



GOVERNMENT OF ORISSA

Speech of
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Minister, Finance, Orissa
Presenting the Budget Estimates
For the year 1976-77
TO THE ORISSA LEGISLATIVE ASSEMBLY

1st March 1976

HON'BLE SPEAKER SIR.

Retrospect

The Budget documents for fiscal '76 are already in the hands of Hon'ble members. I deem it a privilege Mr. Speaker, Sir, to place before this august House for the third time the Annual Financial Statement of the Government of Orissa. Only a few weeks hence, the current year's calendar of budgetary activities would be tolling the last chimes. But fiscal '75 may not be just one of the many yester-years added to the economic and financial chronicle of this State as well as our country. I say so because the current financial year has been a witness to the process of the entire nation emerging, as it were, from a great purgatory and opening up new vistas for the millions and millions of our miserable and impoverished countrymen. Reminiscing over the events of the past few months—which would remain deeply etched in the nation's biography—I am reminded of this time in February last when many of my esteemed friends in the opposition had prognosticated that the country and its economy, being wrecked by a galloping inflation were destined for a disaster. To them the package of monetary, fiscal and administrative correctives was naive and elementary. The deepening crisis in which the nation found herself could hardly be reversed. But these correctives and their subsequent outcome are so convincingly obvious that any further footnotes may not perhaps be necessary. Intervening months have proved that the prophets of doom were wrong. Today we are in the midst of a negative inflationary situation. The jumping price curve has flattened with a decline of 7.1 in the wholesale price index in 1975. This phenomenon is entirely due to the fall in the prices of food articles, industrial raw materials and manufactured goods. Many of the economic indicators have recorded handsome spurts of growth.

The nation is well poised to achieve still greater commanding heights and assure a reasonably decent modicum of life's necessities to her people.

1.1. Equally amazing has been the capacity of the Indian people to withstand and repulse the concerted extra constitutional assaults of a group of people on the country's three-fold path of socialism, democracy and rule of law. The emergency and the successive measures, have in my view, acted as an elevator for the nation to step out of a dark abyss and enter into a dawn of harmony order and discipline. On a midnight about three decades ago India had won freedom. A similar midnight in June last was another turning point as the nation resolved with determination and courage to deal with a group of people who with their fascist inspiration and techniques sought to unleash a reign of chaos in the country. The declaration of emergency and its aftermath have been positive steps for preserving the heritage and values which we hold dear to our hearts. And one of its lasting contributions is the Prime Minister's 20-Point Economic Programme designed to ameliorate the lot of the vast majority of weaker sections of our community. Yet, scepticism assails some quarters and it is whispered that the emergency is a camouflage for an authoritarian political line and the 20-Point Economic Programme is nothing more than a smoke-screen which lacks both in form and content. I do not wish to enlist the support of demagoguery—in any case this is not my strong point—to counteract this canard. If, as alleged, democracy and democratic principles of mutual respect and tolerance had ceased to exist since the proclamation of emergency we would not have assembled here today to freely express our views, debate and discuss issues and settle them if necessary by ballot. Similarly, the 20-Point

Economic Programme may not have the trappings of novelty. But it is a concrete plan of action and a reaffirmation of our pledge to improve the standard of life of the majority of our poor people who even are not sure of their next meal. The options before the country were either to be a mute by-stander to a process of systematic annihilation of the country's established constitutional processes and democratic institutions or to face the challenge squarely and to act for protecting the fundamental laws of the land. The country and its people opted for the latter alternative and, to my mind, rightly so. The present generation and the generations to come owe a deep debt of gratitude to our Prime Minister for her sagacity and wisdom in steering clear the country out of one of the most complex situations in the nation's life. Let us all join hands to congratulate her for her vision and extend our united and unstinted support to her daring and dynamic leadership.

2. The prospects of the State's economy are more than assuring despite the repeated onslaughts of natural calamities. The flood of August, 1975 last, were overwhelming. But as stated in the Hon'ble Rajyapal's address we spared no efforts in mobilising men, resources and materials for providing succour to people in distress. Relief and rehabilitation measures were timely, prompt and widely dispersed. The expenditure on pure and emergent relief was Rs. 4.04 crores, i.e., about Rs. 0.46 crore more than the budgeted margin provision of Rs. 3.58 crores. A special allocation of Rs. 7.55 crores has been made in the current year for repair and restoration of flood damaged assets. I may take this opportunity to record here our sincere appreciation of the Government of India's assistance in tiding over the havoc caused by the last year's high flood. These

Economic
Situation.

periodic dislocations notwithstanding the overall performance of the economy has maintained an upward thrust. The State income computed at Rs. 10,89.00 crores at the end of 1974-75 (1970-71 prices) is likely to reach a figure of more than Rs. 11,60.00 crores at the end of 1975-76. The paddy output in the current year is expected to touch the record level of about 6.9 million tonnes against 4.9 million tonnes in 1974-75. The scarcity psychosis has disappeared with improved availability of all essential articles of mass consumption, particularly foodgrains, pulses, cheaper variety of cloth and edible oils. The all-India Consumers Price Index for the working class (Base 1960=100) dropped to 316 points in October, 1975 from 355 points of October, 1974. Prices of almost all commodities have shown a decline.

20-Point
Economic
Programme.

3. To enable the vulnerable and weaker sections of our society to partake of the economic gains in a more abundant measure our Prime Minister gave a 'New-deal' in the shape of a 20-Point Economic Programme on the 1st July 1975. The State Government over the last several months, have vigorously initiated a many-sided action plan for implementation of the new economic agenda. Austerity in Government expenditure such as restriction on travel and office expenses, postponing expenditure on non-essential staff, furniture and other spheres of governmental activity would total about Rs. 2.00 crores in the current year. The figure for the next year may be around Rs. 3.00 crores. Hoarding, profiteering, black-marketing and evasion of tax have been curbed. The price line is under control. Economic offenders have been dealt with severely. The programme of distribution of land amongst the landless, taking over of ceiling surplus land and allotment

of homestead sites to homesteadless persons have achieved rapid coverage. 2.46 lakh acres of land were distributed in 1974-75 amongst 1.5 lakh beneficiaries which include 83,000 Scheduled Tribe and 34,000 Scheduled Caste members. Already 1.41 lakh acres of land have been distributed in the current year benefiting 71,632 individuals of which 53,628 belong to the Scheduled Castes and Scheduled Tribes. As is evident, our promise of distributing 1.70 lakh acres in the current year would be more than fulfilled. 990 acres of homestead land have been allotted, free of salami, to more than 14,000 beneficiaries in the current year. The schemes oriented towards weaker sections are expected to make greater headway in the coming year. Hon'ble members are aware that under the new integrated homestead land-cum-housing scheme our aim is to provide a roof each to all 5 lakh homeless population of this State. The programme which may ultimately cost a sizeable sum of Rs. 75.00 crores is to be linked up with allotment of agricultural land, setting up of cottage industries and other gainful occupations and provision of social and community overheads such as drinking water wells and schools. Presently the scheme is being funded from existing plan allocations for the minimum needs and rural housing. 2,500 units of houses have almost been completed in the four districts of Dhenkanal, Mayurbhanj, Kalahandi and Koraput. The step-up in plan allocations would be sizeable as soon as the scheme is finally cleared by the Planning Commission. The tempo of the programme will not however slow down and it is hoped that many more units of houses would be completed in 1976-77. To free rural masses from the exactions of unscrupulous money-lenders and deal with problems arising out of liquidation of rural indebtedness a series of amendments have been effected to up-date the

provisions of the old 1939 Money-Lenders' Act. Rigorous enforcement of the amended provisions has led to starting of more than 700 cases against usurious money-lenders throughout the State. Simultaneously the commercial and co-operative banking channels have been urged to develop a more progressive and co-ordinated approach to ensure adequate availability of credit in rural areas. Hon'ble members may rest assured that all steps necessary would be taken to tackle the problems arising out of such socio-economic transitions.

3.1. The other high-lights of the new economic programme are, enabling more than 46,000 small and marginal farmers with assistance from the Chief Minister's Relief Fund, to be members of co-operatives and avail of their credit and other services, expanding educational opportunities for the children of indigent parents, particularly those belonging to the Scheduled Castes and Scheduled Tribes, supply of exercise-books, paper and text-books to students at reasonable rates, institution of more number of attendance scholarships for girl students, grant of financial assistance for admission to colleges to 300 meritorious first divisioners in the H. S. C. examination and organising a network of book banks. Fixation of minimum wages for different categories of workers and wage earners is a measure for protecting them against exploitation. The Rajyapal's address delivered a few days ago contains elaborate details of our achievement under all these schemes. Hon'ble members may kindly notice that the 20-Point Economic Programme is at the focal point of the spectrum of our socio-economic activities. The Chief Minister and her Council are actively interested in the accelerated implementation of this programme and a State Level Committee consisting of ministers, non-officials and official

members has been set up to oversee and review the progress of the programme from time to time. So the opinion in some quarters that the 20-Point Economic Programme is a mere slogan is to be cast aside as one without any basis.

4. The Budget for the year 1976-77 with the proposed plan outlay of Rs. 124.74 crores and non-plan developmental outlay of Rs. 160.41 crores is a leap forward in our earnest efforts to lay the foundations of a more egalitarian society, create greater economic opportunities and involve in this task those sections of our society which so far remained economically backward and socially poor. The accent in the next year's budget is both on long-term perspective and short-term goals. Our long range focus is directed to expansion and diversification of our means and strengthening the economy's structure, so that it could respond, as we progress, to the demands of higher consumption, higher saving and higher investment within the economy itself. On the short run we propose to implement schemes of lesser gestation to benefit the under-privileged, the unemployed and other weaker sections. Hon'ble members may kindly notice that our net annual investment in different sectors of the State's economy will for the first time cross the Rs. 100.00 crores mark in 1976-77. The total budgeted outlay of Rs. 124.74 crores for 1976-77 is almost a 40% increase over the current year's initial plan outlay of Rs. 89.25 crores which has since been raised to Rs. 98.60 crores because of accelerated allocation of Rs. 1.00 crore for the Delta Irrigation Project and Rs. 7.55 crores for flood repair and restoration work. Plan outlays of this State have steadily climbed up since 1974-75. In the first three years of the Fifth Plan, the outlays would touch

The Annual plan, its approach and strategy.

at least a level of nearly Rs. 300·00 crores. Our total investment during the entire Fourth Plan period was about Rs. 252·00 crores. To day we are in a position to take up a massive investment programme—massive only in the context of our present stage of socio-economic development—because of our Chief Minister's untiring efforts to convince the Planning Commission and the Central Government of the pernicious ramifications of low incomes, the multifarious needs and special problems of a developing State.

Develop-
ment acti-
vities.

5. Our blueprint of activities under the next year's plan are a continuation of our earlier endeavour—since we assumed charge of the Government to enable the people of Orissa to have greater access to higher incomes and sustained economic growth with social justice. The broad divisions of the plan outlay of Rs. 124·74 crores for 1976-77 are—

State Government		Public Sector Undertakings and Local Bodies.	
(Rs. in crores)		(Rs. in crores)	
(a) Core Sector	75·90	(a) Orissa State Electricity Board.	18·22
(b) Social and Community Services.	16·75	(b) Orissa Mining Corporation Ltd.	1·67
(c) Other non-Core Sector.	10·25	(c) Others	1·95
Total	102·90	Total	21·84

The Core Sector provision of Rs. 75·90 crores made in the State Government Budget includes a component of Rs. 6·86 crores for the Plan of the State Electricity Board over and above Rs. 18·22 crores.

Agriculture
and
Co-operation.

6. The Core Sector Programmes centre round agriculture, major and medium irrigation projects and development of power. The plan outlay in 1976-77 on irrigation and power alone is Rs. 75·33 crores which is more than the plan size of Rs. 73·04 crores fixed for

the first year of the Fifth Five-Year Plan. Stagnation, low yields, predominance of paddy in the cropping pattern, fluctuations in output and dependance on the vagaries of rains are some of the constraints in the agricultural economy of the State. No doubt, modern technology of improved inputs, reduction of landlessness, security of tenure and protection to tillers have in a large measure contributed to increased output of foodgrains. Because of timely showers during the last monsoon khariff crop was raised in a record area of 57 lakh hectares. We are, however, conscious that only substantial growth in area and that too under a mono-crop may not be a long term solution to the problem of alternating rise and fall in output and yields of foodgrains and other agricultural commodities. Productivity needs to be improved if farmers are to derive sufficient surpluses from their land and retain them for re-investment. Our agricultural programmes are directed towards removing these basic deficiencies. The immediate task, however, is to achieve foodgrain production of 5.9 million tonnes in 1976-77. Greater use of manures and fertilisers, use of improved and high yielding varieties of seeds, control of pests and diseases and optimum utilisation of irrigation water would enable our farmers to attain the higher foodgrains target in 1976-77. Our other commitments are enlarging the acreage under industrial crops like cotton, sugar-cane, jute and oil-seeds. The production targets are 2.82 lakh tonnes of sugar-cane in terms of 'Gur', 3.63 lakh tonnes of oil-seeds, 4.00 lakh bales of jute and 11,000 bales of cotton. Higher acreage are also programmed for pulses and vegetables. Compared to the current year 17,906 tonnes more of improved seeds are proposed to be distributed in 1976-77. Consumption of fertilisers will be higher by 39,000 tonnes in terms of plant nutrients and application of pesticides will cover a larger area of both food and commercial

crops. Soil conservation and water management measures and soil testing will be further extended so that soil and water resources of the State could be appropriately developed and exploited. Research activities have added a number of high yielding and improved varieties of rice, wheat, ragi and green gram. Various studies are under-way to identify and locate the peculiar problems of different agro-climatic zones in the State. The area development programme continues to lay stress on expansion of horticultural activities. The S. F. D. A. and M. F. A. L. agencies are assisting, in all possible ways, small and marginal farmers and landless labourers. The provision for agricultural development in the next year's budget is Rs. 11.17 crores in the State Plan and including Central Sector schemes the total investment may be of the order of Rs. 14.43 crores.

6.1. The network of co-operatives in the State continues to be the major dispenser of credit and finance to the farming and agricultural community. Co-operative credit of Rs. 35.00 crores is proposed to be disbursed in 1976-77 against the current year's likely achievement of Rs. 31.00 crores. The break up of the projected credit support is Rs. 25.00 crores short term and Rs. 10.00 crores medium and long term loans. Membership of Co-operative Credit Societies is expected to reach 19.65 lakhs during the Co-operative year commencing from 1976 July, and this would bring within the co-operative fold about 70 per cent of agricultural families. As a step towards meeting the all-round banking and credit needs of the rural community four rural banks are programmed to be established in this State. The first bank was inaugurated a few days ago in the Puri district. Co-operative retail outlets, handling and distribution of controlled cloth

and other commodities, may cover all the Grama Panchayats of the State in course of the next year. To identify the various deficiencies in the co-operative structure and suggest remedies wherever necessary, the Government have set up a Committee to go into the various issues in the field of co-operation.

7. Animal Husbandry activities would receive a support of Rs. 55.00 lakhs in the State Plan and Rs. 50.79 lakhs in the Central Sector next year to consolidate their schemes of systematic breed improvement work under I. C. D. Ps. which are spread over four districts of the State, crossbreeding indigenous low yielders with high milk strain exotic bulls for increased milk production and strengthening the network of veterinary dispensaries, clinics and hospitals for a more effective health cover to animals. A frozen semen bank in collaboration with the Danish Government is proposed to be established in the early part of 1976-77 to strengthen and expand the crossbreeding programme. To enable selected small and marginal farmers to maintain crossbreed animals subsidy by way of cattle feed continues to be provided. The poultry population is on the increase. 20 poultry co-operative societies have already been organised and a poultry co-operative marketing federation is also going to be set up to assist member-societies in marketing their produce. Egg production in the State is likely to reach a level of more than 252 millions in 1975-76. To intensify dairy activities in the State district level unions of dairy co-operatives are proposed to be organised to energise the primary milk producers co-operative societies. The Agro-Industries Corporation have taken over the Phulnakhara Dairy Unit as a prelude to a Dairy Development Corporation in the State. The production of milk is likely to be nearly 2 lakh tonnes by the

Animal
Husbandry,
Dairying
and
Fisheries.

end of 1975-76. Seed and planting materials are continued to be supplied at subsidised rates to farmers, particularly those maintaining crossbreed milch animals, for encouraging fodder cultivation. Growing development of animal stock and dairying would improve employment opportunities in the rural sector, generate higher incomes and specially benefit small and marginal farmers in rural areas.

7.1. Fisheries Schemes with an outlay of Rs. 0.40 crore in 1976-77 aim at raising production level of inland fish to 27,000 tonnes and marine fish to 25,000 tonnes. The total anticipated production of both marine and inland fish in 1975-76 is likely to be 46,000 tonnes. To support the programme of larger fish production 440 millions spawn will be collected in 1976-77 of which 67 millions will be produced by induced breeding in departmental fish seed farms. Poorer marine fishermen will be encouraged with a subsidy to the tune of 25 per cent to acquire country boats and nets with assistance from financial institutions for improving their catch. The Agricultural Refinance Corporation has been approached with a scheme of Rs. 59.15 lakhs for the Kirtania Primary Fishermen Co-operative Society and another scheme of Rs. 61.00 lakhs for the Rajlaxmi Co-operative Society. These schemes on being implemented would produce about 1,000 tonnes more of marine fish. Training in fisheries would be imparted both inside and outside the State to 208 candidates in 1976-77. Co-ordinated research centres for composite culture of exotic fishes and utilisation of trash fish would be located at Jeypore and Paradip with assistance from the Indian Council of Agriculture Research to the extent of 75 per cent of the cost. Work on the Dhamra fishing harbour at a cost of Rs. 84.34 lakhs has commenced. All these efforts

are going to give a greater impetus to production and consumption of fish in the State.

Irrigation
and Power.

8. Irrigation perhaps is the most vital component of the water-seeds-fertiliser revolution in enlarging the production and productivity in the agricultural sector. Our policy to achieve larger and larger coverage under irrigation has been steadily forging ahead. The Major and Medium Irrigation Projects had a khariff ayacut of 7.88 lakh hectares by the end of 1974-75. This potential would go up to 8.68 lakh hectares during 1975-76 and the target for 1976-77 is an additional irrigation of 35 thousand hectares. In financial terms the outlay on major and medium irrigation during 1976-77 would be of the order of Rs. 23.00 crores which includes Rs. 3.00 crores on account of the Potteru Project. This is an increase of about 64 per cent over the total investment in 1975-76 of Rs. 15.05 crores which however does not include the outlay on repair and restoration of flood damaged assets. Minor Irrigation Projects, Dug wells and Lift Irrigation points with an outlay of Rs. 6.00 crores for only Minor Irrigation and Lift Irrigation Schemes next year, would command an ayacut of about 3.70 lakh hectares by the end of 1976-77. The Lift Irrigation Corporation propose to take up in 1976-77 geohydrological survey over an area of 45,000 Sq. Kms. and the cumulative achievement by the end of 1976-77 would be 145,609 Sq. Kms. The Godavari and Subarnarekha water accords, thanks to the efforts of our Chief Minister, have a historic significance for the State as they would widen the horizon of the State's irrigation plan particularly for the backward districts of Kalahandi and Mayurbhanj.

8.1. Hon'ble members are aware that Orissa is one of the few States in this country which is

fortunate to have enormous water and power resources. Power development and its availability have maintained a steady record of rise over the years. The firm power capacity would be 375 M. W. by the end of 1975-76 which was 295 M. W. at the close of the Fourth Plan period and 336 M. W. by the end of 1974-75. This capacity next year would stand at 400 M. W. and the installed capacity would be 921.5 M. W. Power consumption inside the State is growing. More than Rs. 25.00 crores of revenue is expected from internal sales in 1976-77 which in 1974-75 was slightly more than Rs. 16.00 crores. The power plan of the State Government which contemplates expeditious completion of the Rengali, Upper Kolab and Talcher Expansion Projects, envisages an outlay of Rs. 55.33 crores in 1976-77. This is a mark up of 46.56 per cent over the current year's programme of Rs. 37.75 crores. In the Fifth Plan more than 5,000 villages and hamlets would have been covered under the rural electrification programme by the end of 1976-77. This would place total number of electrified villages and hamlets at 14,329.

Industries
and
Mineral
Development.

9. Diversification of the State's economy is closely inter-twined with a process of growing industrialisation. We are committed to a policy of larger investment in the industrial sector despite various constraints through private, public and joint sector enterprises. The IPICOL have assisted six joint sector projects in 1975-76 with an equity participation of Rs. 0.42 crore. Their programme for 1976-77 is to promote at least three more joint sector projects. Five industrial entrepreneurs in the private sector had received support from the IPICOL in 1975-76 for their industrial units. The schemes of 13 more entrepreneurs would be taken up in 1976-77. The industrial development area scheme covering 200 acres

at Bhubaneswar and 803 acres at Rourkela is meant to provide infrastructural facilities at one point to intending entrepreneurs. The Konark Jute Ltd. which is a joint sector venture under the Industrial Development Corporation with the NAFED as one of the collaborators has entered the construction phase. The Formed Coke Plant and the Heavy Water Project at Talcher, in the Central sector, with an outlay of Rs. 31.00 crores are steadily progressing. The Industrial Development Corporation's Hira Cement Works was commended by the Ministry of Industrial Development for achieving a record production of 38,400 tonnes of cement in November, 1975. Two other units of the Industrial Development Corporation, i. e., the Kalinga Iron Works and the Ferro-Chrome Plant entered the export market and despatched to foreign destinations 25,000 tonnes of pig iron and 1,760 tonnes of ferro-chrome valued at Rs. 2.65 crores and Rs. 1.50 crores, respectively. Some of the industrial units which went into production in course of the year are—an Oxygen Plant at Rourkela of the Asiatic Oxygen Private Ltd., a Steel Casting Plant at Talcher, a Jute Twine Factory at Rupsa, a Sal Seed Oil Solvent Extraction Plant at Sambalpur and the expanded unit of 18,400 spindles of the Tora Spinning Mill at Bargarh. The Orissa Small Industries Corporation have supplied at reasonable rates raw materials worth Rs. 2.15 crores to Small-scale Industries during 1975-76 and they would continue to render this service and other package assistance in the years to come. The Orissa Small Industries Corporation have also a programme of erecting Industrial Estates at different growth centres of the State. Small and Village Industries continue to receive adequate support through loans under the State-Aid to Industries Act, direct participation by the State Government in their share capital, market intelligence

and a price equalisation subsidy for raw materials. As a result of a sustained campaign and a package of incentives such as price preference including rate contract, feasibility reports and concessional finance, there was a sharp growth in the registration of small-scale industrial units in 1975-76 with a capital investment of more than Rs. 4.00 crores. Self-employed and educated unemployed have set up 180 small-scale industrial units in the State. The target for 1976-77 is to catalyse 1,500 small-scale units with a total investment of Rs. 10.50 crores. The possibility of locating ancillary units in and around Talcher is being explored. The Orissa State Financial Corporation's disbursement in 1976-77 is likely to reach a level of Rs. 6.50 crores which in 1975-76 is anticipated to be of the order of Rs. 4.83 crores. The State Government are going to set up a Leather Corporation with a view to organise and invigorate leather industries in the State. A Film Development Corporation has already been set up to assist and activate production of language films. For products of powerloom societies a dyeing-printing unit will come up in 1976-77. The handloom sector which provides occupation to the bulk of rural artisans and craftsmen will turn out 12 million metres of cloth in 1976-77. A special scheme rebate of 20 per cent was introduced in 1975-76 with a view to clear accumulated stocks of handloom fabrics lying with Primary and Apex Handloom Co-operative Societies. To organise them more effectively and improve their economic strength more and more number of co-operatives are being set up and they are being trained for improving the quality and design of handloom fabrics. It is proposed to enlist under a crash programme at least 15,000 more weavers as members of co-operatives. A Handloom Development Corporation is proposed to be shortly established to initially cover more than

24,000 weavers and extend to them necessary financial assistance for upgrading their appliances and improving the quality of their products. Handicraft co-operatives have at present 6,000 craftsmen as their members. Craftsmen are being provided with training and other assistance such as loans and grants and marketing facilities. Tribals are being trained in reeling and spinning for increasing output of raw silk. Apprentice training and placement, which is one of the 20-Point Programme, covers 530 industrial establishments out of which 501 have already been surveyed locating 1,764 seats. During the engagement season closing 30th September 1975, 1,653 apprentices were placed under training. For the first time 350 engineering graduates and diploma-holders also joined the training scheme.

9.1. Activities in the mining and mineral sector during 1976-77 would mainly be directed towards large scale mapping and preparation of mineral inventory for discovery of deposits of iron-ore, chromite, china-clay, fire-clay, gold, limestone and dolomite, etc. Exploration and proving of bauxite deposits in the State will continue. The production of different minerals will reach the 13 million tonnes mark in 1976-77 and this would yield royalty of more than Rs. 4.00 crores to the exchequer. In addition to State Government outlay of Rs. 0.40 crore on mineral development, the Orissa Mining Corporation have an investment programme of Rs. 1.67 crores next year for completing and undertaking various schemes.

10. The tribal and relatively backward population of the State has always been the special concern of the Government. Their problems of economic, educational and environmental upliftment continue to receive priority and urgent attention in all spheres of govern-

Tribal and
Rural
Welfare.

mental activities. Tribal Blocks, Tribal Development Agencies and Integrated Tribal Development Projects have been set up to enable these sections of the community to make rapid strides in every direction of socio-economic life. Intensive use of land with horticulture, irrigation, land development, land reclamation and animal husbandry woven around it, will continue to be the main strategy for raising the standard of life and incomes of the tribal people. The Tribal Development Co-operative Society which aims at assuring a fair price to tribals for their produce had achieved a turn over of more than Rs. 4.00 crores in 1974-75, and since then their transactions have expanded. For upliftment of tribal population in the State more than Rs. 4.00 crores has been provided for the Sub-plan areas under the State Plan 1976-77. Besides provision of about Rs. 4.30 crores has been made under the Centrally Sponsored Schemes.

Forest

11. Our forest wealth and area are extensive. Conservation and regeneration of forests and their scientific management and exploitation are some of the policy goals. Afforestation schemes including afforestation of coastal belts and compensatory plantation are intended to enlarge the forest cover and add to forest resources. Extraction of oil from sal seeds has shown the way for more lucrative use of the forest-produce. Production of Kendu leaves has steadily progressed and the yield in 1975-76 is expected to be four lakh quintals. A birds' sanctuary at Chilka is likely to be taken up as a Centrally Sponsored Scheme in addition to the existing continuing Central Sector Schemes of the Similipal tiger reserve and farming of crocodiles and sea turtles in Orissa.

Road and Road Transport.

12. The communications programme for the next year aims at completion under the M. N. P. of 482.80 Kms. of all-weather roads which includes

completion of three bridges. Besides 200 Kms. of rural roads will be improved under this programme next year. The non-M. N. P. road development programmes envisage metalling of 19 Kms. black topping of 42 Kms. of roads and completion of nine spill over bridges. Allocations from the Central Road Fund will be utilised to expedite completion of the Subarnarekha bridge and approach roads and bridges over the Bhargavi and Kanchinalla. To meet adequately the transport needs of our people the O. S. R. T. C. have a programme of expanding their effective fleet strength to 664 buses in 1976-77 which was 519 by 1974-75 and is likely to be 539 by the end of 1975-76. The Orissa Road Transport Company will also add 53 new vehicles to their fleet during 1976-77. A quota of 250 national permits, which is one of the 20-Point Economic Programme, has been allotted to this State.

13. Education claims the largest share of our budgetary allocations and the provision is Rs. 58.92 crores for 1976-77. Our basic objectives in this area have been raising the percentage of literacy, providing diversified curricula and removing distortions in the capacity of various groups of people in the society to have access to the temples of learning. A sustained drive combined with a scheme of incentives such as abolition of examination system in Forms I and II, supply of free uniform, mid-day meals and attendance scholarships, is likely to raise the enrolment of children in the age-group of 6—11 to 75 per cent at the end of 1976-77. Enrolment of children in the age-group of 11—14 is expected to be 28 per cent. Secondary institutions may have a student population of 3.05 lakhs by the end of 1976-77. The Universities and higher educational institutions will have 90.9 thousand students on their rolls as against 81.7 thousands in 1975-76. The

Education

tribal tracts of the State will receive priority in the matter of opening of new educational institutions. Of a programme of opening 1,600 new Primary Schools within the first three years of the current plan, more than 900 schools would be located in different tribal belts of the State. 7 Government High Schools are proposed to be set up next year in the most interior pockets of Koraput, Phulbani and Kalahandi districts. Two more new Girls' High Schools next year and the two Women Colleges in Dhenkanal and Mayurbhanj since started would offer greater educational opportunities to girl students. Hon'ble members are already aware of the Scheme of Book Banks in Colleges and Schools and its coverage. It is for the first time, that a systematic effort has been made to supply Text Books to students coming from indigent families. Priority, naturally has been given to educationally backward districts, but we hope that all High Schools in the State can be brought under the Scheme during the next two years. Completion of incomplete buildings, introduction of vocational course in Girls' High Schools and provision of improved facilities for teaching science in Secondary Schools are some of the features of our emphasis on qualitative improvement of education at the primary and secondary levels. The block grant admissible to the three universities has been stepped up following the recommendations of a committee set up by Government. The annual average grant would now be raised to Rs. 1.25 crores which till recently was fixed at Rs. 0.80 crore.

Health,
Public
Health and
Water-
supply

14. To improve the standard of medical care in rural areas the provision under medicine for Primary Health Centres and Sub-centres, has been stepped up in the next years budget and six existing dispensaries are proposed to be converted to six-bedded hospitals.

Establishment of 10 more Ayurvedic and 10 more Homoeopathic dispensaries in 1976-77 will take these systems of medicine and treatment nearer to people. Specialists in a number of disciplines have been posted to District Hospitals. Specialist treatment in other disciplines is proposed to be made available in 1976-77. An attempt has been made in the next year's budget to remove the deficiencies of staff and medicines for providing adequate medical care in District and Subdivisional Hospitals. Cobalt Therapy facilities are likely to be available for the treatment of cancer patients in the Medical Colleges at Burla and Berhampur. Steps have been taken to ensure completion on a priority basis of all incomplete buildings and staff quarters of Primary Health Centres, Medical Colleges and attached hospitals. To provide improved treatment to leprosy patients it is proposed to start 8 more hospitalisation wards at a cost of Rs. 6.65 lakhs in 1976-77 in addition to 3 such units in the current year. The National Malaria Eradication and other such Centrally Sponsored Programmes will continue to provide both preventive and curative treatment. The present growth rate of population, unless tamed, will thwart all our attempts to increase the *per capita* income. The Family Planning Programmes with increasing coverage precisely aim at achieving this end.

14.1. Drinking Water-supply Schemes in rural areas will receive under the Minimum Needs Programme a support of Rs. 140.00 lakhs in the next years plan out of which Rs. 100.00 lakhs are for completing on-going wells and sinking new sanitary wells as against the available provision of Rs. 40.60 lakhs for such wells in the current year. Besides 803 rural tube-wells and 38 rural piped water-supply schemes

are intended to be completed by the end of 1975-76. Another 375 tube-wells are programmed for 1976-77 with an outlay of Rs. 40.00 lakhs. The State plan allocation for urban water-supply and sewerage schemes has been stepped up from the existing level of Rs. 75.00 lakhs to Rs. 99.00 lakhs for the next year.

15. The Housing Board have strengthened their organisation to take up larger housing programmes with greater support of institutional finance. Their programme for the next year is to take up construction of 336 houses with a loan assistance of Rs. 103.88 lakhs from the HUDCO. Another 1,060 number of houses under small, middle, and village housing schemes are likely to be completed in 1976-77. The outlay on residential housing in the next year's budget totals Rs. 1.66 crores excluding the loan to be received from the HUDCO. As a measure of protection against recurring ravages of flood, a scheme of village reconstruction has been taken up at higher elevations in the flood-affected areas of the districts of Cuttack, Puri, Balasore, Mayurbhanj, Dhenkanal, Keonjhar and Sambalpur.

15.1. A number of measures have since been taken by the Government in pursuance of the 20-Point Economic Programme to improve the prospects and working conditions of the labour force. Today the minimum wages for agricultural labourers are Rs. 4.00 per day and equal wage are admissible under law to male and female labourers. The bonded and contract labour systems have been abolished, a scheme of worker's participation in management applicable to establishments employing 250 or more workers has been finalised and the scope of employees insurance has been widened. Though the employment situation

in the State in all sectors leaves much to be desired, yet there were 18,621 placements during 1975-76 which exceeds by 4,000 the previous year's performance.

16. While discussing the 20-Point Economic Programme I have already outlined the achievements under land reforms. We have taken determined steps for the speedy implementation of the provisions of land reform laws. By the end of 1976-77, 68,327 acres of ceiling surplus land would have vested in the Government. The operation of consolidation of holdings cover 2.50 lakh hectares of land in 1,338 villages of 6 districts. The next year's total provision for this scheme is Rs. 1.10 crores. Some of the other social welfare measures implemented by the Government are—the anti-dowry legislation, free legal aid to the poor, nutrition feeding programmes, the group insurance scheme and old-age pension. Under the freedom fighters' pension scheme, Central pensions have been sanctioned to 2,332 individuals in the State. The State Government have set up two committees to review and sanction State pensions to freedom fighters and Ex-I. N. A. personnel. So far as the Excise Policy is concerned Hon'ble members are aware of the closure of a large number of outstil shops in tribal areas. It has also been decided to gradually extend the distillery system of supply of liquor to different areas of the State.

Land Reforms and Other Social Welfare Measures.

17. I have already stated earlier that there has been a remarkable recovery in the availability of all essential goods and commodities of mass consumption including foodgrains. The procurement target of 1,75,000 tonnes of rice under the monopoly procurement scheme is likely to be exceeded during the

Food and Civil Supplies.

kharrif year 1975-76. For these operations the State Government have a credit limit of Rs. 10.00 crores with the State Bank of India.

Tourism

18. The Tourist Department propose to continue their efforts to build up greater infrastructural facilities for tourists inside the State. The tourist bungalow at Sambalpur with 24 rooms and 48 beds is going to be commissioned shortly. The programme for 1976-77 envisages construction of two more tourist bungalows one each at Narasinghnath and Rourkela. Conducted site seeing tours extended to Sambalpur and Balangir in 1975-76 will cover Jeypore in 1976-77. Tourist Transport Units are available at Bhubaneswar, Puri, Balangir, Sambalpur and Balasore. A master plan for developing potential tourist centres is under preparation and the first phase of this plan, to be implemented in 1976-77 will cover Konark, Chilika, Atry and Tikarpara. Work on the Konark-Puri Marine Drive is going to be expedited so that the project could be operational within 2 to 3 years.

Fiscal measures.

19. Our projected developmental programmes for the next year, as the preceding resume portrays are wide ranging and multi-dimensional. To support these schemes monetary resources of the order of Rs. 124.74 crores are to be mobilised during 1976-77. Tentatively the Central Assistance component has been assumed at Rs. 63.28 crores which is a little more than 50 per cent of the total outlay for the next year. Our share has been fixed at Rs. 61.46 crores of which Rs. 16.23 crores are to be raised during 1976-77. But my fresh taxation proposals for the next year are only for Rs. 3.23 crores and the balance is proposed to be met by ploughing higher Provident Fund accumulation of Government employees and teachers and from proceeds of additional resources mobilisation

measures of last year but effective from 1976-77. Specifically the fiscal proposals are :—

	Expected annual yield (Rs. in crores)
(a) Raising the general sales tax rate from 5 per cent to 6 per cent with effect from the 1st April 1976.	2.00
(b) Imposition of a show tax on owners of cinema houses.	0.13
(c) Raising the minimum rate of entertainment tax from 25 per cent to 30 per cent.	0.10
(d) Imposition of a cess on mining royalty.	1.00

19.1. I am sure, Hon'ble members will agree with me that comparatively the burden of additional imposts will impinge more on affluent sections of the society. It can't also be said that the burden is heavy in view of the large size of the investment programme of Rs. 124.74 crores in this State Plan for 1976-77. I seek the co-operation of Hon'ble members for carrying through the necessary legislative and other measures to give effect to my tax proposals.

20. The Budget Estimates for 1976-77 have been framed by taking into account the total additional resource mobilisation of Rs. 22.72 crores covering the years 1974-75, 1975-76 and 1976-77. The year's transactions as envisaged in the budget involve a total receipt of Rs. 760.51 crores and disbursement of Rs. 7,60.36 crores giving rise to a nominal surplus of Rs. 0.15 crore which may ultimately stand reduced at only Rs. 0.04 crore as the short provision of Rs. 0.11 crore under the plan is likely to be allocated to various Departments in course of the year. The

Revised
Estimates,
1975-76
and Budget
Estimates,
1976-77.

Revised Estimates for current year and the budget figures for the year 1976-77 are as follows:—

(Rs. in crores)

		Budget Estimates, 1975-76	Revised Estimates, 1975-76	Budget Estimates, 1976-77
<u>Revenue Account</u>				
Receipts	..	2,68·10	2,82·83	3,11·35
Disbursement	..	2,74·90	2,99·75	3,08·83
		-----	-----	-----
Net	..	(—)6·80	(—)16·92	(+)2·52
		-----	-----	-----
<u>Capital Account</u>				
Receipts	..	..	..	..
Disbursement	..	32·68	58·71	41·82
		-----	-----	-----
Net	..	(—)32·68	(—)58·71	(—)41·82
		-----	-----	-----
<u>Public Debt</u>				
Receipts	..	76·82	1,06·44	1,06·49
Disbursement	..	47·89	60·05	68·13
		-----	-----	-----
Net	..	28·93	46·39	38·36
		-----	-----	-----

(Rs. in crores)

		Budget Estimates, 1975-76	Revised Estimates, 1975-76	Budget Estimates, 1976-77
Loans and Advances				
Receipts	..	12.22	17.34	15.25
Disbursement	..	14.57	16.87	42.52
Net	..	(—)2.35	0.47	(—)27.27
Contingency Fund				
Receipts	..	.	..	..
Disbursement	..	..	(—)1.08	..
Net	..	..	1.08	..
Public Account				
Receipts	..	2,78.53	3,04.53	3,27.42
Disbursement	..	2,65.42	2,76.81	2,99.06
Net	..	13.11	27.72	28.36
Total Receipts	..	6,35.67	7,11.14	7,60.51
Total Disbursement	..	6,35.46	7,11.11	7,60.36
Net Transaction	..	0.21	0.03	0.15
Opening Balance	..	0.16	(—)4.85	()4.82
Closing Balance		0.37	(—)4.82	(—)4.67

20.1. The closing deficit of Rs. 4.67 crores at the end of 1976-77 is owing to a negative opening balance of Rs. 4.82 crores for 1975-76 although it was anticipated that the year was to open with a plus balance of Rs. 0.16 crore. The deterioration in 1974-75 transactions leading to a deficit is mainly due to a debit—not contemplated in the budget of 1974-75—of Rs. 4.35 crores for supply of pool fertiliser to the Apex Co-operative Marketing Society and shortfall of Rs. 2.43 crores in Central assistance for the Potteru and Rengali Projects. The revised estimates for the current year show a nominal surplus of Rs. 0.03 crore despite net additional post-budget commitments of the order of Rs. 6.23 crores in course of the year.

Fiscal
management.

21. I would like to mention here that the State's own tax and non-tax revenues, excluding additional resource mobilisation, would for the first time cross the Rs. 100.00 crores mark in 1976-77. One of the factors contributing to this improvement is higher efficiency in collection of current and arrear dues of Government. To reduce locking up of huge cash resources, State Public Sector Undertakings and Works wings of the Government have been impressed upon to manage the inventories more carefully. Flow of institutional finance for the State's developmental activities in agriculture and industry has registered an upward trend and there has been almost a threefold increase in the branch expansion of commercial banks. Reasonable escalations have been allowed for all essential needs of the normal administration. The non-plan provision for maintenance of assets has been marked up and the budget has admitted new Demand Schedules worth Rs. 2.10 crores for improvement of standards of administration of regulatory departments such as police, judiciary, jails and revenue, etc. Deficiency in the investigating staff of police-stations is proposed to be

fully met next year. To strengthen the revenue administration in the field 250 R. I. circles were added in the current year and there is provision for 250 more in the next year's budget. Four new fire stations are to be located in selected fire prone localities in 1976-77 in addition to the four new stations started this year. 8 more Sub-Registrar's Offices were opened during 1975-76.

22. I may take this opportunity to appraise Hon'ble members that in spite of constraints on resources a number of measures have been taken by Government to give a better deal to Government employees and pensioners. Recently four more doses of dearness allowances were sanctioned which are intended to neutralise up to 306 points in the 12 monthly average of the Consumer's Price Index. Two more instalments of temporary increase subject to a minimum of Rs. 8'00 and a maximum of Rs. 40'00 were allowed to pensioners. Rules and instructions have been liberalised to expedite settlement of service conditions and other entitlements of Government employees. Henceforth a retiring Government employee would receive the sanction for at least 3/4th of his pension on the day he retires. Taking over of the Provident Fund of teachers would entitle them to a higher rate of interest.

Concessions to Government employees and pensioners.

23. Mr. Speaker, Sir, I have almost come to the close of my speech. We leave behind a year which is momentous and eventful in the chronology of Orissa's progress and development. We have also before us another year equally promising and equally full of opportunities to serve our people and lead them to a society which would assure to each member "an adequate minimum of civilised standard of life". In this mighty undertaking, I solicit the

co-operation and good-will of all. Our pledge would be redeemed if all of us collectively are willing to subscribe to the politics of development rather than the politics of confrontation.

Now, Sir, I beg your leave to present the Budget Estimates for the year 1976-77.

JAI HIND

DEBT POSITION OF THE STATE

(Rupees in thousands)

	Outstanding on the 1st April, 1975	Estimated outstanding on the 1st April, 1976	Estimated outstanding on the 1st April, 1977
	(1)	(2)	(3)
1. Open Market Loan	87,58,98	102,21,03	108,86,03
2. Ways and Means Advance from Reserve Bank of India.	5,38,00	5,38,00	5,38,00
3. Loans from the Central Government.	539,02,65	566,47,36	606,83,33
4. Loans from the Reserve Bank of India (L. T. O.) Fund.	3,34,12	4,08,08	5,02,42
5. Loans from the Life Insurance Corporation of India.	14,01,97	14,80,11	15,52,33
6. Loans from the National Co-operative Develop- ment Corporation.	3,84,50	4,64,88	4,33,10
7. Loans from the Khadi & Village Industries Commission of India.	12,00	12,00	12,00
8. Loans from the State Bank of India.	8,00,00	10,00,00	..
Total	661,32,22	707,71,46	746,07,21

