Speech of

Shri Binayak Acharya
Chief Minister, Orissa
Presenting the Budget Estimates
For the year 1977-78
TO THE ORISSA LEGISLATIVE ASSEMBLY

March 25, 1977
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TO THE ORISSA LEGISLATIVE ASSEMBLY

Sir,

The Annual Financial Statement for 1977-78, which I beg to place before the House, is already in the hands of the Hon'ble Members. This year our usual schedule has been somewhat delayed on account of the Sixth Lok Sabha Elections which kept us busy. Consequently, there will not be enough time before the 31st of March to complete the usual process of discussion and voting on Demands. I shall, therefore, shortly seek your permission to move a motion for a Vote on Account under Article 206 of the Constitution to enable continuance of the ongoing programmes of the Government until the House has had full opportunity to consider and give its assent to demands for grants for the whole year.

Economic situation

2. Sir, following the bumper harvest and record procurement of 2.34 lakh tonnes of rice in 1975-76 Kharif year, the State had a reserve of 66,000 tonnes of rice at the end of October 1976 after meeting, on a very liberal basis, the
requirements of the public distribution system and fulfilling export commitments. The outlook for the Khariff crop in 1976 was good until August 1976 but failure of the monsoon in the crucial period of September—November 1976 caused widespread drought in the State affecting as many as 3,341 Grama Panchayats. As a result, production of Khariff paddy in 1976 is likely to register a decline of over 30 per cent compared to the estimated yield of 42 lakh tonnes in 1975 Khariff. We are determined to pursue policies and programmes to provide a stable base for our agricultural production which constitutes the major component of State income. The temporary set-back owing to the prevailing drought would, however, lower the State income, and accentuate the gap between State and National incomes per capita. Despite this unfavourable factor, stability could be maintained in prices of foodgrains throughout the State by judicious operation of the buffer-stock and strict and continuous vigilance over anti-social activities of profiteers and hoarders. Fortunately, in spite of the substantial crop loss, Government have been able to procure so far over 85,000 tonnes of rice out of the Khariff crop.

3. I must, however, refer to the disturbing upward trend in the price situation which originating in the later part of 1976 continues at present. The price index which after reaching the peak level of 330.7 in September 1974 had gone down by 48 points has moved up again. This, to a large extent, is due to rise in the prices of edible oils, oilseeds and raw cotton consequent upon failure of these crops due to erratic monsoon. This is a countrywide phenomenon and our State which depends largely on import of edible oils from other States is particularly vulnerable to this situation. A multi-dimensional attack on the problem in the form of credit curbs import from abroad and prevention of speculative activity, has been launched and I am confident of an early reversal of the trend. Hon'ble Members will recall my reference in the Budget speech last year to the package of monetary, fiscal and administrative measures through which the galloping inflation facing the country in 1974 was brought to a halt and its trend reversed. It is heartening that the price level at present is considerably below the 1974 peak, an achievement paralleled by no
other country in the world. Industrial production has vastly improved, export performance of the country has reached new heights, and foreign exchange reserves have also gone up as a result of exemplary action taken against smugglers and clandestine operators. These have strengthened the country’s overall economic position and the external value of the Rupee as never before. There is little doubt that steps already initiated to tackle the causative factors of price rise will, before long, make their impact on the price situation. On the whole the national economy is strong and sound and poised for growth. The best part of our development endeavour in the State is directed towards creation of a stable infrastructure for agriculture to save it from the vagaries of monsoon. Our carry-over food reserves enhanced by 85,000 tonnes of fresh procurement are very comfortable, and enable us to maintain stability in price of this staple cereal. Expectation of Rabi paddy is good. Favourable monsoon rains during the coming year will further brighten the State’s economy and impart it the requisite momentum for sustained growth.

4. My confidence in the capacity of our economy for sustained growth is based on our experience of the successful implementation of the 25-Point Socio-Economic Programme and our determination to face and overcome fresh challenges that may confront us. We have rigorously enforced anti-inflationary measures by cutting down unproductive Government non-Plan expenditure and saved and diverted Rs. 4.91 crores to augment plan resources. Speculative activities of hoarders, profiteers and tax evaders were dealt with a heavy hand. In the process 3,681 cases were detected and goods worth Rs. 2.44 crores and 54 vehicles were seized. 1,817 cases of Commercial Tax evasion were detected and demand of Rs. 20.89 lakhs was raised in 1,252 cases disposed of during the year. We encouraged and created congenial conditions for higher levels of production in fields and factories. Implementation of Land Reform measures was further intensified providing benefits to 40,372 landless persons including 17,358 Scheduled Tribe and 13,124 Scheduled Caste families. 1,836 hectares of homestead land have been provided to 51,936 landless families belonging predominantly to Scheduled Tribes and Castes. Besides, the
State Government have also constructed 3,030 Low-cost houses of which 2,691 have already been allotted to homeless families. The campaign for eradication of bonded labour system is in full swing. 245 persons have been freed from bondage and rehabilitated. 71,500 small and marginal farmers have been brought into the co-operative fold and vigorous enforcement of the Money Lenders’ Act, amended to afford relief from indebtedness, has led to registration of 4,636 cases and grant of relief to 15,230 debtors. Enforcement of Minimum Wages has led to the detection of 14,483 cases in 2,077 of which the workers were reimbursed short payment to the extent of Rs. 3.20 lakhs. Fine of Rs. 1.08 lakhs was also realised. The scheme of Workers’ Participation in the Management of industries gained fresh momentum. Additional irrigation potential of 172,426 hectares has been created under major, medium and minor irrigation projects. For exploitation of ground water resources 115,148 dug-wells financed by Co-operatives, Commercial Banks, quasi-Government agencies and voluntary organisations have been completed. Power development and expansion of coverage under rural electrification have received special attention and 13,443 villages have been electrified by the end of December, 1976. 27 new handloom co-operatives have been organised and a number of defunct societies revived. 1,550 additional weaver families have been enrolled as members and given liberal financial assistance. The Handloom Co-operatives now play a vital role in increasing production of controlled cloth with 1,000 looms specially earmarked for this activity. Controlled commodities at fair prices and adequate quantities have been regularly made available to 2,548 students hostel. Text-Book Banks have been opened in all Government and non-Government Colleges and High Schools and 314 Middle Schools. Incentive schemes like supply of free text-books, writing materials and free uniform to children of weaker sections, and award of attendance scholarships have produced commendable results in increasing enrolment. 26,771 hectares have been covered under afforestation by the combined efforts of Forest, Soil Conservation, and Horticulture Departments. Besides, Urban Local Bodies have also participated vigorously in the afforestation programme. National permits
have been issued to 236 vehicles, and 2,332 placements have been made in industrial establishments for in-plant training under Apprenticeship Scheme. The Family Planning Organisation has performed 3·04 lakhs sterilisation operations far exceeding its target of 195,500. Students and youths in large numbers have resolved to fight the evils of the dowry system. For eradication of illiteracy among adults, 1,287 centres have been opened with enrolment of 26,544 persons. Above all, the energy and idealism of the youth have now been channelised for constructive work by vigorous participation in developmental programmes.

5. I have referred earlier to the widespread drought of 1976 and the consequent loss of Kharif paddy production. The State Government have firmly tackled the aftermath of this situation by implementing schemes of relief which while providing work to the labour force in affected areas would confer lasting economic and social benefits to the people. I would like to take this opportunity to express our sincere appreciation of the timely help rendered by the Government of India in providing advance Plan assistance of Rs. 5·10 crores which has helped us greatly in organising labour intensive works to provide employment opportunities and assuring drinking water-supply in the affected areas. This has also enabled us to embark upon a massive programme of renovation of irrigation tanks, to secure lasting benefits at relatively low cost from these community assets many of which had become derelict owing to lack of proper maintenance. Apart from the advance Plan assistance from the Centre, a sum of Rs. 20·50 crores has also been made available from the normal Plan and non-Plan allocations of the State for labour intensive work in the context of drought. Besides, the scope of the Food for Works Programme has considerably been enlarged, and the number of beneficiaries under the Nutrition Feeding Programme of the C. D. Department has been increased from 15 lakhs to 25 lakhs. Suspension and remission of land revenue in respect of the severely affected areas have already been announced to lighten the burden of the peoples’ suffering. I am confident that these measures together with the financial allocations being made for 1977-78 would provide the requisite relief to the people in distress. The summer months that lie
ahead would indeed be difficult, but there is no cause for despondency. In all cases of genuine suffering, relief would be provided, whatever be the cost. Government are determined to ensure that no one in the State dies of starvation. I seek co-operation of the Honourable Members, irrespective of party affiliation, in Government's endeavour to ameliorate the condition of the drought-affected people and urge that we resist the temptation of making political capital of their suffering.

Fifth-five Year Plan

6. Honourable Members are aware that although 1974-75 marked the commencement of the Fifth Plan period, the size and composition of the Fifth Five-Year Plan of India remained indeterminate until recently. The Fifth Plan for Orissa could not therefore take a final shape. In September 1976, Planning Commission indicated to the State Government that the outlay on the State's Fifth Plan would be Rs. 5,88·50 crores. Considering the outlays in the first three years, and the projected outlay for 1977-78, the balance left for the terminal year of the Plan would be Rs. 1,39 crores only which would be less than the outlay for 1977-78. As this would be an untenable situation I am confident that the State's Fifth Plan outlay would necessarily have to be raised beyond Rs. 588·50 crores indicated by the Planning Commission. The size of the final outlay would depend upon a variety of factors including our ability to mobilise internal resources and to secure Central assistance which also has to operate under severe financial constraint.

7. With this background Sir, I would like to indicate briefly some of the important features of the Accounts for 1975-76 and the Revised Estimates for 1976-77, before presenting the Budget Estimates for 1977-78.

Accounts 1975-76

8. The State Government's account for 1975-76, which had opened with a debit balance of Rs. 4·85 crores, closed with a debit balance of Rs. 16·03 crores. At the close of the year our investment in Treasury Bills was Rs. 3·95 crores. The net closing debit balance of the year was thus Rs. 12·08 crores.

Revised Estimates, 1976-77

9. I now place before you the Revised Estimates of the current financial year which opened with a gross debit balance of Rs. 16·03 crores.
10. Receipts on Revenue Account estimated at Rs. 311·35 crores in the Budget reflect in the Revised Estimates a net improvement of Rs. 16·83 crores. On expenditure, side we had budgetted for a total Revenue Expenditure of Rs. 300·83 crores. The Revised Estimates stand at Rs. 316·53 crores, i.e. Rs. 7·70 crores more than the Budget.

11. Revised Capital Account estimates show an improvement of Rs. 99·68 crores in receipt matched by increased disbursement provision of the order of Rs. 102·25 crores. By far the major components of these represent accounting adjustments in respect of overdrafts and ways and means advances and cash credit obtained from the State Bank of India for procurement of foodgrains.

12. The approved outlay on the current year’s State Plan was originally fixed at Rs. 124·67 crores. This was subsequently increased by Rs. 2 crores for accelerating execution of irrigation projects. Thereafter, Government of India agreed to provide advance Plan assistance of Rs. 5·10 crores to enable the State Government to meet the requirements of drought relief. The revised outlay on the State Plan is, therefore, estimated now at Rs. 131·77 crores.

13. Deposits in Public Account were estimated to exceed withdrawals by Rs. 28·36 crores in the original Budget. In the Revised Estimates, a net marginal improvement of Rs. 0·60 crore has been on account of encashment of Treasury Bills and accretion due to the deposit of the cash surplus of the Orissa Mining Corporation, partly set off by shortfalls under Provident Fund and deposit of Local Bodies.

14. To sum up, although the year’s transaction would leave a surplus of Rs. 8·30 crores, the year is expected to close with a deficit of Rs. 7·73 crores owing to the negative opening balance of Rs. 16·03 crores at the beginning of the year.

15. I would now present before the House broad features of the Budget Estimate for 1977-78. The current year’s estimated closing debit balance of Rs. 7·73 crores would constitute the opening balance for 1977-78. The results of the transactions in the Consolidated Fund and the Public
Account in course of the year are expected to generate a surplus of Rs. 7.75 crores. This leaves a nominal surplus of Rs. 0.02 crore at the close of the year.

16. The Budget envisages non-Plan revenue expenditure of Rs. 276.08 crores which reflects a mere 4.8 per cent increase over the revised estimates for 1976-77. This is sought to be adhered to by exercise of strict control over expenditure with a view to conserving resources for Plan financing. However, while doing this, I have tried to ensure that legitimate needs for higher levels of expenditure in certain services are met, administrative efficiency is not impaired and obligatory expenditure is not postponed for inadequacy of funds. Disbursements on non-Plan capital account are estimated at Rs. 95.95 crores, which is substantially less than the revised estimates of 1976-77. The main reduction relates to ways and means transactions in which lesser receipts and disbursements have been assumed as a consequence of better cash management.

17. The size of the State's Annual Plan for 1977-78 has been fixed at Rs. 150 crores. The State budget however reflects a provision of Rs. 120 crores, as outlay of Rs. 30 crores relating to Public Sector Undertaking will remain outside the Consolidated Fund. Approximately, 63.5% of the budgeted plan outlay is on Capital Account and the balance is on Revenue Account. The Annual Plan outlay of Rs. 150 crores for 1977-78 constitutes a 20% increase over the original plan outlay for the current year. Even so, we expect that it may be possible to secure at the time of mid-term appraisal a further increase in the outlay depending on the progress in implementation of the Plan programmes and outlook in respect of resources. The sectoral break up of the outlay of Rs. 150 crores is as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Rs. in crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Allied Service</td>
<td>24.93</td>
</tr>
<tr>
<td>Co-operation</td>
<td>4.74</td>
</tr>
<tr>
<td>Irrigation &amp; Power</td>
<td>85.07</td>
</tr>
<tr>
<td>Industries and Mining</td>
<td>4.34</td>
</tr>
<tr>
<td>Transport and Communication</td>
<td>7.80</td>
</tr>
<tr>
<td>Social Services</td>
<td>21.75</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150.00</strong></td>
</tr>
</tbody>
</table>
The State Plan also provides an additional outlay of Rs. 7.63 crores towards implementation of special programmes under the Tribal Sub-Plan fully assisted by Government of India.

18. Apart from these, the Budget also envisages an outlay of Rs. 32.95 crores on Central Plan, Centrally Sponsored and Special non-Plan programme, the net effect of which on the Budget is only marginal as by far the major portion of the liability is met by equivalent assistance from the Centre.

19. To finance an outlay of Rs. 533.13 crores out of the Consolidated Fund, I have pitched the estimate of total Revenue and Capital receipts at Rs. 512.13 crores including a special assistance of Rs. 7.75 crores expected from Government of India to recoup the estimated opening deficit of the next year. In making this estimate I have assumed growth rates of 11% and 9% approximately in the State's tax and non-tax revenues and adopted figures of Central devolution of grant-in-aid, State's share of central taxes and Central assistance for State Plan as understood in course of discussion with the Planning Commission. The Public Account of the State would provide a net surplus during the year of the order of Rs. 19.75 crores.

20. Even so, a resource gap of Rs. 9 crores would still need to be bridged by adoption of additional measures to finance the Plan outlay of Rs. 150 crores, and prevent a set back in development. I, therefore, propose to raise additional resources from the following sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Rs. in crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>2.00</td>
</tr>
<tr>
<td>Electricity Duty/Tariff</td>
<td>2.90</td>
</tr>
<tr>
<td>Forest Revenue</td>
<td>2.00</td>
</tr>
<tr>
<td>Mining Royalty</td>
<td>1.00</td>
</tr>
<tr>
<td>Toll on Bridges</td>
<td>0.75</td>
</tr>
<tr>
<td>Water Rate</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9.00</strong></td>
</tr>
</tbody>
</table>
Honourable Members would notice that these proposals for additional resource mobilisation are oriented more towards mopping up of surpluses in the non-tax sphere where the common man is not likely to be burdened. Since economy, improved operational and collection efficiency and higher levies—all contribute towards additional resource mobilisation, it is considered feasible to reach these targets. I seek co-operation of the Honourable Members to carry through the requisite measures to give effect to the additional resource mobilisation proposals. Of our existing taxation measures, the Orissa Agricultural Income Tax Act with its meagre revenue potential, particularly in the context of vigorous implementation of land reforms, has turned out more a source of avoidable irritant to the assesses and unremunerative work for the assessing Department. It serves no real social purpose. I, therefore propose to undertake a comprehensive review of this Act.

21. It has been our consistent and declared policy to strengthen our agricultural economy and develop its potential for sustained growth. In our development strategy the highest priority is therefore assigned to programmes to bring larger areas under irrigation; for developing power sources and for expanding the distribution grid to serve agriculture and agro-based industries; for protecting valuable agricultural lands from flood ravages; for carrying to the farmers knowledge of water management, scientific farming and soil conservation techniques through an efficient extension agency, and for strengthening the co-operative institutions to meet the credit needs of the farmer. Next in priority come social and community services, in particular, welfare of backward classes, elementary education, drinking water-supply and public health measures. Transport and communication, industries and mineral development also have considerable importance in the development strategy of the State. I would like to present before the House broad outlines of development in some of these important fields of State activity.

22. Financial outlay during the current plan on Major, Medium and Minor Irrigation will exceed Rs. 117 crores by the end of 1977-78. The annual irrigation potential which at the beginning of the Fifth Plan was 10.23 lakhs
hectares has already been increased to 12.20 lakhs hectares in the current year, and will reach 12.83 lakhs hectares in 1977-78. A significant achievement during the same period is the enhancement of Rabi irrigation under Major and Medium Projects from 24 per cent to 29 per cent of the annual irrigation potential. Renovation and modernisation of derelict Minor Irrigation Projects maintained by Panchayat Samitis made possible by drought relief provisions of 1976-77 will further expand the total irrigation potential.

23. A survey of the ground water potential of the State has established the feasibility of about five lakhs dug-wells. Our programme to construct 60,000 dug-wells in 1976-77 co-operative year will further add to the physical achievement of 1.15 lakh dug-wells constructed by June, 1976.

24. 2,417 Lift Irrigation Projects commanding annual irrigation potential of 85,040 hectares had been energised by the middle of January, 1977. At present substantial subsidies are available to individuals and co-operatives of farmers from ITDPs., TDAS., SFDA. etc. for installation of pumps. Extension of this facility to areas outside the aforesaid special projects is under contemplation of the State Government.

25. An area of 683,000 hectares in the coastal districts of Orissa is extremely vulnerable to flood damage. Even floods of medium intensity cause production loss in food-grains and distress to the riparian residents. The State Government have, therefore, attached great importance to flood control measures and with that end in view have prepared comprehensive protection plans for lands in the major river basins.

26. The up-to-date physical achievements consist of construction and strengthening of 115 Kms. of river embankments, 4 Kms. of drainage channel, 3 Kms of sea wall to protect areas from saline inundation, and 11 town protection works. The next year's programme envisages construction and strengthening of 60 Kms. of river embankments, 4 Kms. of drainage channel, 2 Kms. of sea wall and 1 town protection work, 35,000 hectares
of valuable agricultural land have already been protected. We propose to raise this to 55,000 hectares by the end of the next financial year.

27. The current plan outlay on power generation and distribution will reach Rs. 179.83 crores with the allocation of Rs. 58.81 crores in 1977-78. This includes investment, made and programmed, of the order of Rs. 85.83 crores by the Orissa State Electricity Board. Our total installed capacity in July 1976 was 861.5 MWs. Completion of the 6th unit of Balimela Power Project and the first Unit of Talcher Thermal Expansion Scheme during the plan period will add 170 MWs. Completion of 2 units of 50 MWs. each of the Rengali Multipurpose Project, and 3 Generation Units of 80 MWs. each of Upper Kolab Hydro electric Project will spill over to the sixth Plan. Study of economic viability and technical feasibility of lower Kolab, lower Machhakund, Budhabalanga and Lodani as new sources of hydro power has been taken up. Rural electrification will be extended to 18,800 or 40 per cent of the inhabited villages of the State by the end of the current plan period.

28. With the inclusion of a provision of Rs. 13.80 crores in 1977-78, the cumulative outlay on agricultural production, soil conservation, Area and Ayacut development and Agricultural credit schemes will reach Rs. 35.84 crores during the current plan.

29. The objective of the programmes is optimization of the yield rates from land—particularly the holdings of small and marginal farmers. To attain this objective, our package of specific target oriented activities are progressive enlargement of the area under high yielding varieties, increased and timely use of chemical and organic fertilisers, use of prophylactics and control measures against pests, more efficient and economic use of the available water through scientific soil and water management practices, introduction of new drought resistant khariff strains having short maturity periods and controlled demonstrations in farmers’ fields to establish the superiority of the recommended techniques and inputs. Introduction of improved agricultural implements and certified seeds are ancillaries to
the main programme. Special emphasis has been placed on horticultural programmes in the tribal sub-plan area. To bridge the existing communication gap between the farmer and the agro scientists, economists, and research agencies a trained and efficient extension agency is being built up.

30. Co-operatives at present provide almost the entire short-term agricultural production credit. A vigorous drive to enroll larger numbers of small and marginal farmers as members of primary societies has been undertaken keeping the coverage target at 71 per cent or 26.23 lakhs farming families by 1978-79. By June, 1977, we shall have advanced to the point of reaching 85 per cent of the plan target. In the co-operative year 1977-78, 2.04 lakhs additional members are proposed to be enrolled. The financial and managerial strength of primaries is being improved to serve the farmer better. In the Tribal Sub-plan area 220 large sized multipurpose Co-operatives (LAMPS) will be organised by June, 1977. Outside the sub-plan area 150 Farmer Service Societies will be organised. Two of these have come into being and 48 more will be established during the current year. Short-term credit disbursement will reach Rs. 28 crores mark in the current Co-operative year. Efforts of four Regional Rural Banks now operating in the district of Koraput, Balangir, Sambalpur, Cuttack and Puri will considerably supplement the credit expansion Programme.

31. Our resources to strengthen the base for increased agricultural production are inadequate compared to our needs. A series of negotiations had therefore been conducted, over the past two years, with the International Development Association—an affiliate of the World Bank—for financial assistance to implement a five-year programme to stimulate a sizable increase in agricultural production. Long as well as short gestation projects, such as expansion and strengthening of the agricultural extension service and related research, geo-hydrological investigation, exploration of promising low-cost innovation in shallow tube-well technology, improvement of the land survey and land record systems, efficient use of locally available resources and labour intensive devices and support for expansion of agricultural input and out-put storage and
marketing facilities are proposed to be financed under the project. I am happy to inform the House that a mutually satisfactory agreement has been concluded with the I.D.A. which has agreed to provide low-cost credit of Rs. 18 crores (≈ $20 million).

32. Our Land Reforms policy aims at conferring the benefits of security of tenure on the tillers of the soil and bringing about a more equitable distribution of land among the peasants through allotment of ceiling surplus and Government waste lands to the landless agricultural labourers, with special preference for Tribal and Scheduled Caste people. Financial and material resources are also being provided to reclaim, improve and put to productive use the allotted lands. It is our firm conviction that through these measures we can remove inequality among the largest section of our population who are dependent on agriculture for a living. Impediments to the execution of this policy whenever encountered have been removed expeditiously through suitable administrative and legislative measures. Updating of land records and consolidation of fragmented holdings have been taken up as complementary programmes.

33. Apart from the distribution of ceiling surplus lands which I have mentioned already, 186,422 hectares of Government waste lands have also been settled with 265,199 landless persons of whom 76 per cent belong to the Scheduled Tribes and Castes. Survey and settlement operations have been completed in 25,429 out of 51,229 villages; the remaining villages are proposed to be fully covered in the next 5 to 6 years. Consolidation proceedings have been initiated in 1,755 villages to cover 226,976 hectares of land.

34. With the ultimate objective of increasing milk production from the estimated 2:04 lakh tonnes in 1975-76 to 2:12 lakh tonnes in 1977-78, a scheme for improvement of the local breed through artificial insemination, Intensive Cattle Development Projects in selected districts and Key Village Blocks has been launched. 15 new Artificial Insemination Centres, a new Key Village Block and a new Intensive Cattle Development Project will be established in the Tribal Sub-plan area next year to promote breed upgrading. An exotic Cattle Breeding Farm has been set up.
at Chipilima. Negotiations are proceeding for establishment of a Frozen Semen Bank in collaboration with the Danish Government.

35. Under a Central Sector Scheme, known as "Operation Flood," it is aimed to assist 50,000 small and marginal farmers and agricultural labourers for breeding and rearing cross bred cattle and organise them in 100 Co-operatives to be serviced by 20 Chilling Centres and a Milk Producer Plant during the remaining years of the Fifth Plan. The scheme initiated in 1976-77 will continue next year and eventually spread to 28 Blocks of the districts of Cuttack, Koenjhar and Dhenkanal. Ancillary schemes of assistance to farmers to rear cross-bred calves and undertake fodder cultivation have been given special emphasis. Two District Co-operative Unions for collections and marketing of milk are proposed to be organised in Balasore and Ganjam districts in 1977-78.

36. Poultry Development Schemes designed to increase egg production of the State at a compound rate of 5 per cent per annum have been taken in hand.

37. For disease control, seven Veterinary Dispensaries and 11 Live-stock Aid Centres are proposed to be opened next year in the tribal Sub-Plan area. The Biological Product Institute at Bhubaneswar is being strengthened under a Centrally Sponsored Scheme to produce vaccines essential for adequate health cover to live-stock.

38. In this area, the target is to increase inland and marine fish production from the respective levels of 27,000 tonnes and 25,000 tonnes in 1976-77 to 28,000 tonnes under each category next year. To this end, a fleet of 255 mechanised boats and trawlers shall be pressed into service and the area under inland fisheries enlarged. A 7 per cent increase in spawn and fry collection is also planned for the same period. Inland and marine fishermen will be given 25 per cent subsidy on a selective basis to purchase boats and nets, where Bank finance to cover the remainder 75 per cent, is forthcoming. A brakish-water fish farm will be established at Kespur in the next financial year. Training in fishing with modern equipment and practices will be imparted to 203 candidates in addition to 111 trained this year.
The Dhamra Fishing Harbour forming a part of the Port Development Plans is scheduled for completion next year. Construction of fishing jetties at minor fishing ports of Kirtania, Adhuan, Hansua and Astarang and establishment of two Fish Farmers Development Agencies in Dhenkanal and Mayurbhanj districts to develop 1,000 hectares of water area, are other important schemes included in the Budget for 1977-78. The Fresh Water Aquaculture Research and Training Centre established recently at Dhauli by the Indian Council of Agriculture Research would provide further impetus to development of fisheries in the State.

39. Afforestation which is the major plan activity under Forestry has covered 14,085 hectares in the first three years of the current plan and the next year's target is to cover 6,284 hectares. This excludes afforestation over 1,681 hectares done during the last three years as a protective measure against cyclone and tidal bore ravages in the coastal belt. Afforestation in the Potreru Command area begun in 1975-76 under a Centrally Sponsored Scheme has already covered, 1,040 hectares and 200 hectares of degraded forests have been rehabilitated. The rehabilitation programme will extend to 800 hectares by the end of the current year. In the next year 1,600 hectares of afforestation and 400 hectares of degraded forest rehabilitation, will be taken up. Production and sale of Kendu Leaves, a substantial source of our non-tax revenues, will be stepped up to 4.15 lakh quintals.

40. In the climate of peace and industrial discipline prevailing in the State during the year 1976, almost all basic and heavy industries improved their production over 1975. Steel Production in 1976 went up by 5.5 per cent, alluminium by 14.6 per cent and paper by 6.5 per cent. There was a marginal increase in cement production but sugar production registered a 7 per cent decline. The Industrial Development Corporation of Orissa bettered, in terms of value, its production by 42.5 per cent and sales by 85 per cent during April—December 1976 compared to the last corresponding period. Its exports of different grades of ferro-chrome in 1976-77 are valued it Rs. 1.77 crores. The Corporation has made considerable progress in the implementation of three joint sector projects; in particular, noteworthy progress has been made
in the Jute Mill at Dhanmandal. The commissioning of the joint sector Brewery at Paradip is scheduled for this year. A number of major and medium industries have been catalysed into shape by the IPICOL. The first unit sponsored by it namely, the Utkal Fero Alloys Ltd., at Rairangpur went into production recently. The IPICOL has commenced work on the establishment of an Electronics Testing and Development Centre to help the growth of electronic industries in the State.

41. In the small scale sector, 700 units, including 167 already commissioned, are scheduled to go into production in the current year and provide employment to about 5,000 persons. The target for the next financial year is establishment of 1,000 additional units. Management of the departmentally run leather and leather goods producing units will be handed over to a State Leather Corporation recently formed. The State Small Industries Corporation continues to assist entrepreneurs with raw material, loans under the machinery hire-purchase scheme, provision of seed money, promotion of industrial growth centres and establishment of industrial estates.

42. The Orissa State Financial Corporation, disbursed Rs. 2.42 crores as loan to 153 small scale industrial units during April—December, 1976. Its financing for acquisition of marine fishing trawlers, and powerlooms has been particularly remarkable.

43. Special schemes for development of Handlooms include the construction of a Spinning Mill with 25,000 spindles at Govindpur in the district of Dhenkanal to meet the yarn requirement of the weavers, and establishment of a Handloom Development Corporation to provide financial assistance to the weavers outside the co-operative fold, for marketing their products and developing exports.

44. The new Industrial policy Resolution now on the anvil contemplates inclusion of two new schemes of financial assistance to entrepreneurs. One is the grant of interest-free loan equivalent to the quantum of sales tax collected and paid on sale of finished products by a newly established industrial unit during the first 5 years of its existence. The other is the grant of investment subsidy
with a ceiling of Rs. 10 lakhs per unit to entrepreneurs who promote new industrial units at selected growth centres of the State. We are confident that industrial development in the State would get fresh momentum with the introduction of these major incentives.

45. Mineral production went up to 15 million tonnes during 1976 as against 14.39 million tonnes in 1975. The State Directorate of Mines has taken up exploration and estimation of deposits of several minerals—prominent among them being bauxite, coal, iron-ore and limestone. It is shortly undertaking a crash programme to prove the chromite reserves of Sukinda Dhenkanal belt. Commercially exploitable reserves of bauxite have been located in Koraput, Kalahandi, Bolangir, Sambalpur, Phulbani and Keonjhar. The Orissa Mining Corporation has greatly improved its performance during the year, and has generated a cash surplus which will render resource support to the State Plan. It plans to work its iron-ore-handling plant to the rated production capacity of 1.6 million tonnes of dressed and washed ore in the coming year.

46. As Road Development is outside the Core sector of plan programmes, there has been severe limitation on our resources to undertake schemes of improvement and construction of roads and bridges commensurate with our needs. Even so, we have been able to muster resources of the order of Rs. 25 crores for investment on road development during the first 4 years of the current plan.

47. To get over the limitation of resources, the State Government propose to project for negotiation with the World Bank a massive programme of Road Development in the State.

48. Development of Road Transport facilities through the agency of the State owned Transport Corporations has, by and large, kept pace with public needs. These Corporations increased their effective fleet strength by 32 vehicles to serve 29 new routes.

49. I take this opportunity to thank the Government of India, Ministry of Railways for having commenced the first phase of construction of the Jakhapura—Banshapani railway line which is vital for mineral development of the State.
Another notable development is the introduction of passenger service between Cuttack and Paradeep port in the current financial year which will meet a long felt need.

50. Though Orissa offers excellent scope for international and inland tourism, development of facilities has lagged behind on account of resource constraints. However, low tariff accommodation for tourists at important centres of tourist attraction has been increased from 64 to 90 rooms and tourist transport facilities have been expanded.

51. Hon’ble Members will observe that the heaviest weightage in the States’ Non-plan budgetary allocation is in favour of Education.

52. The main thrust of our education programme is on provision of elementary schooling facilities to the children of 6—14 age-group together with a package of incentive to minimise drop-outs from schools before a student attains the age of 14, and optimum utilisation of the existing facilities. To subserve these ends, 1,600 new lower Primary and 1,741 new middle schools were established, and 5,000 L. P. Schools were upgraded to U. P. standard during the first three years of the current plan. The next year’s programme includes upgradation of 500 more L. P. Schools to U. P. standard. Sustained enrolment drives, provision of free textbooks, uniforms and writing material to children of the poor and establishment of Text book Banks in Middle Schools has raised the capacity utilisation from 75 per cent to 79 per cent in Primary and from 22 to 24 per cent in Middle Schools during the above period. In areas having concentrations of scheduled tribes and castes, the T. & R. W. Department runs 1,326 pre-primary and primary schools, 36 of which have residential facilities and 65 residential middle schools. Qualitative improvement of teaching standards and provision of teaching aids and equipment in Primary educational institutions have been given adequate attention.

53. Pursuant to the policy decision to switch over to the 10+2+3 system from the current year, curricula have been redesigned for the secondary as well as the higher secondary stages and the contents of the latter have been given a distinct vocational orientation. This has called for
high priority in plan expenditure being assigned to the completion of incomplete buildings, creation of facilities for library, laboratory and workshop and development of other ancillary facilities. Besides, Government have also established seven new co-educational high schools in the tribal sub-plan area and five girls' high schools and two women's colleges in educationally underdeveloped pockets. Other measures to spread educational facilities include introduction of correspondence and part-time courses. Provision of physical education, games, and sports also constitutes an important element of our education programme. Greater emphasis would now be laid on these activities to inculcate among our children and youth, habits of physical culture essential for the development of a healthy outlook on life.

54. Preservation of our rich cultural heritage by development of archives, museum, fine arts and archaeological explorations and financial support for development of drama, dance, music and literature have received due attention in the plan within the limits of funds available.

55. The plan allocations have been mainly utilised for the improvement of existing facilities of treatment at the hospitals and dispensaries, making available services of specialists at district headquarters hospitals and stepping up diet and medicine allowances. 12 Primary Health Centres are being upgraded to 30-bedded hospitals and six dispensaries have been converted into six-bedded hospitals. 25 additional beds have been added in the City Hospital at Berhampur and 11 new units for dental treatment have been created. By the end of the current year, the number of medical aid centres will go up from 62 to 72. Facilities in Medical Colleges and their attached hospitals have been improved and Cobalt treatment facilities for cancer patients created in Berhampur and Burla Medical Colleges. As institutions of Indian system of medicine and Homoeopathy are becoming popular, 10 of each will be added in 1977-78.

56. For eradication of malaria, filaria and control of leprosy, extensive measures have been adopted with assistance under Centrally sponsored plan programmes. To control the spread of leprosy, three additional centres
and four sub-centres were started during the current financial year and two more will be opened in 1977-78 to bring the total number to 45. Eight hospitalisation wards for these patients are being opened this year and eight more wards will be opened in 1977-78.

57. Improvement of drinking water-supply facilities in rural and urban areas is the key to a sound public health system. At the beginning of the Fifth Plan period, 15,894 problem villages lacking assured drinking water-supply were identified. Of these, nearly 7,500 villages are expected to be provided with drinking water facilities by the end of the current year leaving over 8,000 villages still to be covered. Our endeavour would be to provide assured drinking water facilities in all these villages in the next two years. A provision of Rs. 2.53 crores has been made in the Budget for this purpose.

58. Among the new urban water-supply schemes taken in hand, mention must be made of the project costing more than Rs. 5 crores to provide adequate piped water-supply to Berhampur-Gopalpur complex. The project will be financed by loans from the Government of India, the Life Insurance Corporation, and M/s. Rare Earths Limited, a Public Sector Corporation the industrial water requirement of which will be met by this project.

59. Our schemes in this sector aim at providing free house sites to the homesteadless, low cost houses to the weaker sections and loans for construction of houses to small and marginal farmers under the Village Housing Scheme. In the last 3 years, 7,242 developed house sites have been given free to as many rural landless families. 51,936 more homesteadless families of whom 72 per cent belong to the scheduled tribes and castes have received free house sites measuring 4,590 acres. By the end of 1976-77, more than 7,600 families had been given loan assistance under the Village Housing Project Scheme; 350 more are proposed to be assisted next year. Substantial loans under the Low Income Group and Middle Income Group Housing Schemes have also been advanced.
60. The Orissa State Housing Board has taken up construction of 1,870 houses of various types majority of which are meant for sale to low income groups, with financial assistance from the Housing and Urban Development Corporation, and the State Government. The newly organised Improvement Trusts have formulated schemes of Housing Development in urban areas. The Trust at Bhubaneswar has already started construction of about 1,000 houses of which 78 have been completed and sold to members of low income groups.

61. At the end of the year 1976, the number of persons waiting on the Live Registers of the Employment Exchanges of the State was a little more than 3,56,000 and had registered a marginal rise of about 1 per cent over the corresponding figures of 1975. Placements through the Employment Exchanges rose to 21,420 in 1976 compared to 19,450 in 1975. We are acutely conscious of the problem of unemployment, particularly among the educated, and shall leave no stone unturned to create larger employment opportunities. Training for self-employment coupled with liberal financial assistance available from Banks and Financial Institutions will go a long way to ease this problem among the educated unemployed.

62. Promotion of economic and social advancement among the Scheduled Castes and Scheduled Tribes constituting 38.19 per cent of the State’s population is an article of faith with us. To monitor the activities related to the achievement of these goals, the concept of a Tribal Sub-Plan has been introduced as an integral part of our 5th Plan. Resources of all developmental sectors being pooled, to benefit the identified sub-plan area covering 118 Blocks, are estimated at Rs. 193 crores. Of this, Rs. 86 crores would be spent by the end of 1976-77, the next year’s Budget includes a further provision of Rs. 40.73 crores. To implement the Schemes, 19 Integrated Tribal Development Projects have been constituted covering 98 Blocks. Four Tribal Development Agencies undertake similar activities in 20 Community Development Blocks not covered by the ITDPs. The ITDPs are being organisationally strengthened to play their vital roles efficiently. Besides, three Pilot Projects for Scheduled
Tribes and two for Scheduled Castes are being implemented outside the Sub-Plan area, for development of agriculture and animal husbandry to benefit the population. A third project for Scheduled Castes will be started in 1977-78. Special schemes of economic development to benefit the Sours are being executed through the Soura Development Agency.

63. Mention has been made elsewhere of distribution of ceiling surplus and Government waste lands to tribal and scheduled caste families. 11,000 acres of Government waste land out of the total distributed, were reclaimed and given to the beneficiaries. With funds sanctioned by the ITDPs. and TDAs. Irrigation, has been provided to 32,000 acres of land preponderantly belonging to tribals.

64. Supply of essential commodities and articles of daily use at fair prices in the tribal areas has been organised through 279 fair price shops of the Tribal Development Co-operative Corporation. These centres serve as outlets for marketing of agricultural produce grown and minor forest products collected by the tribals at remunerative prices.

65. Spread of education among the Tribals has been given adequate attention both as a part of the general education development programme and through special institutions run by the Tribal & Rural Welfare Department. Reservation of seats for Scheduled Caste and Scheduled Tribe Students exists in all educational and training institutions of the State.

66. To provide medical facilities in the interior areas inhabited by the tribals, 17 six-bedded hospitals, 11 dispensaries, 14 mobile health units, 11 ayurvedic dispensaries, and four anti-Yaws units have been established by the Tribal & Rural Welfare Department.

67. Legislations to protect the tribals from alienation of land, and to free them from exploitation by money-lenders have been enforced, and reservation of vacancies in public posts for Scheduled Castes and Scheduled Tribes has statutorily been prescribed to facilitate better enforcement.
68. To remove nutritional deficiency among pre-School children, pregnant women and nursing mothers, a sizable programme of providing nutritious food has been taken up in the State. This programme covers 15.45 lakhs beneficiaries including 5.60 lakhs pre-School children. A major part of this programme—as much as 79 per cent in 1977-78—would benefit persons belonging to Scheduled Castes and Scheduled Tribes. Among other social welfare measures particular mention may be made of the Old Age Pension Scheme which at present covers 34,463 old and destitute persons. Besides, 30 destitute homes with 1,500 inmates are working in the State, and 2,870 delinquent children are looked after by probation officers who guide the children and train them to live meaningful and socially useful lives.

69. I have almost covered the entire gamut of State activities. Before I close, I would like to take this opportunity to apprise the Honourable Members that in spite of severe constraints on resources Government have, in the interests of promoting improvement in the quality of education, and generating an atmosphere of peace and goodwill in academic life—recently announced their decision to grant Fifth Plan U. G. C. scales to College teachers, both Government and non-Government and also to provide the benefit of direct payment of salaries to non-teaching staff of aided educational institutions. These are major benefits which Government have extended to the Education sector; the society expects better service in return.

70. The Group Insurance Scheme covering State Government employees against death risk while in service has been radically revised and improved. Under the new scheme, employees are insured for amounts varying between Rs. 7,500 and Rs. 17,500. Since the introduction of the scheme in April, 1976, its benefits have already accrued to the families of 232 deceased employees.

71. Sir, despite two decades of planned development, our State still remains economically backward and our vast natural resources practically undeveloped. The vicious circle of poverty and backwardness has still
to be broken through. We have been urging the Planning Commission and the Government of India to provide special weightage to Orissa in the matter of Central assistance to enable the State to make up the leeway in development. We can not however solely depend upon the munificence of the Centre. We need to struggle ourselves even more to carry forward the development of the State by generating larger internal resources. The Budget envisages a substantial effort in this direction. I seek co-operation of the House, and through it the goodwill of the entire State, in the task of development of its economy. Let us rededicate ourselves to this noble cause.

With these words Sir, I present the Budget Estimates for 1977-78 for consideration and acceptance.

JAI HIND