



GOVERNMENT OF ORISSA

Bl V Branch

Speech of

Shri Binayak Acharya
Minister, Finance, Orissa
Presenting the Budget Estimates
For the year 1975-76
TO THE ORISSA LEGISLATIVE ASSEMBLY

24th February 1975

Sir,

The annual financial statement of the Government for the year 1975-76 along with other documents are with the Hon'ble members of this august House. It is perhaps an auspicious conjunction that the budget is being presented at a time when the Country's economy is gradually looking up, resurrecting the hope and confidence of people in the resilience and inherent vitality of our economy. Only a few months ago the malaise appeared deep-seated and intractable. Despondency loomed large. The reading of the official 12 monthly average index of wholesale price was 188.4 at the end of June, 1972. It moved to 207.1 in 1973 and thereafter the climb became steep, pervasive and persistent. It touched 254.2 by the end of June, 1974 and surged forward to the all time high of 328.2 by the end of September, 1974. This syndrome of a fast rising index did disrupt the texture and tenor of economic life of the common man and caused grave concern and anxiety all round. The prognostication of purveyors of doom and despair who are not wanting in any system, was that the economy's sickness was beyond redemption. Stagflation, Slumpflation and Hyperinflation, the fashionable semantics of the *nouveau riche* were freely bandied about to accentuate the hopelessness of the malady. But I am happy to say that the latest profile of economic currents as they emerge in different spheres of national life, lead to the inference that the economy is regaining its health, thanks to the package of monetary and non-monetary correctives applied since February, 1974. The price surge has started rolling back. There is a

perceptible chastening in the uptrend of the wholesale price index. All the major sub-groups of the index, i. e., food articles, industrial raw materials and manufactures have registered a decline. The cumulative fall in the food articles group was 4.3 per cent by December, 1974. The drop is 9.9 per cent in industrial raw materials and 2.6 per cent in manufactures. Of course, the gains are not dramatic but the trends are steady and unmistakable. The road to recovery from the crisis of rising prices lies in continuing to direct the policy mechanisms towards maximising production, restraining consumption and enforcing the fiscal and monetary discipline.

2. We, in this State, have had the impact of the fall-out of inflationary forces disturbing the country. But our misfortune became more acute owing to crippling drought conditions, manifesting in many parts of the State in the current year. Recurring natural calamities—drought, flood and cyclone—seem to have shaken the foundations of the State's economy as would be evident from some of the indicators, I propose to discuss here. The net domestic product of the State registered an annual average rate of growth of only 2.57 per cent whereas the Fourth Plan target was 5.6 per cent. During this period the average growth of population per annum was 2.5 per cent which has largely offset the growth in the net domestic product. The *per capita* income of the State at constant prices was Rs. 262.00 in 1968-69 and it was Rs. 266.00 in 1973-74 (quick estimate), an increase of only Rs. 4.00 over a quinquennium. Sometimes statistical averages camouflage more than what they expose. I doubt, if in view of the imbalance in the distribution pattern of income the benefits of growth, however meagre, have really percolated to the people at the low end of the poverty

spectrum. The data with regard to the *per capita* monthly consumer expenditure seem to corroborate my hunch. It was Rs. 17.00 in 1970-71 for rural areas at 60-61 prices and for urban population it was Rs. 24.00. We need not look for many other reasons to explain the phenomenon of a large segment of our people living below the poverty line. Our developmental efforts in the preceding decades do not seem to have deflated the relentless march of the law of 'concentric circle' of poverty. Neither are we anywhere near the take-off point at the end of the Fourth Five-Year Plan. I am therefore of the view that our strategy and operations through the budget should seek to correct the disharmony and distortions which have crept into the economy.

The objectives to be attained in the coming years may broadly be stated as:

*Our objectives
and Strategy*

- (a) a higher level of *per capita* domestic product particularly for people in rural areas; the current year's strategy in view of constraint in financial resources and shortage of key raw materials, being a 'core sector' approach with priority for productive programmes like agriculture, irrigation and power for augmenting food production and other important crops ;
- (b) growth with justice which in our environment can be achieved by providing an economic base to the 'small man' and by minimising existing disparities;
- (c) a systematic programme of action to counter the ravages of natural calamities;

- (d) early completion of incomplete projects on a priority basis and investment in quick result yielding schemes, maximum investment going to irrigation and power projects which constitute the major inputs for agricultural production;
- (e) ensuring provision of minimum needs of social consumption such as—education, communication, health and water-supply ;
- (f) removal of inter-regional disparities within the State by giving a more concrete shape to the concept of 'Area Development' in the next year and implementing 'Integrated Area Development Projects' in tribal areas under a sub-plan ;
- (g) some measures of social security within the overall constraints of resources with emphasis on a programme for vulnerable sections of the community.

3. The budget proposals for 1975-76 and the current year's revised estimates are designed to give flesh and blood to the aforesaid aims and aspirations. The total provision in the next year's budget for developmental activities including expenditure in the Non-Plan developmental sectors has been kept at Rs. 22487.48 lakhs. Out of this, provision for State Plan Schemes is Rs. 6645.00 lakhs, for Special Non-Plan Schemes the provision is Rs. 690.86 lakhs and for Centrally Sponsored Schemes Rs. 2506.79 lakhs. Besides, the budgets of the State Undertaking have provided for an outlay of Rs. 2409.00 lakhs for the State Plan Schemes of the next year. The net outlay on the State Plan Schemes for 1975-76

is of the order of Rs. 8925.00 lakhs against the current year's outlay of Rs. 7376.74 lakhs. The Hon'ble members may kindly visualise that despite severe limitations and constraints maligning the contemporary situation, the State Plan for 1975-76 has registered more than 20 per cent increase over the current year's outlay. I wish to record here our appreciation of the aid and assistance extended to us by the Government of India and the Planning Commission for a substantially higher outlay. But our needs are far greater in view of the low *per capita* income, low urbanisation and a large concentration, perhaps proportionately the highest in the country of scheduled castes and scheduled tribes population. We urge that our case should receive greater consideration and strike a more responsive chord. I hope that the Plan would undergo an upward revision in course of the next mid-year review.

4. The main thrust in our plan efforts in 1975-76 is in the sectors which contribute to higher production and greater formation of assets. The aggregate outlays proposed are:

*Sectoral
outlays*

(Rs. in lakhs)

(a) Agriculture & Allied Services	1425.00
(b) Irrigation & Power	... 5105.00
(c) Industries & Mining	... 400.00
(d) Transport & Communication	553.00
(e) Social Services	... 1349.00
(f) Miscellaneous	... 93.00

Total ... 8925.00

The plan provisions in some sectors for the next year have been made keeping in view the requirement of greater labour intensive works in areas

affected by the current year's drought. Our resources for the current year were also strained to the extreme by the widespread drought conditions. But no efforts were, however, spared by the Government to provide succour to drought-stricken people where it was needed. The current year's plan outlays were enhanced from Rs. 7140.00 lakhs to Rs. 7376.74 lakhs and sectoral allocations were realigned to generate more labour intensive work and provide drinking facilities in drought affected areas. It is estimated that the realigned plan would generate labour intensive work worth Rs. 1400.00 lakhs during the period January to March, 1975. Besides, the entire provision of Rs. 358.00 lakhs for the famine relief fund was released to supplement drought relief efforts. Before discussing the accounts and budget figures, I propose to briefly unfold the range and direction of our activities in the various areas of the economy.

5. Agriculture may be said to be the prime mover in our economic complex and without movement in this sector, other sectors begin to stagnate. More than 85 per cent of the population, mostly in the marginal and sub-marginal level of existence depend on agriculture for their incomes and it contributes more than 50 per cent to the State income. Thus the key to higher incomes and higher purchasing power for people in rural areas lies in higher production and productivity in agriculture. The next year's provision for various agricultural programmes is Rs. 1425.00 lakhs. The major emphasis, however, is on two fronts, one is amelioration of the economic conditions of weaker sections of the community such as tribals, small farmers, marginal farmers and agricultural labourers. The

Honourable members would be happy to know that our programme of distributing land to the landless has moved forward. More than 2.03 lakh acres of land have been transferred to 131959 beneficiaries with all formalities complete. The second proposition is a more pervasive utilization of institutional credit for agricultural development. The agencies set up for small farmers, marginal farmers and agricultural labourers concentrate on programmes of irrigation, crop husbandry and live-stock farming. With a small initial corpus of fund, beneficiaries under these agencies attract and utilise funds from co-operatives and commercial banks. To fortify the small holders of agricultural land, a large programme of dug-wells supported by ground water survey and Agriculture Re-finance Corporation's finance is under implementation. On its completion in course of the next three to four years it would effectively command an ayacut of 3.5 lakh hectares. When large tracts of land lay parched under the haze of the current year's drought, dug-wells with their small green ayacuts did not fail. 50000 wells have already become operational and another 24000 wells with an investment of more than Rs. 700.00 lakhs would be in use by June, 1975. The Agriculture Re-finance Corporation's finance would also be available for schemes of land shaping, land development and land reclamation which are of great utility in tribal areas. These schemes intend covering 1 lakh hectares of land with an outlay of Rs. 618.00 lakhs during the Fifth Plan. The Agro-Industries Corporation have in the mean time reclaimed more than 800 acres of land for tribal beneficiaries under the Tribal Development Agencies. Our availment of Agriculture Re-finance Corporation credit in 1973-74 was only Rs. 55.00 lakhs. We are likely to obtain

and utilise Rs. 2600.00 lakhs in the current year and it may be more than Rs. 10000.00 lakhs for various programmes by the end of the Fifth Plan, the benefits mostly going to weaker sections. This would be a substantial addition to our plan efforts. I would like to take this opportunity to express my thanks to all concerned for this well thought out strategy. The Intensive Cattle Development Programme, Key Village, artificial insemination centres and other animal husbandry programmes would continue to upgrade the milk yielding capacity of animals, the target being to cover 60 per cent of the cow population by the end of the Fifth Plan. The average daily yield it is reported has improved to about 6 litres in Intensive Cattle Development Programme areas and 3 to 4 litres in key village and artificial insemination centres. Higher output of milk would mean greater income for people in rural areas. Jeypore in the Koraput district will have an Intensive Cattle Development Programme unit in 1975-76. Betonati in Mayurbhanj would come under a key village block and nearly 100 more artificial insemination centres would be extended to different localities. A second exotic nucleus stock of freshion animals, which are high yielders, the daily average being 40 litres per animal is being acquired for cross breeding purposes with the Danish Government's assistance. The management of the Phulnakhara milk scheme has been taken out by the Orissa Agro-Industries Corporation as a prelude to setting up a Dairy Development Corporation on the Gujrat's 'Anand' model. Fish production both marine and inland is going to be further stepped up. The supply of fish seeds would be 48 million in 1975-76. Increase in production

and supply of fish would raise its *per capita* availability from 1.91 Kgs. in 1974-75 to 2.09 Kgs. in 1975-76.

5.1. The Co-operative sector is poised to lend greater support to agriculture by way of more extensive credit and larger handling and distribution of fertilizers. The short, medium and long term credit disbursements may reach 2200.00 lakhs by June, 1975. Credit is an essential production input for a greener revolution in the countryside. The flow of co-operative and other institutional credit could be much more but for the mounting overdues. A more massive investment of institutional credit could be possible to enrich the impoverished agrarian economy provided we all join hands to inculcate in our peasantry the commercial discipline of recycling credit. I hope my esteemed friends share my views and I will have their support to achieve the objective of a larger number of farmers borrowing institutional funds, utilising them for strengthening the production based and repaying them in time. Of course this need not be misconstrued as an inflexible and rigid formula. A deviation could always be possible provided distress conditions appeared which were real and widespread. But our concerted endeavour should always be to keep the channels of credit open and clear. To choke them on any non-economic considerations would be in my view a short-term policy opposed to the interest and well-being of millions of weaker sections in the rural fold. The co-operative network is gradually penetrating to all the critical areas of the economy, i.e., production, marketing and credit.

5.2. The Orissa Agro-Industries Corporation have sold tractors, power tillers, sprayers and other

agricultural implements worth Rs. 26.00 lakhs. Pre-mixed feed production centres at Berhampur, Bhubaneswar and Sambalpur managed by the Corporation have supplied feeds worth Rs. 16.00 lakhs and the product has been well received. To meet a larger demand of pre-mixed feed, factories are proposed to be set up in 1975-76 in Sundargarh, Koraput and Balasore districts. The Corporation also intend entering the field of agro-based processing industries. A solvent extraction plant of 40 tonnes capacity at Rayagada and an urban compost plant are some of the projects for 1975-76. To open up self-employment opportunities for agricultural graduates 15 more agro-service centres are programmed for 1975-76 in addition to the existing 14 units which have proved viable and popular.

6. Minor, medium, major and lift irrigation may be said to constitute the water plan of the State. But a large number of projects remained on going for several years either due to faulty planning or imprudent use of resources. The Government took a decisive step in pursuance of the objective of early completion of incomplete projects and the budgetary allocation was stepped up from Rs. 217.00 lakhs to Rs. 521.75 lakhs in the current year to complete 113 projects by March, 1975. These completed projects will provide khariff irrigation to 25933 hectares and rabi irrigation to 7494 hectares. Thus in a single year minor irrigation benefits would improve by more than 10 per cent. We propose to continue this approach in 1975-76. Some new projects may however be started in areas where irrigation density is low. The command of major and medium irrigation projects was 510240 hectares in khariff and 261470 hectares in rabi by the end of the Fourth Plan. The additional potential to materialise in 1974-75 is 23970 hectares in khariff and 8280 hec-

tares in rabi. The plan for 1975-76 has an allocation of Rs. 1260-00 lakhs for 3 continuing major and 22 continuing medium irrigation projects. These projects though incomplete would add 32290 hectares to khariff and 15330 hectares to rabi potential in 1975-76. Some of the continuing medium irrigation projects would benefit ayacutdars in the districts of Sundargarh, Mayurbhanj, Phulbani and Kalahandi. The irrigation project continuing at Potteru in the Koraput district envisages expenditure of about Rs. 245-00 lakhs in 1975-76. To enlarge the scope of irrigation in areas not advantageously placed for flow irrigation, the Orissa Lift Irrigation Corporation have formulated a number of Schemes to raise the ayacut by 15117 hectares in 1975-76. Of the 750 lift points programmed in 1975-76, 42 points are in Keonjhar, 70 in Koraput, 14 in Mayurbhanj, 13 in Phulbani, 12 in Dhenkanal and 9 points in Sundargarh. M/S. Orissa Lift Irrigation Corporation have negotiated arrangements to draw Agriculture Refinance Corporation funds for financing their schemes.

6.1. Power is a basic pre-requisite of economic development and a prime necessity for any developing society. The Power Plan of the State for 1975-76 contemplates an outlay of Rs. 3775-00 lakhs which is a step up over the current year's provision. Our scheme of priorities in this sector aim at early completion of on-going projects. The installed capacity would be raised to 901 megawatts in 1975-76. The Talcher Thermal Power expansion is progressing well. Work has commenced on preliminaries of the Upper Kolab project. A sum of Rs. 1808-00 lakhs is earmarked in the Power Plan for completion of a number of transmission and distribution networks. Rural electrification schemes for 1975-76 would add 970 villages and 500 pump sets.

*Industries and
Mining.*

7. The industrialisation programmes of the State have as their primary objective, a structural transformation of the State's industrial base. The various facets of this approach are catalysing investment through private, public and joint sector arrangements, a package of concessions, a vigorous process of entrepreneurisation, updating of technical courses of studies and motivating youth to embark on industries as a sector for employment and income. A number of joint sector agreements have since been signed by the Industrial Development Corporation Ltd. and the Industrial Promotion and Investment Corporation which would generate more than Rs. 5000.00 lakhs of investment in the next 2 to 3 years. The technical collaboration and detailed engineering services agreements for the automobile tyre and tube project at Bhubaneswar have since been signed with M/S. General Tyres of U.S.A. Other large and medium units in the private sector which have negotiated with the IPICOL to go on stream in course of the next two to three years are likely to invest nearly Rs. 10000.00 lakhs. The co-operative spinning mill at Bargarh is under expansion to 18400 spindles at a cost of Rs. 51.00 lakhs. Work on a second spinning mill costing Rs. 450.00 lakhs would commence in 1975-76. The Bhagatpur Cotton Mill, a sick unit since 1965 has been revived with a strength of 423 employees and its annual output is valued at more than Rs. 50.00 lakhs. There would be an explosion of industrial activities in the first two quarters of 1975-76 as a number of projects are scheduled to commence construction work. They are the Konark Jute Mill at Dhanmandal, the Orissa Tyres and Electrolytic Manganese at Bhubaneswar, the Carbon Alloy Steel, Paper and Fastner Units in Dhenkanal, Ferro Alloys, Zinc Ash and Paper Board Projects in Mayurbhanj and

Solvent Extraction Plants at Aska and Rayagada. Commencement of work is expected in 1975-76 on some of the central sector projects like the Indian Rare Earths Complex at Gopalpur, Ferro Vanadium at Rairangpur and Nickel at Sukinda with more than Rs. 650-00 lakhs of investment in the next two to three years. The Talcher Fertiliser and Heavy Water Projects are expected to be on stream in 1975-76. One of the noteworthy trends in the industrial sector is that capital does not seem to be any more shy to gravitate to Orissa. The financial institutions like the Industrial Development Bank of India, the Industrial Finance Corporation and Commercial Banks are also eager to provide all necessary support including the State Finance Corporations whose sanctions have crossed the level of Rs. 215-00 lakhs. If this tempo swells, I am sure, that in course of time, the phenomenon of savings generated in this State finding their way to more promising pastures outside would be reversed. Equally, if not more, striking is the progress with regard to the small-scale and ancillary units. The Orissa Small Industries Corporation's raw material transactions have been of the order of Rs. 223-00 lakhs. It is expected to improve further with stock-yards spreading in 1975-76 to new areas like Barbil, Keonjhar and Baripada. The Corporation's performance in 1975-76 is likely to end up with a cash surplus of more than Rs. 16-00 lakhs without any budgetary support. The ancillary complex in and around Rourkela would be producing goods worth Rs. 500-00 lakhs in 1974-75 whereas the production was Rs. 324-00 lakhs in 1972-73 and Rs. 354-00 lakhs in 1973-74. Such clusters are programmed in and around Talcher and Sunabeda. The asset building in the current year of small-scale industries is more than Rs. 300-00 lakhs. These units have provided more than 3500 employment positions. The continuing pilot project units have

attained a greater turnover of more than Rs. 60-00 lakhs. Performance of 66 Panchayat Samiti industries has improved and 7 more units are proposed to be revived in 1975-76. Identification of growth centres, extension of industrial sheds to areas such as Bolangir, Kalahandi, Talcher and Sunabeda, simplification of procedures for making available infrastructural facilities and greater co-ordination of decision making levels are some of the steps to energise industrialisation of the State. The handloom and powerloom industries in the State would be provided in 1975-76 with various supporting services such as marketing, preparatory and finishing units for adding higher value to their products. The management of the State sector corporate bodies have been strengthened by inducting to the Board of Directors, bankers, technical entrepreneurs, heads of research institutes and experienced talent from industry. I would like to mention here that the 1975-76 budget has a provision of Rs. 100-00 lakhs for ways and means support to deserving projects to avoid dislocation in their implementation or expansion schedules owing to delayed disbursement of institutional assistance.

7-1. Higher production and higher utilisation of minerals are the two major goals in 1974-75 and 1975-76. Exports through the Paradeep port, despite many vicissitudes is expected to touch 2.2 million tonnes which is more than the ports installed handling capacity. The mineral exploration programmes have located sizeable additions to reserves of chromite, bauxite and china-clay in the State. Bauxite reserves are said to be one of the largest in the World. The Orissa Mining Corporation will have Rs. 150-00 lakhs as surpluses in 1975-76 after meeting interest charges and other repayment obligations. The activities of the corporation

programmed for 1975-76 are detailed prospecting of the Gandhamardan iron-ore deposits and completion of the Daitari ore handling plant Stage II. Mineral royalty in 1975-76 is expected to be Rs. 356-00 lakhs whereas it was Rs. 285-00 lakhs in 1974-75 and Rs. 240-00 lakhs in 1973-74.

*Tribal and Rural
Welfare*

8. The largest stratum of our population, the scheduled tribes and castes would receive a much wider and broad-based coverage under the sub-plan which would reach areas having more than 50 per cent tribal population but are outside the 4 Tribal Development Agencies. The special socio-economic programmes of the sub-plan are woven around land as the nexus and concentrate on land reclamation, land development, irrigation and horticulture. This multi-pronged approach is intended to strengthen the economic base and the quality of life of the depressed sections through improved agriculture and other gainful occupations. The other plan schemes of health, housing and education would continue in 1975-76. The educational programmes would add 4 new residential Sevashrams, 2 new Ashram Schools and new classes to Ashram Schools and High Schools. The 1971 census shows that the percentage of literacy among scheduled tribes has improved from 11.62 to 15.5 and among scheduled castes, from 7.4 to 9.5 per cent. A number of scheduled castes and scheduled tribes trainees coming out of Industrial Training Institutes have established themselves in trades like blacksmithy and carpentry, etc. The principle of reservation in Government services has been made applicable to promotion posts. The Tribal Development Co-operative Society's turnover in the current year may reach Rs. 600-00 lakhs against Rs. 108-00 lakhs in 1972-73 and Rs. 250-00 lakhs in

1973-74. The society's 250 fair price shops located in tribal belts propose to handle consumer goods and other essential commodities worth more than Rs. 150-00 lakhs in the current year.

Forest

9. Forests earn sizeable revenue for the exchequer. The forest plantation schemes would add 9750 acres of forest in 1975-76. The nationalised kendu leaf trade is steadily progressing towards greater heights. The scheme yielded royalty of Rs. 251-40 lakhs in 1973-74 and in 1974-75 the estimate is Rs. 452-00 lakhs. This apart, the nationalised trade generates 150 lakhs man days of employment and assures fair wages to thousands of seasonal and non-seasonal workers. I suppose this should set at rest misgivings, if any, regarding the outcome of the Government's bold and determined policy to nationalise the trade. It has more than served its business and socio-economic ends. The collection of minor forest produce has been entrusted to the Tribal Development Co-operative Society and Forest Labour Co-operative Societies to ~~Rs. 286-00 lakhs in 1975-76.~~ *assure a fair share to Adivasis.*

Roads & Transport

10. An efficient network of highways, trunk and feeder routes is a basic infrastructure facility and particularly so when the railway kilometerage per sq. mile area is perhaps the lowest among comparable States. The minimum needs and other road development programmes contemplate an outlay of Rs. 286-00 lakhs in 1975-76.

10-1. The Orissa State Road Transport Corporation propose to operate 20 new routes, intensify services on 5 existing routes and provide better amenities to the travelling public in 1975-76 with the support of institutional finance and contributions from railways. The Orissa Road Transport Company added 89 new vehicles to their fleet in 1974-75.

with funds from the Industrial Development Bank of India and their own resources.

Education

11. Our programmes in the field of education are designed to make a dent on the vicious circle of illiteracy and backwardness. To achieve this objective it is proposed to start in 1975-76, 1000 new Primary Schools, 75 new Middle Schools, upgrade 3500 L. P. Schools to U. P. Schools, expand training facilities for teachers and introduce non-formal education. Consolidation and qualitative improvement are the objectives in the fields of secondary and higher education. The secondary curriculum is to be refurbished to meet the needs of students, who after completing the secondary stage, desire to join academies of higher learning or who intend pursuing higher professional courses, or who wish to settle down in a worthwhile vocation. Job oriented courses and removal of some of the long, felt deficiencies like completion of incomplete buildings, provision of library and class rooms would claim higher priority in the allocations for higher education. These constraints will not however impede the progress of women's education in the State. Two new women's colleges will be started in 1975-76 in the less developed districts of Mayurbhanj and Dhenkanal. Some of the other innovations in this sector are correspondence courses, part-time education and self-study.

Health, Housing & Employment

12. The focus of health programmes in 1975-76 is on District hospitals, Subdivisional hospitals, and Primary Health Centres. The minimum needs programme has a provision of Rs. 65.00 lakhs in 1975-76 out of which Rs. 57.00 lakhs are for increased provision of medicines for Primary Health Centres and their sub-centres. The balance of Rs. 8.00 lakhs is for completion of Primary

Health Centre buildings. All District hospitals in the State would have specialists in medicine, surgery, paediatrics, gynaecology, ophthalmology, anaesthesiology and radiology. To attract experienced doctors to the periphery subdivisional medical officers posts have been upgraded to junior Class I. There would be 20 more medical aid centres in 1975-76. The Drug Testing Laboratory is expected to commence functioning in the current year with an initial capacity of handling 4000 samples. This would dispense with the sending of drug samples outside the State for testing. Leprosy, smallpox and malaria control programmes are covering increasing number of cases. Family planning programmes should receive larger Central allocations to make up the leeway in targets. The completion of incomplete drinking water-supply projects under the Community Development and Urban Development Departments claim the highest priority. A revised provision of Rs. 9230252.00 is available in 1974-75 to complete 9270 incomplete wells dispersed in 308 blocks and this would be a record performance. Another 1666 wells would also be completed in drought affected villages. The Urban Development Department have programmed to complete 800 rural tube-wells in 1974-75 which would cover a population of 361448. Completion of another 580 rural tube-wells and investment of Rs. 30.00 lakhs in sanitary wells under minimum needs programme in 1975-76 would serve 2 lakhs more of population. A number of rural tube-wells would be located in areas like Phulbani, Kalahandi, Sundargarh, Keonjhar, Koraput and Mayurbhanj. The beneficiaries would be more than 180000 on completion in 1974-75, of 31 rural piped water and 7 accelerated water-supply schemes.

12.1. The Housing Board's activities are expanding. They propose to invest more than Rs. 900.00 lakhs in 1975-76 and 1976-77 for programmes in Puri, Rourkela and Bhubaneswar. The Greater Cuttack Improvement Trust are implementing Housing and Urban Development Corporation schemes of Rs. 287.16 lakhs for improving the Cuttack city. Besides a provision of Rs. 235.00 lakhs is available for other housing schemes in 1975-76. Employees working in a number of establishments like hotels, eating houses, restaurants would now be entitled to minimum wages fixed under law. Employment services are being extended to rural areas of such as Kanjipani in Bhuyanpirh and Juangpirh of Keonjhar, R. Udayagiri, G. Udayagiri and Gumma of Phulbani and Ganjam.

*Food & Essential
Commodities*

13. The State's food policy, invariably designed to provide necessary leverage to the public distribution system, was modified in the current khariff year. The major changes were a graded levy on producers, a millers' levy and a levy on hullers with drying and building facilities. The basic purpose of the changed approach was to cast wider the procurement net to ensure supply of food-grains to weaker sections of the community. Defects in land records and other procedures would be remedied and simultaneously levy will be collected from those it is due. Provision of appeals has been made to give an opportunity to remove defects and to settle grievances. I take this opportunity to appeal to my esteemed friends and others to co-operate with the Government to maintain as well as strengthen the public distribution system. I would also like to assure the House that weaker sections and needy consumers shall not suffer because of the non-co-operation of

vested interests in the procurement drive. The Government are alive to the situation and would take all timely steps to ensure adequate supplies of food-grains. The pressure perpetuating escalation of prices have of late shown signs of abatement. The psychology of shortage, prevailing in respect of a number of commodities like edible oils, vanaspati, pulses, baby food, cement, coal, kerosene and tyres seems to be reaching a vanishing point.

Tourism

14. Our State has splendid beaches, lush green forests, a fascinating variety of fauna and an opulence of architectural and cultural wealth. All these are primary raw materials for a large-scale tourist industry. But the pressing claims of other priority sectors have deprived this area of desired resources. Our present endeavour is to develop bankable schemes for locations having a high degree of tourism potential.

Commitment and Resources for 1975-76

15. All our efforts in the annual Plan for 1975-76, the Hon'ble members may kindly note, are wholly dedicated to building up of a more virile economic base for the people. To provide greater facilities and convenience to the public, some of the activities in 1975-76 in the non-plan side are establishment of new Sub-Treasuries, Courts, Sub-Registrars' offices, Tahasils and Revenue Circles. I wish, we could budget for higher plan outlays to infuse a greater momentum to the pace of development and growth, but the constraints this year, as you know, are severe. Besides, a heavy burden has been cast on the Exchequer by the improvements, rationalisations and reforms made in the service conditions and emolument structure of Government employees, employees of local

authorities and aided institutions. Some of the major improvements are—

- (a) fixation of minimum monthly emoluments at Rs. 200;
- (b) equalisation of pay scales of non-Government Primary School teachers with that of their counterparts in Government. The non-Government Primary School teachers who were enjoying as many as twelve different scales of pay varying between Rs. 70—85 to Rs. 100—150, have been brought under three revised and improved scales of pay. The additional expenditure in this regard is Rs. 539.90 lakhs in 1974-75;
- (c) introduction of a system of direct payment to teachers of non-Government Secondary Schools and Colleges involving an additional expenditure of about Rs. 183.00 lakhs;
- (d) equalisation of scales of pay of the employees of local bodies with scales of pay of Government employees in the corresponding scales involving extra expenditure of about Rs. 50.00 lakhs;
- (e) upward revision of rates of travelling allowance and daily allowance. The lowest paid employee is now entitled for a daily allowance of Rs. 6 in place of Rs. 2;
- (f) upgradation of the post of Assistant District Medical Officers, Subdivisional Medical Officers and Assistant Labour Commissioners to the rank of Junior Class-I in the State services;

- (g) distinct improvement in pay scales of top posts in State services such as—Heads of Departments;
- (h) fixation of minimum pension at Rs. 50 in place of Rs. 40 per month and enhancement of the maximum limit of death-cum-retirement gratuity and pension;
- (i) increase in quantum of house-rent allowance admissible to employees in different pay ranges.

All these improvements will cost Rs. 1671·00 lakhs in 1974-75 and about Rs. 1432·00 lakhs per annum in subsequent years. There would be further pressure on our resources as it has since been decided by the Government to pay dearness allowance to Government employees. The Planning Commission had assessed the resources of the State Government for the next year's plan at Rs. 6579·00 lakhs with a Central assistance of Rs. 3270·00 lakhs. The plan size for 1975-76 has, however, been fixed at Rs. 8925·00 lakhs which is Rs. 2346·00 lakhs higher than the assessed resources. Out of this gap of Rs. 2346·00 lakhs, the State's share is Rs. 746·00 lakhs. The balance of Rs. 1600·00 lakhs is the additional responsibility of the Government of India. The Central assistance for 1975-76 has therefore been assumed at Rs. 4870·00 lakhs against the current year's expected assistance of Rs. 4261·00 lakhs and budgetted assistance of Rs. 3270·00 lakhs. I propose to meet the State's share of the gap of Rs. 746·00 lakhs by improving the collection of current and arrear revenues and recoveries, effecting economies without hitting capital expenditure, improving the working of State Undertakings which would include reduction of inventories, revision of

rates and prices, etc. of their products and services, higher mobilisation of small savings and a new taxation measure.

16. I find myself in an amusing predicament of two opposing parameters, one being the imperative of a higher plan outlay and the second is devising some fiscal engineering which would yield resources without the burden impinging too heavily on taxpayers. Against this background my portfolio for 1975-76 has only one new measure, i. e., a turnover tax on sales; otherwise known as additional sales tax. The legislative measure for this tax contemplates that the tax shall not be passed on to consumers. It shall be a levy on dealers. The annual proceeds from this tax are likely to be about Rs. 50.00 lakhs. I am sure, the Hon'ble members will concede that my proposal is modest and Government have had before them the common man's interest when giving shape to the 1975-76 budget proposals. I seek the goodwill and co-operation of my esteemed friends in my task of optimising collection of arrear Government dues to fortify resources for the Plan. The Budget proposals for 1975-76 have been formulated on the above consideration.

17. Out of the total outlay of Rs. 8925.00 lakhs for the State Plan in 1975-76, Rs. 2409.00 lakhs will be provided for in the budget of the State Undertakings like Orissa State Electricity Board, Orissa Mining Corporation, Orissa State Road Transport Corporation, Orissa Construction Corporation and Orissa Small Industries Corporation. The State budget is to provide for a net outlay of Rs. 6516.00 lakhs of which Rs. 6495.23 lakhs has been provided for in the budget. The balance of Rs. 20.77 lakhs will be provided for

during the course of the year. In order to sustain the net budgetary outlay as aforesaid, credit has been taken of Rs. 1354.00 lakhs as proceeds from the additional resource mobilisation efforts of the State Government and negotiated borrowings from the Reserve Bank of India and the Life Insurance Corporation of India to the extent of Rs. 280.00 lakhs. The balance resources would be met by way of Central assistance and surplus generated in the non-plan sector of the budget.

18. The aggregate estimates of receipts and expenditure for 1975-76 and the Revised Estimates for 1974-75 as compared to the Budget Estimate of that year are as under:

*Budget, 1975-76
and Revised,
1974-75*

		(Rs. in lakhs)		
		B. E. 1974-75	R. E. 1974-75	B. E. 1975-76
Revenue Account				
Receipts	..	23007.41	23541.16	26809.78
Disbursements	..	23144.35	24424.29	27489.77
Net	..	(—)136.39	(—)883.13	(—)679.99
Capital Account				
Receipts	..	—	—	—
Disbursements	..	4206.21	5393.31	3267.80
Net	..	(—)4206.21	(—)5393.31	(—)3267.80
Public Debt				
Receipts	..	7007.09	9441.84	7682.45
Disbursements	..	3616.35	3418.29	4789.23
Net	..	3390.74	6023.55	2893.22

(Rs. in lakhs)

Loans and Advances

		B. E. 1974-75	R. E. 1974-75	B. E. 1975-76
Receipts	...	899.53	906.32	1222.00
Disbursements	..	921.09	1030.35	1456.99
Net	...	(-)21.56	(-)124.03	(-)234.99

Contingency Fund

Receipts	---	---	---	---
Disbursements	---	..	(-)39.50	---
Net	---	---	39.50	---

Public Account

Receipts	---	20719.77	30361.64	27852.74
Disbursements	---	19936.72	28585.36	26542.06
Net	---	783.05	1776.28	1310.68

Total Receipts	...	51633.80	64250.96	63566.97
Total Disbursements	...	51824.72	62812.10	63545.85

Net Transaction	...	(-)190.92	1438.86	21.12
Opening Balance	...	59.13	(-)1422.56	16.30

Closing Balance	...	(-)131.79	16.30	37.42
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19. To briefly explain the budget figures for appreciation of the Hon'ble members, the revenue receipts of Rs. 26809.78 lakhs in 1975-76 include tax and non-tax revenues of the State Government, grants from Government of India under Article 275(1) of the Constitution and also grants for financing plan and non-plan schemes. The total expenditure of Rs. 27489.77 lakhs comprise of expenditure on non-plan, non-developmental and developmental schemes, on special non-plan schemes, State plan and Centrally sponsored schemes. The overall revenue deficit is of the order of Rs. 679.99 lakhs.

19.1. The total estimated capital receipts of Rs. 36757.19 lakhs for the year 1975-76 comprise of open market loans, loans on account of small savings collection, other plan and non-plan loans from the Government of India and financing institutions, recovery of loans from third parties, receipts in the provident fund account of employees and receipts on account of other deposits and advances. The total capital expenditure of Rs. 32788.28 lakhs provides for repayment of public debt, loans and advances to third parties and disbursements in the public account. The capital account has a surplus of Rs. 3968.91 lakhs which would offset the revenue deficit, the balance of Rs. 3267.80 lakhs is available for financing capital outlays of various plan and non-plan schemes.

19.2. The Accounts for the year 1973-74 ended up with deficit of Rs. 1422.56 lakhs whereas it was anticipated that at the close of the year, there would

be a surplus of Rs. 59.13 lakhs. Some of the important reasons for the closing deficit are that—

- (a) Ways and Means Advance from the Reserve Bank of India assumed in the Revised Estimate, 1973-74 was not taken credit of in the Accounts;
- (b) Treasury bills holding of the State Government were not encashed by the 31st March, 1974.
- (c) Short-fall in expected Central assistance for expenditure on natural calamities;
- (d) Short-fall in State's receipts mainly interest from the Orissa State Electricity Board; receipts from Mining royalties etc. and also recoveries in public account.

I would like to clarify here that this deficit in view of the surplus anticipated in the revised estimates shall not affect our plan resources for 1974-75. The revised estimates for 1974-75 disclose a surplus of Rs. 1438.86 lakhs against the deficit of Rs. 190.92 lakhs anticipated at the time of presenting the Budget for 1974-75. This surplus would completely wipe out the opening deficit of Rs. 1422.56 lakhs leaving a surplus of Rs. 16.30 lakhs, which would be the opening balance of 1975-76. The transactions of the year 1975-76 are expected to result in an over-all surplus of Rs. 21.12 lakhs giving rise to a closing balance of Rs. 37.42 lakhs. If, however, as already mentioned, the outlay under the State Plan Schemes amounting to Rs. 20.77 lakhs is provided for during the course of the year, the closing balance would be reduced to Rs. 16.65 lakhs.

20. The time frame for a budget is one year whereas economic growth is a long term process. The

process can be speeded up or slowed down depending upon the logistics of our policies, our commitments and our goals. Sporadic investments here and there or location of a few big projects of rich-country technology will not liquidate economic backwardness in the conditions prevailing in our State. What is needed is sincere hard work, more savings and a consensus to keep the basic issues of economic development out of the battle of ideologies. A common and united approach will transform the budget into a powerful instrument of social change and many better tomorrows for millions of our less fortunate countrymen. Now, Sir, I beg to present the budget estimates for 1975-76. Before concluding I have the pleasure of making two announcements, one of which concerns a subject, very close to the hearts of many of the Hon'ble members. I am happy to say that the Government have decided to introduce with effect from the 1st April 1975 a scheme of old age pension to cover initially all destitutes of and above 65 years of age. We have also decided to write off G. M. F. loans which are old and antiquated. I would mention here that this is just the beginning. Resources permitting social security programmes would be more and more far reaching as we forge ahead in our mission of a just order of society.

JAI HIND

APPENDIX

DEBT POSITION OF THE STATE

(Rupees in thousands)

	Outstanding on the 1st April, 1974	Estimated outstanding on the 1st April, 1975	Estimated outstanding on the 1st April, 1976
1. Permanent Debt ..	805198	870144	1015038
2. Floating Debt ..		42200	42200
3. Loans from the Central Government.	5146491	5546317	5794937
4. Loans from the Reserve Bank of India.	35350	44095	55908
5. Loans from the Life Insu- rance Corporation of India.	133566	131206	138787
6. Loans from the National Co-operative Develop- ment Corporation.	37425	46423	42837
7. Loans from the Khadi and Village Industries Commission of India.	1200	1200	1200
8. Loans from the S. B. I.	40000	120000	..
Total ..	6199230	6801585	7090907

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