commissioned during 1968-69. Due to paucity of funds the progress of the Balimela Hydro-Power Project is not as it should be. We have requested for accelerated Central Assistance for this scheme in order that the tempo of work may not be slowed down.

The installed capacity of power in Orissa was 9-69 MW at the end of 1950. This went up to 260 MW by the end of the Second Plan and 310 MW at the end of the Third Plan. By 1971 the installed capacity will increase to 920 MW. Along with the development of installed capacity the work on transmission schemes are also in progress. The Talcher Transmission Scheme interconnecting Talcher Power-Station with the Hirakud system at Joda and Chainpal and another line will connect Chainpal to Jajpur Road. The Balimela Transmission Scheme comprising of a double circuit 270 KV line from Talcher to Balimela is under construction. By 1968-69 stub setting and erection of towers for 220 Kms will be completed and 50 Kms will be strung. Other high tension lines of about 250 Kms will be constructed by the State Electricity Board. The Rural Electrification Programme for the next year will cover 60 villages and energise 80 Lift Irrigation Points. During the current year 42 Lift Irrigation Points have already been energised and 49 villages have been electrified.
The Hirakud Generation System both under Stage-I and Stage-II have recently been transferred to the control of the Orissa State Electricity Board. Necessary modifications have, however, not been reflected in the Budget Estimates.

INDUSTRY

As in the rest of the country, there has been recession in the industrial production in Orissa. Analysing the latest production statistics in respect of the few major industries, it is found that in almost all cases, production in 1967 has been less than that of 1966. Sugar production from December, 1966 to April, 1967 was about 27 per cent less than that of the corresponding period of the preceding year. In case of paper and paper-boards, the production in the first half-year of 1967 was about 0.7 per cent less than the production of the previous year. Cement production has also shown a declining trend so much so that its production in the first half of 1967 was about 20 per cent less than the production in the corresponding period of 1966. The Cement Plant of Industrial Development Corporation at Bargarah has, however, started production in the last quarter of 1967 and that will meet the cement demand in the State.

The Cable Plant of the Industrial Development Corporation at Hirakud has also gone into production in the last quarter of 1967. The expansion of Kalinga Iron Works at Barbil and Re-rolling Mill at Hirakud are expected to be completed shortly. The work of the Ferrochrome Project at Jajpur Road has also been taken up.

With a view to attract and accommodate large and medium scale industries in the State, it is proposed to develop industrial areas to implement a scheme of establishment of developed areas in important industrial towns like Rourkela, Paradip and Sunabeda. Developed lands will be made available to suitable promising entrepreneurs on lease at liberalised rate of premium. These areas will be provided with water, electricity, roads and sanitary facilities. The Government have already adopted a new Industrial Policy for providing incentives for the establishment of small and medium scale industries in the State. Copies of the relevant Resolution have already been laid on the table of the House by the Minister for Industries.
ROADS AND BRIDGES

In my last Budget Speech I specifically referred at length to the construction of the Expressway. The original project estimate of Rs. 14-15 crores was subsequently revised and that due to defective materials used and faulty construction and other reasons the estimates would go up to Rs. 21 crores. According to programme a length of 67 KMs. of this Highway from Zero point to the National Highway Crossing near Haridaspur has been completed in all respects and opened to ore traffic from the 15th of September last. In addition to a sum Rs. 15-95 crores spent up to the end of 1966-67, an expenditure of Rs. 1-55 crores was provided for during 1967-68. We have, however, impressed upon the Central Government the necessity for speeding up the completion and for that purpose requested for additional assistance of Rs. 3-50 crores. The indications are that substantial additional Central Assistance will be received and the project will be completed in all respects by the end of June, 1968. From the date of opening of the first half of the Expressway toll has been levied and during the current year a sum of Rs. 5 lakhs is expected to be collected. During the ensuing year a sum of Rs. 60 lakhs would accrue to the State Exchequer.

Due to lack of resources it has not been possible to allot large funds for the construction of other P. W. D. Roads. The progress of work on 9 important bridges will, however, continue and a sum of Rs. 123 lakhs will be spent thereon to maintain the progress.

TRANSPORT

It has been decided to wind up the Orissa State Transport Corporation which was established with effect from the 1st February 1967 but had never actually functioned.

The State Transport Service has been included under the Plan Schemes. During the current year a sum of Rs. 26-50 lakhs will be spent for purchase of additional buses, tools and plants and other construction work. Services have already been extended to all the District Headquarters excepting Koraput. New services from Bhubaneswar to Paradeep and Balikuda, Sambalpur to Ranchi and town service at Cuttack have been introduced.
The investment of the State Government in the Orissa Road Transport Company Ltd. at Rs. 23.33 lakhs is fetching a dividend of Rs. 2.33 lakhs during a year.

The State Government have recommended to the Government of India for construction of the following seven Railway Lines during the Plan period:—

(1) Bansapani-Paradeep Via Nayagarh
(2) Talcher to Bimalagarh
(3) Talcher-Sambalpur
(4) Barbil-Koira Vally-Kiriburu
(5) Rayagada-Nawrangpur-Jeypore-Koraput
(6) Gopalpur to Berhampur
(7) Dantewada to Sukuma Via Balimela or Jeypore to Balimela Via Gupteswar.

The Government of India have only agreed to the construction of the line from Cuttack to Paradeep and have approved an estimate amounting to Rs. 10 crores for the same. Besides, the Central Government have intimated that the preference of the State Government for construction of the Rail link from Ambaguda to Kesinga, which was separately moved in addition to the aforesaid proposals, has been noted for consideration.

A bill to levy tax on passenger fairs is likely to be introduced in the current session of this Assembly. It is estimated that a sum of Rs. 30 lakhs would be received from this source during the next year.

**URBAN WATER-SUPPLY**

Seven schemes of Urban Water-Supply, i.e., Cuttack, Sambalpur, Rayagada, Parlakhimedi, Deogarh, Biramitrapur and Phulbani were completed during the Third Five-Year Plan. During the year 1967-68, 19 continuing schemes and 4 new schemes of Jajpur, Jajpur Road, Bhadrak and Kendrapara were taken up. Out of these schemes, Barbil is scheduled to be completed during 1967-68. The rest of the schemes will be continued in 1968-69. Because of the paucity of funds, no new schemes can be taken up next year.
and in case of the continuing schemes also emphasis will have to be given to some so as to complete them. It is likely that schemes in Bhubaneswar old town, Sundargarh, Nowrangpur, Koraput, Rajgangpur, Bargarh and Burla may be completed next year.

HEALTH

The health conditions of the people of the State has considerably improved since the First Five-Year Plan due to implementation of various health schemes. The mortality rate has come down to 14.3 per thousand from 21.6 per thousand during 1951. The Health Programme lays emphasis on (1) eradication of malaria, (2) control of filaria, T. B. and Leprosy, (3) provision of integrated Health Services through Primary Health Centres and (4) Family Planning Programme.

The incidence of malaria has been reduced considerably. As a result, two Units out of 15 have entered into maintenance phase. To guide and control anti-filaria measures, a State Bureau of Filariasis has been established. 401 Primary Health Centres have so far been opened. 13 Blocks will be provided with Primary Health Centres by the end of 1967-68.

Three Medical Colleges with 400 annual admissions are continuing. In order to provide teachers to the Medical Colleges and Specialists to the District Hospitals, Postgraduate Medical Education has been started at the Medical Colleges at Cuttack and Burla.

For reducing the rate of growth of population, Family Planning Programme is being implemented under the direction of the Government of India as a crash programme. 231 Community Development Blocks have so far been covered and 53 Centres in urban areas have been opened. Besides, 60 Static Sterilisation Units, 40 Static I. U. C. D. Centres, 13 Mobile Sterilisation and I. U. C. D. Units have been opened in the State to provide family planning facilities. During Special Family Planning Fortnight observed from the 15th September to the 30th September 1967, Orissa stood first in the country in the male sterilisation operations.
TRIBAL & RURAL WELFARE

Welfare of Scheduled Tribes and Scheduled Castes is a special responsibility of the State Government according to the Constitution. Their population is about 40 per cent of the total population of the State. Though the Government has been anxious to take up new schemes for the improvement of the economic and social conditions of this section of the population, the paucity of resources stood in the way. During 1967-68, therefore, the continuance of the existing development schemes only could be provided for. Same is the unfortunate position during 1968-69. It is, however, contemplated to start one Training Centre for imparting Pre-Examination coaching to Scheduled Tribe and Scheduled Caste candidates for appearing at the State Civil Service Examinations. It is hoped that this will ensure larger recruitments from this section of the population. The Government is also examining a scheme for eliminating indebtedness of the Scheduled Tribes by opening of more purchase/sale and fair price shops in phased manner.

PANCHAYATI RAJ AND COMMUNITY DEVELOPMENT

The position of Blocks under different stages is at present as follows:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Blocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage I</td>
<td>63</td>
</tr>
<tr>
<td>Stage II</td>
<td>189</td>
</tr>
<tr>
<td>Post-Stage II</td>
<td>62</td>
</tr>
<tr>
<td>Total</td>
<td>314</td>
</tr>
</tbody>
</table>

Out of these, 75 Blocks have been converted into Tribal Development Blocks.

To enquire into misappropriation and misutilisation of funds by the Panchayati Raj Bodies, Probe Committees have been formed at district level with the M. L. As. and important leading members of the public as Members and one of the Additional District Magistrates as Chairman. The Committees have been asked to conduct enquiry in
regard to petitions received by them in connection with the misappropriation and misutilisation of funds during the period from the 1st March 1961 to the 31st May 1967 and furnish their report to Government by the 31st March 1968.

In order to abolish the Zilla Parishads, the Orissa Panchayat Samiti and Zilla Parishad (Second Amendment) Act, 1967 has been enacted. It has been decided to establish District Development Advisory Committees in place of Zilla Parishads.

GRAMA PANCHAYATS

After reorganisation, 3,831 Grama Panchayats have been constituted. The general election to the newly elected Grama Panchayats have been completed and the newly elected bodies have entered office since July, 1967. A scheme for formation of a separate cadre of the Secretaries of Grama Panchayats is under examination. In the meantime, the Secretaries of the old Grama Panchayats are continuing in their offices. In some places, the Village Level Workers are managing the duties of Panchayat Secretaries in addition to their own duties.

CO-OPERATION

The main role of the co-operative movement is in the field of agricultural credit, short-term, medium-term and long-term. The Primary Agriculture Credit Co-operative Societies advanced Rs. 9.30 crores in cash and Rs. 80 lakhs in shape of paddy during 1966-67 which is a slight improvement over the investment in the previous year. With a view to provide co-operative credit to the cultivators within easy reach, 17 Central Co-operative Banks have opened 39 Branches so far. More Branches will be opened in the next and subsequent years so that all the Subdivisional headquarters will be covered by 1970-71.

The long-term credit for development of land and purchase of Agricultural pumps, tractors, etc., is provided by the Orissa State Co-operative Land Mortgage Bank through 53 Primary Land Mortgage Banks organised so far.
More Primary Land Mortgage Banks will be organised next year and subsequent years and soon all the Subdivisional headquarters will be covered. The investment by the Orissa State Co-operative Land Mortgage Bank during the co-operative year 1967-68 is expected to reach Rs. 170 lakhs. The target for 1968-69 is Rs. 200 lakhs.

CULTURAL AFFAIRS

The Department of Cultural Affairs continued to do its best with limited resources to develop and foster Dance, Drama, Music, Art and Literature, Sculpture and Fine Arts, Sports and Games, etc. Steps have been taken to make use of the rich stock of palm leaf manuscripts collected and preserved in the State Museum taking a special publication scheme in hand. Efforts are being made to enrich the galleries of the State Museum by collection of specimens and antiquities and to collect and preserve old and important records in the State Archives. The State Archaeology has launched an expanded programme for conservation of old and dilapidated temples, mosques, etc. and to undertake extensive survey of Archaeological sites and monuments in the State. A research scheme on Jayadev, the immortal poet of the Gita Govinda, has been taken in hand.

To perpetuate the memory of eminent persons of the Renaissance Age of modern Orissa, it is proposed to construct a memorial hall and lay out a park at the famous Bakula Bana at Sakhigopal, for which a sum of Rs. 55,000 has been proposed in the Budget Estimate for 1968-69. It is also proposed to start 5 Memorial lectures and to contribute to the nucleus of the funds for the purpose, a sum of Rs. 50,000 has been provided in the next year's Budget Estimates.

EDUCATION DEPARTMENT

After a review of the management, control and supervision of Primary Education, the Government have issued instructions effective from the 1st December 1967 that in matters of selection, appointment, posting, transfer, leave and disciplinary action, the powers will vest with the regular Inspectorate organisation. In view of the lack of local initiative in opening M. E. Schools in the backward districts like Phulbani, Kalahandi, Koraput and Bolangir, it has been
decided that the responsibility would be taken up by the State Government. It has been decided to abolish the Common Examination for Upper Primary and Middle English standards. Instead it is proposed to hold scholarship examinations for selected talents. The Nationalisation of Text-Books is proposed to be extended to those for Class VI and Class VII. It is proposed that during the next year a number of fresh High Schools specially in the ex-State areas will be given grant-in-aid. The expansion of College education during the next year will consist of introduction of new subjects including Hons. Courses in some of the Colleges and by increase of seats wherever necessary. The provisions for grants to the 3 Universities during the next year have been kept at the current level. The scholarship schemes have been reviewed and it is proposed to rationalise the award of scholarships by merging those under the Merit-cum-Poverty criteria and those which are solely on merit basis. The Maintenance Scholarships may have to be abolished.

MEDIUM OF INSTRUCTION

The State Government have decided to take steps to prepare for the change over from English to Oriya as the medium of instruction in gradual stages. It is proposed to organise a State Level Conference of Educationists and others to chalk out a programme in this regard. The Central Government have indicated that they would share the costs involved in preparation of language medium reading materials.

STUDENT UNREST

The student unrest has posed a serious problem in the State. The Government have been receiving reports from all over the State about many problems, difficulties and grievances of the students. The student organisation have often put up these as their demands and have resorted to demonstrations. Sometimes they indulge in acts of indiscipline. The Government was, therefore, often faced with situations of widespread disquietude among students. The Government have, therefore, appointed a Committee, with Shri Biswanath Das as Chairman to study and investigate
into the problems of the students in general, and reasons or cause of the student disquietude in the State and recommend measures both temporary and permanent and priorities thereof consistent with the conditions obtaining in the State to remove the cause of such disquietude and suggest the code of conduct for individuals and organisations concerned. It is hoped that the committee will go into the problem thoroughly and will be able to provide useful guidance to the Government in this matter.

LABOUR RELATIONS

During 1967, the industrial relations presented a serious problem on account of Gheraos, mass meetings, protests, fasts, etc. As a result, there has been frequent labour troubles. However, these troubles remained comparatively free from violent agitation except for a very few instances. By persistent efforts and timely intervention by Government a good climate of industrial relations was created. The labour policy of the State Government is to develop an atmosphere of peace, cordiality, goodwill and understanding between the management and the labour, effective administration of labour laws, speedy settlement of industrial disputes, implementation of awards and settlements and effective intervention of the State Conciliation Machinery in resolving industrial disputes. With these objects in view, discussions at Tripartite Conferences like the State Labour Advisory Board and State Implementation and Evaluation Committee were held frequently. For speedy disposal of industrial disputes, a separate Industrial Tribunal has been constituted. Additional Tribunals are also being appointed from time to time according to the requirements.

ORISSA GRAMA RAKSHI SCHEME

The Orissa Grama Rakshi Act, 1967 has been passed. Rules under the Act have yet to be framed. Pending framing of the rules, the scheme is being implemented as at present under the Police Department. The scheme is functioning well and Grama Rakshis have been found to be helpful to the Police Department as well as to the public in rural areas.
SEPARATION OF JUDICIARY

A scheme of separation of Judiciary from the Executive was previously enforced in 9 districts of the State. The scheme was extended to the districts of Bolangir and Kalahandi, with effect from the 1st May 1967 and to the district of Koraput, with effect from the 1st June 1967. Later, the scheme was extended to the district of Boudh-Phulbani on the 13th November 1967. The scheme is now complete and is in force throughout the State.

COMMISSION OF INQUIRY

The Government is committed to implement 21-point common programme. Setting up of a Commission of Inquiry has been given very high priority in the above programme. Government lay great emphasis on the establishment of a clean and good administration in the State. Accordingly, a Commission of Inquiry was set up on the 26th October 1967 to enquire into charges of corruption and improprieties alleged to have been committed in the sphere of administration by 15 Ministers and Deputy Ministers who were in Office during the period from the 23rd June 1961 to the 8th March 1967. Shri Justice H. R. Khanna, a sitting Judge of the Delhi High Court has been functioning as Commission of Inquiry and enquiries of the Commission are in progress. A list of allegations covering 70 items relating to different Ministers/Deputy Ministers were filed before the Commission earlier and subsequently the relative statements of cases together with supporting affidavits and list of documents have also been filed. Under the notification, the Commission has been directed to make its report to the State Government on or before the 30th April 1968. From the progress so far made, it appears that it will be necessary to extend the time allowed to the Commission.

VIGILANCE

The Government attaches utmost importance to eradicate corruption at all levels. Accordingly, the vigilance activities in the State have been intensified during 1967. The Vigilance Department has been placed under an
Inspector-General of Police to function as Director, Vigilance and ex officio Additional Secretary, Political & Services Department. As it was found that two Members of the Administrative Tribunal were unable to cope up with the disciplinary proceedings, two more Members had to be appointed to cope up with the work of which one has joined.

CONCLUSION

At the time of presenting the 1967-68 Budget, I had drawn the attention of Hon'ble Members to the grave financial crisis through which our State is passing. In fact, the entire country is faced with a grave financial and economic crisis and this has affected Orissa also. We have been constrained to implement a Plan which is below the maintenance level. The Central assistance for Plan scheme, instead of being increased, has been further reduced for the next financial year. Our claim for reimbursement of expenditure on Paradeep Port Project remain unsatisfied. In the meantime, we have to further increase the rates of Dearness Allowance, causing heavy burden on the State's limited resources. There is need to complete many continuing works, specially, Expressway and some Units of Industrial Development Corporation of Orissa, Limited, but paucity of resources has adversely affected the progress. The work in the Balimela Project has also slowed down for lack of resources. The State Government has, therefore, to make drastic economies in the administration to tide over the financial crisis. The slowing down of the development programme has already added to the problem of unemployment. Even then, some amount of retrenchment may become unavoidable. I can only hope that the period of recession will be short and we will be able to take up a larger development programme soon opening avenues of employment. It is also hoped that with the issue of Industrial Policy Resolution, many entrepreneurs may establish industries in the State which may relieve to a considerable extent the problem of unemployment. I appeal to all Hon'ble Members of the House for understanding, co-operation and patience in creating and maintaining a proper climate and atmosphere for rapid development.
In the end, I would like to place on record my great appreciation of the valuable work done by the Secretary, Joint Secretary 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 working additional hours to print all these Budget documents in time and to the Officers and staff of the Public Relations Department for translating the speech into Oriya.

With these words Sir, I present the Budget Estimates for the year 1968-69 for consideration and acceptance by the House.

JAI HIND
## APPENDIX A

### DEBT POSITION OF THE STATE

<table>
<thead>
<tr>
<th>Particulars of Loan</th>
<th>Outstanding on the 1st April 1967</th>
<th>Estimated outstanding on the 1st April 1968</th>
<th>Estimated outstanding on the 1st April 1969</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Loans from the Open Market</td>
<td>36,92,33</td>
<td>43,13,88</td>
<td>44,47,58</td>
</tr>
<tr>
<td>2. Floating Debt</td>
<td>4,20,00</td>
<td>2,20,00</td>
<td>2,20,00</td>
</tr>
<tr>
<td>3. Loans from the Central Government.</td>
<td>3,02,37,71</td>
<td>3,22,75,84</td>
<td>3,24,26,55</td>
</tr>
<tr>
<td>4. Loans from the Reserve Bank of India.</td>
<td>99,41</td>
<td>1,14,05</td>
<td>1,26,91</td>
</tr>
<tr>
<td>5. Loans from the Life Insurance Corporation of India.</td>
<td>5,25,88</td>
<td>6,13,90</td>
<td>7,08,89</td>
</tr>
<tr>
<td>6. Loans from National Cooperative Development Corporation.</td>
<td>1,58,46</td>
<td>1,92,85</td>
<td>1,99,90</td>
</tr>
<tr>
<td>7. Loans from the M. M. T Corporation.</td>
<td></td>
<td>15,00</td>
<td>18,66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,51,33,79</strong></td>
<td><strong>3,77,45,52</strong></td>
<td><strong>3,81,48,49</strong></td>
</tr>
</tbody>
</table>
## APPENDIX B

### STATE SECTOR PLAN OUTLAY FOR 1968-69.

(Rupees in lakhs)

<table>
<thead>
<tr>
<th>Head of Development</th>
<th>Budget provision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Agricultural Programme</strong></td>
<td></td>
</tr>
<tr>
<td>1. Agricultural Production including Land Development</td>
<td>2,47.33(A)</td>
</tr>
<tr>
<td>2. Ayacut Development</td>
<td>3.00</td>
</tr>
<tr>
<td>3. Soil Conservation</td>
<td>14.87</td>
</tr>
<tr>
<td>4. Fisheries</td>
<td>25.00</td>
</tr>
<tr>
<td>5. Minor Irrigation</td>
<td>1,30.00</td>
</tr>
<tr>
<td>6. Animal Husbandry, Dairying &amp; Milk Supply</td>
<td>44.01</td>
</tr>
<tr>
<td></td>
<td>5.95</td>
</tr>
<tr>
<td>7. Forests</td>
<td>49.99</td>
</tr>
<tr>
<td>8. Ware Housing &amp; Marketing</td>
<td>2.00</td>
</tr>
<tr>
<td><strong>Total—I—Agricultural Programme</strong></td>
<td>5,22.15</td>
</tr>
<tr>
<td><strong>II. Co-operation &amp; Community Development</strong></td>
<td></td>
</tr>
<tr>
<td>1. Co-operation</td>
<td>50.98</td>
</tr>
<tr>
<td>2. Community Development</td>
<td>1,00.00(B)</td>
</tr>
<tr>
<td>3. Panchayats</td>
<td>5.03</td>
</tr>
<tr>
<td><strong>Total—II—Co-operation &amp; Community Development</strong></td>
<td>1,56.01</td>
</tr>
<tr>
<td><strong>III. Irrigation &amp; Power</strong></td>
<td></td>
</tr>
<tr>
<td>1. Major &amp; Medium Irrigation</td>
<td>4,60.00</td>
</tr>
<tr>
<td>2. Flood Control</td>
<td>25.00</td>
</tr>
<tr>
<td>3. Power</td>
<td>2,85.00(C)</td>
</tr>
<tr>
<td><strong>Total—III—Irrigation &amp; Power</strong></td>
<td>7,70.00</td>
</tr>
</tbody>
</table>
### IV. Industries and Mining

<table>
<thead>
<tr>
<th>Head of Development</th>
<th>Budget provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Large and Medium Industries</td>
<td>2,28·00 (D)</td>
</tr>
<tr>
<td>2. Village and Small-Scale Industries</td>
<td>61·65</td>
</tr>
<tr>
<td>3. Mineral Development</td>
<td>54·00 (E)</td>
</tr>
<tr>
<td><strong>Total—IV—Industries and Mining</strong></td>
<td>3,43·65</td>
</tr>
</tbody>
</table>

### V. Transport and Communication

<table>
<thead>
<tr>
<th>Head of Development</th>
<th>Budget provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Roads</td>
<td>2,50·00</td>
</tr>
<tr>
<td>2. Road Transport</td>
<td>24·00</td>
</tr>
<tr>
<td>3. Ore Transport</td>
<td>44·00 (F)</td>
</tr>
<tr>
<td>4. Tourism</td>
<td>3·00</td>
</tr>
<tr>
<td><strong>Total—V—Transport and Communication</strong></td>
<td>3,21·00</td>
</tr>
</tbody>
</table>

### VI. Social Services

<table>
<thead>
<tr>
<th>Head of Development</th>
<th>Budget provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General Education</td>
<td>2,24·00</td>
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<tr>
<td>2. Cultural Programme</td>
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<td>3. Technical Education</td>
<td>22·00</td>
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<td>4. Health</td>
<td>1,99·94</td>
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<td>5. Water-supply</td>
<td>68·00</td>
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<td>6. Housing</td>
<td>9·30 (G)</td>
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<tr>
<td>7. Urban Development</td>
<td>8·06 (H)</td>
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<tr>
<td>8. Welfare of Backward Classes</td>
<td>55·00</td>
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<td>9. Social Welfare</td>
<td>3·56</td>
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<td>10. Labour &amp; Labour Welfare</td>
<td>2·97 (I)</td>
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<tr>
<td>11. Craftsman Training</td>
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<td>12. Public Co-operation</td>
<td>0·29</td>
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<td><strong>Total—VI—Social Services</strong></td>
<td>6,13·83</td>
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<td>Head of Development</td>
<td>Budget provision</td>
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<tr>
<td>---------------------</td>
<td>------------------</td>
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<tr>
<td>VII—Miscellaneous</td>
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<tr>
<td>1. Statistics</td>
<td>3.19</td>
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<td>2. Publicity</td>
<td>5.70</td>
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<td>3. State Capital Project</td>
<td>16.50</td>
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<td>4. Evaluation Machinery</td>
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<td>5. Government Press</td>
<td>7.00</td>
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<tr>
<td><strong>Total—VII—Miscellaneous</strong></td>
<td><strong>32.84</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>27,59.48 (J)</strong></td>
</tr>
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(A) Gross Provision Rs. 2,67.33 lakhs  
Recovery Rs. 20.00 lakhs.

(B) Gross Provision Rs. 1,51.00 lakhs  
Earmarked Central Assistance Rs. 51.00 lakhs.

(C) Excludes Rs. 3.80.00 lakhs being internal resources and borrowings of Orissa State Electricity Board.

(D) Excludes Rs. 62.00 lakhs being the internal resources of the Industrial Development Corporation.

(E) Excludes Rs. 51.00 lakhs being internal resources and borrowings of Orissa Mining Corporation.

(F) Excludes Rs. 76.00 lakhs being the internal resources of the Orissa State Commercial Transport Corporation.

(G) Gross Provision Rs. 12.00 lakhs  
Earmarked Central Assistance Rs. 2.70 lakhs.

(H) Gross Provision Rs. 14.33 lakhs  
Earmarked Central Assistance Rs. 6.27 lakhs.

(I) Gross Provision Rs. 7.52 lakhs  
Earmarked Central Assistance Rs. 4.55 lakhs.

(J) Total Provision under Annual Plan, 1968-69 Rs. 33.28 crores  
Deduct—Resources of Public Sector undertakings.  
Rs. 5.69 crores  
Provision in State Budget Rs. 27.59 crores

OGP—MP.V1 (Fin.)—58—1,500—2—1968