



GOVERNMENT OF ORISSA

Speech of

Shri Biwanath Das

Chief Minister, Orissa

Presenting the Budget Estimates

For the year 1972-73

TO THE ORISSA LEGISLATIVE ASSEMBLY

Hon'ble Speaker Sir,

I rise to present the annual financial statement of the Government of Orissa for the year 1972-73.

2. In July, 1971, when I presented to this House, the Budget for the current year I had referred to the crisis through which the country was passing and their impact on our programmes and finances. The historic march of events since then—precipitation of conflict by Pakistan, Victory mainly through the astute and remarkable leadership of the Prime Minister, bravery, dedication and discipline of our armed forces and heroism of Mukti Bahini, the birth of a free independent Bangla Desh pledged to secularism and democracy as the aftermath of war, has underlined the need for a greater unity of purpose and action in the policies, programmes and plans of the States and the Union of India. In the present situation facing the country, self reliance, growth of industrial and agricultural production and financial discipline have thus the highest priority. The estimates, austere as they are, that I am commending to this August House to-day, necessarily reflect these national priorities.

3. Last six months have been a period of special difficulties for Orissa. Indeed, it will not be wrong to say that the year 1971 was unprecedented on account of quick succession of natural calamities which visited the State. There were floods in the river systems of Bramhani & Vaitarani of the State. These floods came in succession and were of a considerable longer duration than usual wiping off what all repairs done to river Bunds. The rivers rose for a second and third time before waters of the earlier floods could be fully discharged. Closely following the floods, came the cyclone of October, 29th and 30th. This took a heavy toll of lives and inflicted untold miseries on the people of the areas affected. The cyclone which gathered a speed of 175 K. M. per hour, wrought havoc to crops and dwelling houses in about 8,000 sq. miles spread over the districts of Cuttack, Balasore, Puri, Mayurbhanj, Keonjhar and Dhenkanal. The tidal bore which accompanied the cyclone washed away a large number of human beings and cattle flooding the brine to a depth of 15 miles bringing with it immense loss and untold calamity. A complete picture of the tragedy has earlier been given to the House. The Central Government came to the assistance of the State and offered

loan & grant of Rs. 15.56 crores and Rs. 3.77 crores respectively totalling Rs. 19.33 crores. The State Government have found the assistance for cyclone to be inadequate and while sanctioning an amount of Rs. 20.93 crores for expenditure on various items of relief and restoration, have simultaneously requested the Government of India for an additional assistance of Rs. 13.70 crores. I would like to bring this to your pointed attention that in spite of the fact that our needs have not been fully met by the Centre, we have acted with realism and balance and striven hard to contain the expenditure within the resources available to the State. For this effort of ours, we have been unjustly blamed but deficiency, if any, in this regard, has been dictated by the necessity of maintaining financial discipline, which the centre has of late been insisting.

4. I would, however, like to take this opportunity to state that we should not allow these set-backs to reduce our determination towards greater economic development and prosperity. Hon'ble Members know that the disparity in the level of living between the people of Orissa and rest of the country is not only high but it is also growing. According to the estimates formulated by the Bureau of Statistics and Economics, Orissa's State income increased from Rs. 532 crores in 1969-70 to Rs. 547 crores resulting in an increase of 2.8 per cent. This, however, was less than the growth in the average national income. The *per capita* income of Orissa stood at 252 in 1970-71 which showed a growth rate of less than one per cent over the average of the previous year. The disparity in the *per capita* income has increased from Rs. 74 in 1964-65 to Rs. 89 in 1969-70. It was against this background of relative poverty that we had embarked on a substantial programme of agricultural development during 1971-72. The target of production was 60 lakh tonnes. Unfortunately, this met with serious difficulties on account of the floods and cyclone. A recent survey conducted by experts reveal that in the affected districts, 29.5 lakh acres of paddy crops have been damaged resulting in a loss of about 7½ lakh tonnes of rice.

As soon as we became aware of the dimensions of the damage caused by the cyclone, we realised the necessity of taking up schemes which would instil confidence among the affected people and revive their economic condition. We took up several projects for provision of water. Wherever

water was available in the rabi season, we initiated schemes for intensive cultivation. In the tidal bore area, 5 rigs obtained from the Central Ground water Board, are digging 100 very deep tube-wells, each of which is expected to irrigate 200 acres in khariff and 60 acres in rabi. In areas where sweet water was available in the rivers, we are setting up 300 units for lifting water costing Rs. 50 lakhs, each of which will irrigate 60 acres in rabi and 200 acres in khariff. In the rest of the cyclone affected area, a massive programme of dug-wells and shallow tube-wells is being undertaken, partly through Co-operative channel and the rest from the Commercial Banks. We have provided Rs. 1 crore for the scheme to be routed through the Co-operative Banks; and equal amount is expected to be provided by the Commercial Banks. With these funds it is expected to do 2,000 shallow tube-wells and 10,000 dug-wells, irrigating over 50,000 acres.

For the intensive rabi programme during this year, we obtained high yielding varieties of seeds from all over the country at short notice and supplied them to the farmers. In addition, we mobilised fertiliser from various sources and moved them to the interior places and as a result the consumption of fertiliser in the rabi season in the State is more than double that of last season. Consumption of phosphatic fertiliser has trebled and potassic fertiliser increased five times. Hon'ble members will be glad to know that this rate of growth in fertiliser consumption is unprecedented in Orissa and has few parallels in the rest of the country.

This was largely possible because we adopted a new system of giving liberal Taccavi loan to the cultivators in the cyclone-affected areas. We utilised the Block Organisation for the purpose in view of the weakness of the Co-operative structure and pre-occupation of Revenue officials with other matters. Seeds, fertiliser and cash were made available at one place. This has meant a great deal of effort on the part of a large number of Departments and Officers, but I am glad to report that this has succeeded.

PRICES

5. It is a matter of gratification that in spite of the heavy burden of maintenance of refugees the total price index increased in 1971 by only 3.9 per cent. The food price rose only 1.8 per cent in 1971 compared with 5.2 per cent in 1970. In Orissa, working class consumer's price

index increased from 249 to 259 during the corresponding period. However, during the first six months of 1971-72, the index in Orissa has fallen to 252 compared to 258 registered during the corresponding six months of 1970-71. Although the prices have so far not caused an undue worry, it is feared that because of the large-scale damage to crops, there may be adverse developments in the price situation later during the year. Government is keeping vigilance over the matter and will take appropriate steps, if the need will arise.

FOURTH FIVE-YEAR PLAN

6. Hon'ble Members would recollect that I had mentioned last year that the Government has been making earnest efforts to increase their own resources as well as to obtain from the Central Government and financing institutions more finances to augment the size of the State Plan. I am very happy to announce that the State's Fourth Five-Year Plan outlay which was earlier estimated to be of the order of a little less than Rs. 223 crores, is now likely to exceed Rs. 260 crores, if we are able to keep up the present tempo of resources mobilisation. I would also like to state that this increase in outlay has not been achieved by resorting to unauthorised overdrafts from the Reserve Bank, but by mobilising more resources. Government however, will continue to make greater efforts to further increase the rate of investment directly and through State agencies.

7. With this background, I would like to present an outline of some of the features of Accounts 1970-71 and the Revised Estimate for 1971-72 before presenting the Budget Estimate for 1972-73.

ACCOUNTS 1970-71

8. The Accounts for the year 1970-71 closed with a credit balance of Rs. 7.44 crores. The closing balance was mainly on account of special accommodation received from Government of India and some surplus of financial resources on the State Plan account. The excess accommodation received from the Government of India has subsequently been adjusted in the special loan accommodation for 1971-72 and the surplus resources in the Plan account have been added to the State's annual Plan for 1971-72.

REVISED ESTIMATES 1971-72

9. The Budget Estimates for the current year as passed by the Hon'ble Members in July last, had envisaged an opening balance of Rs. 26 lakhs. The transactions of the year were to result in a deficit of Rs. 3.97 crores. Taking into account the opening balance, the year was to close with negative balance of Rs. 3.71 crores. According to the Revised Estimates we expect the account of the Government to close with a credit balance of Rs. 34 lakhs; the transactions of the year showing a deficit of Rs. 7.10 crores taking into account the opening balance of Rs. 7.44 crores.

10. The deficit in the Non-Plan Revenue Account has increased from the Budget figures of Rs. 14.60 crores to Rs. 28.63 crores. There has been an improvement in the Capital Account to the extent of Rs. 8.45 crores. This is mainly due to the reason that while most of the relief expenditure is booked under the Revenue Account, only grant portion of the Central assistance is shown in the Revenue Account and the balance, being a loan is taken credit of in the Capital Account.

11. The Annual Plan of the State for 1971-72 had an outlay of Rs. 53.56 crores as indicated by me at the time of the presentation of the Budget. I am happy to inform you that we have been able to increase the outlay to Rs. 55.47 crores, mainly, by increasing the borrowings of the State Electricity Board and by obtaining more funds from Reserve Bank of India for investment in Co-operative Societies. Out of this, the provision in the Revised Estimates of the State Government amounts to Rs. 47.27 crores.

12. I would now present to the House broad outlines of the Budget Estimates for 1972-73.

BUDGET ESTIMATES 1972-73

13. As I have already stated, we hope to close the current year's accounts with a surplus of Rs. 34 lakhs which will constitute the opening balance for 1972-73. The Revenue receipts, including Non-Plan Central grant and share of taxes during 1972-73 on the basis of 1968-69 rates of taxes and duties, would be of the order of Rs. 127.73 crores. The Non-Plan Revenue Expenditure is expected to be Rs. Rs. 146.61 crores. Thus, there is likely to be a non-Plan Revenue deficit of the order of Rs. 18.88 crores.

In the Plan, including the Central Sector, expenditure on Revenue Account for which provision has been made is Rs. 30.65 crores. Central assistance in the form of grants for meeting this expenditure and other receipts are estimated at Rs. 21.16 crores. Thus, Revenue deficit in the Plan side of the Budget is likely to be of the order of Rs. 9.49 crores without taking into consideration the effect of additional resource mobilisation measures taken since 1969-70 and the State's share of Centre's additional resources.

The total Revenue deficit under Plan and Non-Plan excluding the items I referred to just now, therefore, amounts to Rs. 28.37 crores.

14. In the Non-Plan Capital Account, receipts and disbursements have been estimated at Rs. 26.52 crores and Rs. 52.18 crores respectively resulting in a deficit of Rs. 25.66 crores excluding special accommodation. The receipts include Rs. 9.90 crores which the State Government propose to obtain as loan from the public. The estimates of disbursements include Rs. 48.64 crores for repayment of loans. The major share of this repayment is to Government of India which will reach an all time high figure of Rs. 39.15 crores next year. I may inform the Members that during the current year, we are repaying to Government of India Rs. 30 crores. The liability under this item is suddenly going up by Rs. 9 crores during 1972-73. This is mainly due to repayment of a part of the loans obtained from Government of India for floods and cyclone relief operations during the current year, specially, the short-term loan which is to be repaid in one instalment. The details of the debt burden of the State have been furnished in Appendix 'A' to this Budget Speech.

15. Under the Plan, including Central Sector, receipts and expenditure on Capital account are Rs. 24.60 crores and Rs. 29.71 crores respectively. This will result in a deficit of Rs. 5.11 crores. The total deficit in the Capital Account excluding the special accommodation will, therefore, amount to Rs. 30.77 crores.

16. In the Public Account, receipts have been estimated at Rs. 171.61 crores and disbursements are likely to be of the order of Rs. 162.17 crores leaving a surplus of Rs. 9.44 crores.

17. Thus, the transactions of the State Government during 1972-73 excluding receipts on account of special accommodation, State's share of Centre's additional resources

and additional resources mobilisation measures of the State Government are expected to result in an over-all deficit of Rs. 49.70 crores. Out of this, the non-Plan deficit of Rs. 35.10 crores is expected to be covered by obtaining special loan accommodation from Government of India to the extent of Rs. 35 crores. The remaining gap of Rs. 14.60 crores relates to the State Plan.

ADDITIONAL RESOURCE MOBILISATION

18. I had informed the House last year that the State Government had agreed to raise additional resources of the order of Rs. 35 crores during the Fourth Five-Year Plan period. We have already adopted a large number of measures to fulfil this obligation. The measures already taken are—revision of rates of sales tax, increase in the rates of land cess, revision of stamp duty, increase in Electricity Duty, increase in irrigation rates, increase in some of the rates of mining royalty, revision of the rates of salami for leasing Government lands, extension of entertainment tax, tax on passenger fares, toll on Expressway, rationalisation of Kendu leaves trade, enhancement of rate of tax on sale of motor spirit and rationalisation of the procedure for Agricultural Income Tax. The measures already taken are expected to yield an amount of Rs. 8.75 crores during 1972-73. Although even on the basis of the measures already taken, we will exceed the target of additional resource mobilisation set for us, we have decided to make further efforts so that we can enlarge our programmes of development. The most important of these fresh measures is our proposal to introduce a tax on agricultural land on a graduated scale. This measure is designed to tap rural incomes in such a way that the burden does not fall too heavily on small land holders. The next important measure is to re-introduce compulsory basic water rate envisaged in the Orissa Irrigation Act and Rules. Hon'ble Members are aware that our water rates are not enough to cover even half of the maintenance expenditure on the irrigation head works and canals, let alone interest. These low rates have imposed a serious limitation on our ability to take up more irrigation projects. It is also inequitable that this service which gives considerable benefit to certain areas and people, should be subsidised to such a large extent. Legislation in respect of both of these items will be introduced during the current session of the Legislature. Mining royalty on iron ore has already recently been increased. We also intend to

increase the revenues from minor forest produce and minor minerals. All these fresh measures are expected to yield an amount of Rs. 2 crores during 1972-73. Thus, the total receipts from all the measures of additional resource mobilisation will amount to Rs. 10.75 crores. As I had informed the House last year, Government of India has agreed that as long as we contain the non-Plan deficit within the agreed limits, State's share out of Central Government's additional resource mobilisation effort will be available for Plan finance. On the basis of rates of Central taxes as prevailing now, we expect to get an amount of Rs. 3.93 crores as our share of Centre's additional resource mobilisation measures. Thus the total of receipts on account of additional resource mobilisation of the State and Centre and the special accommodation, will amount to Rs. 49.68 crores, against the total deficit of Rs. 49.70 crores which I had mentioned earlier. The net transactions of the year will, therefore, result in a deficit of Rs. 2 lakhs. Taking into account the anticipated opening balance of Rs. 34 lakhs we expect the year to close with a cash balance of Rs. 32 lakhs. In case Government of India adopt certain further measures of taxation under sharable taxes, we will get some additional amounts and these will be duly added to the State Plan.

19. I would like to make a special mention of some of the additional tax measures we took during last January, the proceeds of which will be contributed to Government of India for financing in a token way, the expenditure incurred by them on account of refugees from Bangla Desh. These measures, which include increase in Entertainment Tax, increase in Motor Vehicle Tax and sales tax are expected to yield Rs 38 lakhs during 1972-73. It is proposed to contribute the proceeds of these taxes, to Government of India for which provision has been made in the Budget. This is in addition to Rs. 9 lakhs which has been provided in the Revised Estimates.

ANNUAL PLAN 1972-73

20. The size of the Annual Plan for the State for 1972-73 has been tentatively fixed at Rs. 57.42 crores. The figure will be final after the House has approved the fresh measures of additional taxation which I have already referred to. Resources for financing this Plan comprise of Rs 31.04 crores as Central assistance, Rs. 1.80 crores as negotiated borrowing of the State Government, market and negotiated borrowings

of the State Electricity Board amounting to Rs. 8.58 crores, additional resource mobilisation by the State to the extent of Rs. 10.75 crores, State's share of Centre's additional resource to the extent of Rs. 3.93 crores and State Electricity Board's additional resources to the extent of Rs. 1.32 crores. I would draw the attention of the House to the fact that Central Plan assistance for 1972-73 has been fixed at a lower figure than that of the current year by rupees one crore. In spite of this reduction, we are taking steps to see that the next year's Plan outlay is about Rs. 2 crores more than the current year. Out of this total outlay of Rs. 57.42 crores, the State Electricity Board is mobilising resources to the extent of Rs. 9.90 crores. Since this amount will not pass through State Government's accounts, the Plan outlay to be reflected in the State Budget is of the order of Rs. 47.52 crores. In the Budget Estimates of 1972-73 provision of Rs. 47.44 crores has been made, the details of which are indicated in Appendix-B.

21. Inter-sectoral allocations of the plan outlay of Rs. 57.42 crores fixed for 1972-73 have been made in the best possible manner, weightage being given to the needs in the high priority and productive sectors, early completion of continuing irrigation and power projects, requirements of overall development with emphasis on the comparatively back-ward regions and some programmes designed to generate additional employment facilities. Of the total outlay, allocation to Agriculture and allied programmes is 22.8 per cent, Irrigation and Power 44.5 per cent, Industries and Mineral 3.6 per cent, Transport and Communication 6.6 per cent and Social Services 21.9 per cent.

22. In addition to the State Plan, an amount of Rs. 12.70 crores is being provided for implementation of Centrally sponsored schemes. Besides, Rs. 3.07 crores are being provided for special schemes such as crash programme for rural employment and the rural works programme. The tempo of work under some of the Central programmes such as National Highways is being substantially stepped up. We hope to obtain and utilise an allocation of about Rs. 5 to 6 crores under this programme during 1972-73. The implementation of the schemes which are being financed by loan assistance from Rural Electrification Corporation is also proposed to be considerably accelerated and we hope to obtain and utilise, during 1972-73, loan assistance from this source to the extent of about Rs. 6 crores. Arrangements are also being made

for increasing the flow of financial assistance from Central ^{Govt} ~~front Government had announced a Seventeen Point~~ whole. With favourable weather conditions, we hope to increase the pace of economic growth of the State considerably during 1972-73.

23. Hon'ble Members would recollect that our United front Government had announced a Seventeen Point Common Programme. The main objective of this programme is to accelerate the pace of development in the State so that the existing regional imbalance between this State and other States is progressively reduced. This, we are trying to achieve firstly, by increasing the size of the investment programmes under the State Plan, specially those relating to irrigation, power and agricultural production, secondly, by trying to ensure expeditious execution of schemes of mineral development and mineral based industries either jointly with Government of India or through State Corporations, such as Malangtoli Iron Ore, Sukinda Nickel, Sargipalli Lead, Ferro Vanadium Formed Coke and Sponge Iron Projects etc., thirdly, by trying to bring about rapid development of transport facilities including laying of new Railway lines and expansion of Paradeep Port, fourthly, by a rapid development of our marine resources specially in the field of fisheries and last but the most important of all by taking all necessary measures to bring about an early decision for setting up of the second Steel Plant in Orissa. We are also taking steps for revival of Zilla Parishads so that the process of democratic decentralisation can be continued and implementation of development programmes in rural areas expedited. I would now like to present before the House, broad outlines of some of the programmes of development proposed for 1972-73 and while presenting this, I will indicate the progress made in regard to different items of the common programme.

AGRICULTURE

24. We attach highest importance to agricultural development in the State. Agriculture contributes majority of the State income and provides employment to 3/4th of the State's working population. The biggest impact on rural unemployment can be made by improving agriculture, especially, by increasing multiple cropping and popularising the use of modern and more intensive methods of cultivation. This, we intend to achieve through our programmes. During

the current year, an outlay of Rs. 240.02 lakhs has been provided for this item. In the coming year, this is proposed to be stepped up to Rs. 3.53 crores. The target of production of food grains for 1972-73 has been fixed at 65 lakh tonnes. From the trend of the growth of fertiliser consumption, irrigation facilities, use of pesticides and improved seeds, we are hopeful that this target will be achieved. Production of cash crops during 1971-72 has been satisfactory. For 1972-73 the target of production of oil seeds has been fixed at 2.70 lakh tonnes and of sugarcane, in terms of Gur, 2.78 lakh tonnes. For jute and mesta a target of 6 lakh bales has been fixed which is about 12% above current year's achievement. Under multiple cropping, an additional coverage of over two lakh hectares is planned. The targets in regard to high yielding varieties programmes are to cover 5 lakh hectares under paddy, 25,500 hectares under wheat and 25,000 hectares under maize against the achievement of 2.90 lakh hectares under paddy, 15,000 hectares under wheat and 10,000 hectares under maize. A programme of dug wells and shallow tube wells has been taken up throughout the State and the Government has decided to give a subsidy of 25 per cent for this purpose. Besides this, in the special project areas, under Small Farmers and Marginal Farmers Agencies, identified beneficiaries will get 25 per cent to 33½ per cent subsidy from respective agencies. I would request Hon'ble Members to make all out effort to enthuse the farmers and specially the small farmers not to miss this opportunity.

LAND REFORMS

25. We consider Land Reforms not only essential from the point of view of social justice but also as a vehicle for achieving a sustained high rate of growth of agricultural production. Land Reforms is a definite step towards socialism to which our country is committed. Though the Orissa Land Reforms Act was brought into force with effect from October, 1962, Chapter IV of this Act, dealing with fixation of ceilings of land holdings could not be brought into force because of litigations which is known to the Hon'ble Members. The State Government have now brought the Chapter into operation with effect from 7th January, 1972 after the finality of the appeals in the Hon'ble Supreme Court. A small amount of money has been provided in the Budget for payment of compensation for ceiling surplus land during 1972-73. More funds will be provided and the lands found surplus to ceiling

will be settled with contiguous royats and landless agricultural workers etc. as provided in the Act. We also attach high importance to the programme of consolidation of holdings. The legislation to prevent fragmentation and consolidate the holdings has already been introduced in the Legislature. The State Government propose to take up a substantial programme for consolidation during 1972-73. Steps are being taken to set up a large and well-knit organisation for this purpose. The objective is to complete the work of consolidation throughout the State in a period of about ten years. It is intended that with the exception of areas which do not have village maps and land records, consolidation of holding will be taken up in every districts of the State in suitable areas.

26. Out of 4,33,000 intermediary estates in the whole State, 4,21,000 have already been abolished under the Orissa Estates Abolition Act and the question of abolition of the remaining Estates is under consideration. Out of the Estates already abolished, over 14,000 have been declared by Tribunals as Trust Estates. In the interest of good management of Trust property, Government are introducing the required legislation during the current session of the Assembly.

IRRIGATION

27. In an agricultural State like Orissa, maximum priority ought to be given to irrigation. But with limited resources of the State, we have been able to provide a sum of Rs. 9.92 crores for major, medium, minor and lift irrigation schemes. An additional area of two lakh acres is proposed to be brought under command of major and medium irrigation projects during 1972-73. Salandi Irrigation Project has been completed and the water from this Project is expected to be fully utilised during the coming year. Steps are being taken to complete 11 medium irrigation projects which are continuing. A systematic programme for investigation of a large number of projects has been drawn up keeping in view the need for irrigation in backward and chronically drought affected areas and areas having utterly inadequate irrigation facilities. It is proposed to start preliminary work in 1972-73 on Anandpur Barrage and 7 new medium irrigation projects, namely, Onga, Kala, Dadraghati, Sundar, Saipal, Ramiala and Khadkei.

28. Under Minor Irrigation, in addition to 91 spill over projects of Third Plan, execution of 52 new projects has been taken up in different districts. Although, during current

year only additional areas of 6,000 hectares could be brought under irrigation, it is expected that with the completion of a number of projects in hand, in 1972-73, an additional area of 12,600 hectares will be brought under irrigation. Another innovation that we are going to introduce is that as far as possible, future road bridges will be bridge-cum-diversion weirs so that along with the bridge construction, neighbouring areas will get irrigation facilities. We are also investigating the technical feasibility of strengthening the existing bridges and making additions and alterations to provide facilities to divert water from these sites. This will enable us to provide irrigation facilities in a short time to a large area.

29. Execution of lift irrigation schemes in the private sector has not been very encouraging and we have, therefore decided to execute more projects departmentally out of State funds although the existing concessions for execution of lift irrigation schemes in the private sector will be continued. We have also requisitioned the services of the Central Ground Water Board to instal deep tube wells in the cyclone affected areas during the current year. An additional area of 8,800 hectares is to be brought under lift irrigation. For 1972-73 the target is to bring a further additional area of 3,000 hectares under lift irrigation.

CO-OPERATION

30. Credit is another basic ingredient for modernisation of agriculture. Co-operative credit structure and their financing policies have been reoriented to provide a greater flow of production oriented credits to serve the small farmers and weaker section of agricultural community. Steps are being taken to strengthen and revive the co-operative societies where the structure is weak. Co-operative Banks in coastal areas are also being strengthened. The investment targets of short-term, medium-term and long-term credits are 14 crores, 4 crores and 9.50 crores for 1972-73.

FOREST

31. Apart from their utility in prevention of soil erosion, improvement of rain fall, protection of environment, forests are an important source of revenue to the State yielding about Rs.8 crores per year. We have, therefore,

decided to accelerate the programme of afforestation and tree plantation in the State. The Plan outlay for forest schemes for 1972-73 has been increased to Rs. 125 lakhs against an outlay of Rs. 91 lakhs during the current year. It is proposed to cover nearly 28,000 acres of forest areas by planting up with economic fast growing fuel and medicinal species. Steps are being taken for afforestation of 5,200 acres of coastal belts affected by recent cyclone so that the effects of future cyclone can be minimised. An extensive tree plantation drive was taken up from the beginning of the current year. By the end of 1971, Planting of over 33 lakh trees and distribution of large quantities of seeds has been completed. For 1972-73, it has been decided to make this programme still more extensive to include all villages, waste lands, road side embankments, compounds of Government buildings and canal embankments. In each district, there will be a Committee of suitable representatives to review the work that has been done and also to draw up future programmes of tree plantation on a more intensive basis.

WELFARE OF BACKWARD CLASSES

32. The State Government have a special responsibility for the upliftment of Scheduled Castes and Scheduled Tribes. Apart from the traditional schemes of improving living conditions of the members of Scheduled Tribes and Castes, some new items are now being taken up. During the current year, two special Pilot Development Projects have been allotted by the Government of India—one for parts of Ganjam district and the other for parts of Koraput district. During the course of the current Plan, an amount of Rs. 1.5 crores will be spent in each of these projects for the integrated economic development of the local tribals. During the current year, a State Tribal Development Co-operative Society is being set up to take charge of storage, marketing and processing of the agricultural and minor forest produce procured by the tribals and also to take up measures for promotion of agriculture mainly through suitable affiliated primary societies.

33. Over the year, the menace of Podu cultivation has denuded the State of its valuable forest wealth. It has not yet been possible to devise effective means to deal with this practice. We now propose to take preventive measure in

this regard—not by the weapons of Police and repression but by the instruments of social justice. We propose to provide alternative employment to the tribals who are at present forced to take up this unsocial activity for economic reasons. The State Government have proposed a comprehensive scheme for rehabilitation of the Podu cultivating tribals with an outlay of Rs. 4 crores to the Government of India for assistance outside the Plan. Pending consideration of help from the Government of India, the State Government have specially earmarked Rs. 15 lakhs in the Budget of 1972-73 for taking suitable schemes for prevention of Podu cultivation. In the two Pilot Projects, which I referred to just now, it is proposed to intensively deal with this problem and for this, all the required financial support will be given by the Government.

ELECTRICITY

34. The modern age can be called the age of electricity and the utility of electricity need not be emphasised. To provide irrigation and to set up minor industries in the villages, we are giving stress on rural electrification programme. I am happy to announce that the work on the Balimela Project is going on according to the revised schedule and impounding of water in the reservoir will commence from next monsoon. We also hope to commission the first and second generating units before December, 1972. In view of the long gestation period of power projects, preliminary investigation for Upper Kolab and Upper Indravati Projects has been taken up.

In order to accelerate the rural electrification programme, the required expansion of transmission and distribution system is being taken up. The Balimela-Talcher Transmission line is being expedited to bring about synchronisation in the progress of work between Balimela Power Project, and the transmission system. Electricity Board's programme for the transmission, distribution and rural electrification is being considerably expanded during next year. The Plan for 1972-73 provides for an investment of Rs. 9.90 crores. In addition, the Board has geared up its organisation to be able to obtain and utilise loans to the extent of about Rs. 6 crores from the Rural Electrification Corporation during 1972-73. If the hopes in this regard materialises, the total outlay on the programme to be implemented by the State Electricity Board during 1972-73 will reach a figure of about Rs. 16 crores.

FISHERIES

35. Hon'ble Members would recall that last year, I had mentioned about our proposal to accelerate the fisheries development by taking up training programmes. I am happy to inform the House that three Training Centres have been established at Kausalyaganga, Chandipur and Paradeep. It is proposed to train a large number of young fishermen in these Centres during 1972-73. For an all round development of Chilka Lake, the project has been drawn up at an estimated cost of Rs. 13 crores. Government of India have recommended this to the World Bank who are considering the proposal. While Paradeep Port Trust is taking steps for establishing a fishing harbour at Paradeep, the State Government is following up the proposal to establish a fishing harbour at Gopalpur.

INDUSTRIES

36. Hon'ble Members would recollect that we had entrusted a renowned firm of Consulting Engineers with the job of preparing the feasibility Report for setting up of the second Steel Plant in Orissa. The firm has completed its interim report, and it is understood that the final report is under compilation and it will be available within a month or two. We are continuing to press the Government of India in the matter and are hopeful of a favourable decision in this regard.

37. In pursuance of the objective to bring about rapid industrialisation and consequent creation of employment opportunities in the State, a new Industrial Policy for industrial development valid for a five-year period from 1972-73 has been announced. Eight districts, out of 13 in the State which have been declared backward, qualify for special concessions. Besides, two districts out of the above 8 namely, Mayurbhanj and Kalahandi, have been selected to receive outright subsidy for setting up industries. During the current year, 7 industrial licences or letters of intent for setting up of industries have been received from Central authorities. These are for a Solvent Extraction Plant at Rairangpur, a Paper Plant at Jeypore, a Silicon Carbide Plant at Latikatha, Aluminium Ingots at Koraput, Fertiliser Plant at Talcher, Calcium Carbide Plant and Graphite Crucibles Plant at Sunki.

38. The Industrial Development Corporation has made considerable progress in the preliminary work relating to setting up of the Plants under its consideration, including Sponge Iron Plant, Dichromate Plant, Ferro Vanadium Project, Formed Coke and Pig Iron Complex and Automobile Tyre and Tubes Plant.

39. For accelerating the pace of setting up of small scale industries, expansion of a number of existing Industrial Estates has been taken in hand. It is proposed to enlarge the programme considerably in future years. It is also under consideration to set up an Investment Institute to help the entrepreneurs to put up industries in Orissa. Two more rural industries projects have been allotted to the State. On the request of the State Government, the Industrial Development Bank of India has conducted a survey in 1971 to identify the potential industrial projects suitable for assistance by financing institutions. There has been good progress in regard to ancillary industries at Rourkela. The value of stores, supplied by these ancillary units, to the Steel Plant, has increased from Rs. 68 lakhs in 1968-69 to Rs. 2 crores in 1970-71. It is likely to reach a figure of Rs. 3.5 crores during the current year, and a still higher figure during the next. We are also taking steps for encouragement of ancillary industries at Sunabeda.

VILLAGE ARTISANS

40. One of the distressing developments during the last two decades has been the deterioration in the condition of the village artisans. These artisans used to function as the Technical Wing in the village for the normal improvements of the rural community. But for want of adequate facilities and patronage, these rural artisans are not able either to contribute adequately to the needs of the village nor improve their own economic status. We have, therefore, decided to take up a programme to train them in modern techniques and to provide them with improved tools and raw materials. This programme is now being drawn up and we feel that after it is drawn up and implemented, it will not only look after the village artisans but it will also help considerably in agricultural production. After the scheme has been worked out in details, necessary financial provisions will be made.

CHARAKHA PROGRAMME

41. Hon'ble Members will be happy to know that we are taking up a programme for the introduction of Spinning

and Weaving on a large scale in Orissa as a measure to deal with rural unemployment and under-employment. To begin with, a number of pilot projects are to be started in 1972-73 in collaboration with All India Khadi and Village Industries Commission. The State Khadi & Village Industries Board has formulated for implemetation during 1972-73, a scheme for starting a Training -cum-Production Centre for Khadi to train up persons in improved methods of spinning. The persons so trained in the Centre are expected to return to rural areas and train up others in the trade and thus, help the spread of Khadi and also enable the Khadi workers to earn higher wages through improved spinning.

MINING

42. In the sector of mineral development considerable progress has been achieved in the field of exploration. As a result of the mineral exploration work, it has now been decided to take up on a priority basis, a Nickel Plant at Sukinda and a Lead Plant at Sargipalli. These Projects will be taken up by Government of India in collaboration with the State Government. It is also proposed to take up the exploitation of the massive reserves of iron ore in the Malangtoli region of Keonjhar district by the State Government in collaboration with Government of India. For a proper utilisation of the mineral wealth of the State, I would appeal to Government of India to stretch its liberal hand.

EDUCATION

43. Under Education, we intend to continue the emphasis on elementary education. During 1972-73, 2,000 additional Primary School teachers will be appointed. In order to meet the growing need of trained teachers in primary and secondary schools, it has been proposed to open ten Training Centres and 20 Condensed Course Training Centres during 1972-73. Under the University Education, we are increasing the grants so that the new Universities at Berhampur and Sambalpur can complete their buildings early. To make higher education more meaningful in the current socio-economic context, it has been decided to introduce work-oriented courses in under-graduate stages in some of the Government Colleges. With a view to develop the fundamental research work in all branches of

Physics and teach the University Degree holders in advanced Physics, it is proposed to establish an institute of Physics at Bhubaneswar.

44. We are continuing with our programmes of bringing about improvement in Sanskrit education in the State.

HEALTH

45. Under health programmes, the main emphasis is, on completion of the Berhampur Medical College, and bringing about improvements in the district headquarters hospitals, Subdivisional hospitals and health and medical facilities in the rural areas. By the end of the current year, we would have established Primary Health Centres in all the Blocks of the State. A large number of Doctors are being recruited to fill up the posts in various dispensaries in the rural areas.

DRINKING WATER-SUPPLY

46. For Drinking Water Supply, an amount of Rs. 214 lakhs is being provided in the Budget against an amount of Rs. 170 lakhs provided for these programmes during the current year. Under the cyclone relief programme, a large number of tube-wells have been installed in the affected areas.

POLICE

47. I am happy to report that the crime position in the State was kept under control during the year and I am sure that with their usual vigilance the State Police will continue to keep the crime at as low a level as possible. We are taking steps to modernise our Police Force to make it more efficient. Eight new Fire Stations have been sanctioned during the current year and 4 new Fire Stations are proposed to be set up during 1972-73.

UNEMPLOYMENT

48. The continuing unemployment problems is causing concern to the State Government. To tackle the problem in rural areas, the crash scheme for rural employment is being continued. In addition to this and the rural works programme and various other development programmes that

are under execution in the State, we are also considering a Charakha Programme and the Village Artisans Rehabilitation Programme. Government is continuing to provide ever increasing facilities and help for the educated and unemployed young men to set up their own businesses, industries and farms. We have paid special attention to the unemployment among the Engineering personnel. I am happy to state that on account of the various measures taken by us, there are now very few unemployed Civil Engineers left in the State. But the problem of providing employment to about 1,000 civil Diploma holders still remains. We have taken up this task to see that these Diploma holders are provided with employment by different contractors and the Government organisations, within the next few months. The State Planning Board is also engaged in the question of drawing up schemes which may result in greater employment opportunities for the other categories of Engineers. I am sure that as soon as the various industrial projects in regard to which considerable preparatory work has been done are started, the position will improve in regard to these other categories also.

49. Now Sir, before I come to an end of my speech, I would like to emphasise that the time has now come when we must tighten our belt and devote ourselves whole-heartedly to the task of ameliorating the conditions of living of the people of Orissa. The financial condition of the Government of a poor and economically backward State like ours is bound to be weak. With the present situation facing the country, we can hardly expect others to come to our rescue to any large extent. In the ultimate analysis, there can be no substitute for self help and hard and systematic work. I am, however of the view that the foundations of the conditions for a quick growth both in the fields of agriculture and industry have been laid in Orissa and considerable infra-structure facilities have been set up and if we work with determination and unity, there is no reason why we should not succeed. I have indicated that we propose to undertake fresh measure of resource mobilisation specially to tap rural incomes and collect reasonable water rates. For this, I request for co-operation of all the Hon'ble Members and I am sure that with their co-operation, we will not only be able to fulfill our targets but to exceed them substantially.

With these words, Sir, I present the Budget Estimates for the year 1972-73 for consideration and acceptance by the House.

APPENDIX A

DEBT POSITION OF THE STATE

(Rupees in thousands)

	Outstanding on the 1st April 1971	Estimated outstanding on the 1st April 1972	Estimated outstanding on the 1st April 1973
1. Permanent Debt ..	65,24,24	68,82,95	72,65,82
2. Floating Debt ..	1,88,00	2,70,00	2,70,00
3. Loans from the Central Government.	3,84,41,04	4,23,95,50	4,48,93,89
4. Loans from Reserve Bank of India,	1,56,90	2,68,39	3,22,73
5. Loans from Life Insurance Corporation of India.	9,13,16	9,91,73	10,67,37
6. Loans from National Co-operative Development Corporation.	2,42,21	2,52,27	2,67,96
7. Loans from the Khadi and Village Industries Commission of India.	12,00	12,00	12,00
Total ..	4,64,77,55	5,10,72,84	5,40,99,77

APPENDIX B
STATE SECTOR PLAN OUTLAY FOR 1972-73

(Rupees in lakhs)

Head of Development	Budget provision
I. Agricultural Programme—	
1. Agricultural Production including Land Development	352.98
2. Land Reforms ..	40.00
3. Minor Irrigation ..	323.00
4. Soil Conservation ..	57.00
5. Ayacut Development ..	25.00
6. Animal Husbandry, Dairying and Milk Supply ..	99.97
7. Forests ..	105.00
8. Fisheries ..	60.00
9. Ware-housing and Marketing ..	4.18
Total—I—Agricultural Programme ..	10,67.13
II. Co-operation and Community Development—	
1. Co-operation ..	140.00
2. Community Development ..	100.00
3. Panchayats ..	5.40
Total—II—Co-operation and Community Development ..	2,45.40
III. Irrigation and Power—	
1. Major and Medium Irrigation ..	669.00
2. Flood Control ..	100.00
3. Power ..	796.90
Total—III—Irrigation and Power ..	15,65.90

IV. Industries and Mining:

1. Large and Medium Industries	..	83.00
2. Mineral Development	..	40.40
3. Village and Small Industries	..	80.72

Total—IV—Industries and Mining	..	204.12
--------------------------------	----	--------

V. Transport and communication—

1. Roads	..	333.00
2. Road Transport	..	33.00
3. Inland Water Transport	..	0.50
4. Ore Transport	..	5.00
5. Tourism	..	7.00

Total—V—Transport and Communication	..	378.50
-------------------------------------	----	--------

VI. Social Services—

1. General Education	..	446.61
2. Technical Education	..	25.00
3. Cultural Programme	..	8.00
4. Water-Supply	..	214.00
5. Housing	..	188.00
6. Health	..	201.26
7. Urban Development	..	17.00
8. Welfare of Backward Classes	..	121.00
9. Social Welfare	..	3.62
10. Labour & Labour Welfare	..	8.55
11. Craftsman Training	..	13.00
12. Public Co-operation	..	0.40

Total—VI—Social Services	..	12,46.44
--------------------------	----	----------

VII. Miscellaneous

1. Statistics	..	8.32
2. Publicity	..	9.00
3. Government Press	..	18.90
4. Evaluation Machinery	..	0.80

Total—VII—Miscellaneous	..	37.02
-------------------------	----	-------

Grand Total	..	47,44.51
-------------	----	----------

Excludes Rs. 990.00 lakhs relating to Public undertaking as shown below:—

1. Orissa State Electricity Board	..	990.00
-----------------------------------	----	--------

Total—State Plan Schemes	..	57,34.51
--------------------------	----	----------

Printed by Shri U. N. Misra, Superintendent,
Orissa Govt. Press, Madhupatna, Cuttack-3