Shri RAGHUNATH PATNAIK (Minister): The Annual Financial Statement for 1981-82 and other Budget documents are with the Hon'ble Members.

2. Six months ago, while presenting the recast Budget for 1980-81, I had apprised the House of the severe economic stress in which the estimates were framed. When we assumed office last year, the national economy was in shambles. There was spiralling inflation, declining rate of national income and pervasive sense of drift. Although price pressures continue to cause us concern, perceptible improvements have been brought about in the meantime as a result of sound and determined economic management. The prospects for 1981-82 are now quite bright. The inflation rate, as high as 19 per cent in 1979, came down to 13 per cent last year. The national income which in real terms had registered a decline of 4.5 per cent in 1979-80, is expected to show a growth of 6.5 per cent in the current year. There has been a remarkable recovery in agriculture. Improved industrial relations and easing of infrastructural constraints provide reassuring prospects of industrial development. The national economy now seems well poised again for sustained growth.

3. For Orissa, the year 1980 was particularly trying. In September last, the State had to face unprecedented fury of floods just as it was recovering from the severe drought of the previous year. The flash floods of Vansadhara completely swept away parts of Koraput and Ganjam district causing acute misery. Floods in Mahanadi also severely affected large areas. To meet the situation the State Government had to mobilise massive resources of man, materials and money for relief and restoration work. I would like to take this opportunity to express our sincere appreciation of the help rendered by the Government of India in providing timely assistance for relief and restoration operations in the flood affected areas. The Supplementary grants recently voted by the House indicate the magnitude of the operations undertaken by the State Government for relief of the distress.

4. Despite these unfavourable conditions, stability has been maintained in the prices of foodgrains throughout the State. Procurement operations have been stepped up and improvement has been brought about in the distribution of essential commodities. Our efforts towards accelerating the Pace of development of the State continue.

5. The Sixth Plan recently approved by the National Development Council envisages an outlay of Rs. 1,500 crores for Orissa in the State Sector. This would be supplemented by investment in the Central Sector. It is gratifying that the Central Government have already decided to locate a massive Aluminium complex in Orissa. The need for establishment of another Steel Plant has also been recognised. The economic justification for setting up a fertilizer plant at Paradeep, a super-thermal plant at Talcher, a major hydel project at Bhimkund and rapid development of the Paradeep port in the Central Sector are all well appreciated. I have every hope that implementation of these and several other projects would strengthen considerably our economic base in the Sixth Plan period. The flow of institutional finance is also intended to be stepped up considerably to supplement budgetary resources for integrated development of the State. Banking infrastructure in Orissa is by no means adequate. Our persistent effort has been to expand these facilities. As a result, the number of Commercial Bank branches in Orissa has increased from 766 in December, 1979 to 882 in December, 1980. Our efforts in this direction will continue unabated.

6. With this background, Sir, I would now place before the House some of the salient features of the Revised estimates for the current year and Budget Estimates for 1981-82.

7. The Revised estimates for the current year include additional expenditure of Rs. 42.89 crores on flood relief operations towards which Government of India have sanctioned a grant of Rs. 32.16 crores. As the State does not have adequate resources to meet the
remaining amount of expenditure on flood relief, a further assistance of Rs. 10.73 crores has been assumed to be received from the Government of India. The Revised estimates envisage that the year would close with a nominal cash balance of Rs. 7 lakhs which would be carried forward to the next year as the opening balance.

The Budget for 1981-82 envisages Revenue expenditure of Rs. 406.54 crores in the Non-Plan account. The estimates have been framed keeping in view the need for economy while providing larger funds for inescapable commitments like increase in the salary and dearness allowance of employees, higher payment of pension and better maintenance of public assets like roads, irrigation, works etc. in the Non-Plan sector, the largest single allocation of Rs. 102.98 crores is for Education. In this sector, the provision for Health and Medical care is Rs. 27.85 crores; for Police the allocation is Rs. 27.25 crores. Interest payment accounts for Rs. 65.12 crores. On the basis of Seventh Finance Commission's award and the action programme approved by the Government of India, a provision of Rs. 364 crores has been made for improvement of standards in Jails, reorganisation of administrative units, opening of new Courts and strengthening of Police administration.

9. The Non-Plan capital disbursements including repayment of loans are estimated at Rs. 100.54 crores.

10. The size of the Annual Plan for 1981-82 has been fixed at Rs. 275 crores of which the budget reflects a provision of Rs. 226 crores. The balance of Rs. 49 crores relating to public sector undertakings remains outside the Consolidated Fund. The sectoral allocation of the Plan outlay is the following:

<table>
<thead>
<tr>
<th>Service</th>
<th>Allocation (crores)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Agriculture and Allied Sectors</td>
<td>69.32</td>
<td>25.20</td>
</tr>
<tr>
<td>including Co-operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Water and Power</td>
<td>139.7</td>
<td>50.82</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Industry and Mining</td>
<td>14.02</td>
<td>5.10</td>
</tr>
<tr>
<td>(iv) Transport and Communication</td>
<td>17.16</td>
<td>6.24</td>
</tr>
<tr>
<td>(v) Social Services</td>
<td>32.77</td>
<td>11.92</td>
</tr>
<tr>
<td>(vi) Economic and Miscellaneous Services</td>
<td>1.98</td>
<td>0.72</td>
</tr>
<tr>
<td>Total</td>
<td>275.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Our developmental efforts in the State sector would be supplemented by Rs. 11.35 crores for tribal development and by a further sum of Rs. 4 crores under the Scheduled Castes Component Plan, funded fully by the Centre. The Plan outlay in the State sector is thus over Rs. 2.39 crores. Besides, the Budget also envisages an outlay of Rs. 61.99 crores in the Central sector for development programmes to be implemented by the State.

11. I may now indicate briefly some of the major programmes in different sectors:

12. Agriculture occupies a pivotal position in our economy. The main elements of our strategy for development of agriculture are land reform and consolidation, diversification of cropping pattern, provision of storage and marketing, soil conservation, improved water management and timely supply of inputs and credit. Development of small and marginal farmers has been given top priority. The target of foodgrains production next year is 64 lakh tonnes against 62 lakh tonnes in 1980-81. Coverage under commercial crops is proposed to be increased to 1176 lakh hectares and of high yielding varieties of cereals to 13.98 lakh hectares from the existing levels of 9.84 lakh and 12.48 lakh hectares respectively. Provision of credit through the co-operative sector in 1981-82 is expected to exceed Rs. 100 crores against Rs. 85 crores in the current year.
13. Programmes of animal husbandry and dairy development are directed towards augmenting production of livestock products through scientific management and improved animal health care. Establishment of new frozen semen centres, subsidising small and marginal farmers for rearing crossbred calves, fodder cultivation, opening of veterinary dispensaries and livestock centres, organisation of new poultry, duck and sheep units are among the important programmes in this sector.

14. Programmes for development of fisheries include extension support for the benefit of pisciculturists, development of marine fisheries, promotion of fishermen co-operatives, conservation of fishery resources and training of personnel. An inland fishery development project assisted by the World Bank in operation in 7 districts. A Fish Seed Development Corporation has been set up to facilitate supply of fry and fingerlings. Fish production target is proposed to be raised from 76,000 tonnes annually, now to 85,000 tonnes in 1981-82.

15. Our plan in the forestry sector includes afforestation over 13,400 hectares. A special scheme of fuel wood plantation has been introduced recently to meet the shortage of fuel and small timbers in rural areas. Conservation of the existing resources along with a co-ordinated plan of action for scientific exploitation and re-generation has been included in our plan of action for the next year.

16. Budget provides an outlay of Rs. 52.32 crores on agriculture, co-operation and allied services excluding minor irrigation as against Rs. 42.69 crores in 1980-81.

17. Irrigation is crucial for development of agriculture. A massive programme has been taken in hand for expansion of irrigation facilities in the State with a view to ensuring full utilisation of the potential created, completion of ongoing projects expeditiously and implementing new projects in a manner conducive to the removal of regional imbalance, with priority to drought prone and tribal areas.

18. Rapid industrialisation of the State is among our principal objectives. The package of incentives announced in the Industrial Policy Resolution of 1980 has succeeded in creating a favourable climate for growth of industries in the State. In the large and medium industries sector, in addition to 19 projects which have been commissioned, work on 31 more is in progress and 120 new projects have been identified for execution under the auspices of the IPICOL. The Industrial Development Corporation has also embarked upon a programme of launching 21 new projects. 919 small-scale units have been set up during the period June to December last and the programme for the next year is to set up 1,980 small scale industries and 18,500 artisan-based industries. The Infrastructure Development Corporation set up recently has identified 49 growth centres where industrial plot, factory sheds and other essential facilities would be made available to entrepreneurs. The State Financial Corporation would further expand its activities not only as a financing house but also as a catalyst to promote industrialisation of the State.

19. Handloom, sericulture and handicraft will continue to enjoy priority attention in our programme for promotion of rural industries and artisans.

20. Investigation of mineral deposits of bauxite, chromite, limestone and coal have resulted in substantial additions to the known reserves to sustain vast expansion of mining and metallurgical activities.
in the State. The Orissa Mining Corporation is poised for larger expansion in 1981-82.

21. The Budget provides an outlay of Rs. 14:02 crores for industries and mineral development against Rs. 12:18 crores in the current year.

22. Electricity holds the key to industrialisation. Our rich hydel and thermal power potentials have waited too long to be harnessed. With the completion of the ongoing projects of Talcher expansion, Rengali, Upper Kolab and Upper Indravati Projects the installed capacity of Power generation would go up from the existing level of 914 M. W. to 2074 M. W. The first unit of the Talcher expansion scheme is expected to be completed by December 1981. A programme of completing electrification of 1000 villages next year would also be taken up. The plan for development of power in 1981-82 involves an outlay of Rs. 75:44 crores, which includes investment of Rs. 44:05 crores by the State Electricity Board.

23. In our schemes of development of human resources, education continues to receive high priority. The major thrust in our education policy is to provide improved facilities for elementary education and prevention of drop out. Development of secondary and higher education is also intended to be supported and accelerated. The Budget envisages opening of 300 new Primary schools, upgradation of 150 Lower Primary Schools to Upper Primary Schools, and 100 Upper Primary Schools to Middle Schools, for the benefit of children in the tribal areas. Construction of special hostels is being taken up with a view to setting up 118 residential schools. Besides, 2,800 non-formal part time centres are being set up to provide education to the working class children who do not find it possible to study in formal schools. Provision has also been made for suitable expansion of secondary and higher education and facilities for technical education to meet the growing requirement of technical manpower. Budget provides Rs. 8:78 crores for education in the State Plan to supplement the Non-Plan provision of Rs. 102:98 crores.

24. The main objectives of our medical and health care programme are improving public health facilities, family welfare control and eradication of communicable diseases. Extension of health care facilities in the rural and tribal areas of the State will receive special attention. For improvement of basic health services for family welfare and maternity and child care, a massive programme for strengthening the health and Medical infrastructure in the rural areas has been taken in hand in five selected districts with an outlay of Rs. 7:05 crores in 1981-82. Provision has also been made for removing deficiencies in staff, medicine and equipment in primary health centres, hospitals and dispensaries. To meet the requirement of para-medical workers, training facilities are being expanded for nurses, laboratory technicians and others. Expansion and consolidation of the facilities of indigenous and homeopathic systems of treatment would also be promoted. The allocation under health programmes in 1981-82 including the schemes financed under the U. K. Aid Programme is Rs. 13:60 crores.

25. Scheduled Castes and Tribes constitute a large segment of our population. For improving their socio-economic status we want to promote awareness among them of their rights and social responsibilities through spread of education and provide them stable vocations for a better living. Provision for schools, scholarships and other incentives for students belonging to these communities has been stepped up substantially. A number of beneficiary oriented schemes are under execution through Integrated Tribal Development Agencies, Special Component Plan for Scheduled Castes, Modified Area Development and Primitive Tribes Development Programmes for accelerating the pace of economic upliftment of these communities. The Scheduled Caste Finance Corporation has been assigned special responsibility for promoting economic development of the Harijans. The outlay budgetted in 1981-82 under the Tribal Sub-Plan together with allocation for development of Scheduled Castes is Rs. 108:13 crores as against Rs. 92:83 crores in 1980-81.
26. Our policy on food and other essential commodities aims at ensuring supply and distribution of these commodities through a chain of fair price shops, fully utilising Co-operatives. Measures have been initiated to strengthen and streamline the public distribution system. The programme for the next year is to increase the number of fair price shops, particularly in the co-operative sector, so as to bring essential commodities within easy reach of the rural masses at reasonable prices. The State Civil Supplies Corporation formed recently has taken up procurement and distribution of food grains and other essential commodities. For meeting the requirements of public distribution and building buffer stock, a programme has been taken up for procurement of two lakh tonnes of rice in the current kharif year. In this venture also co-operatives have been assigned an important role with a view to protecting the interests of the farmers. It will be our endeavour to further activate public agencies to facilitate procurement and ensure supplies of essential commodities at stable and reasonable rates.

27. Provision of house and house sites to the landless and weaker sections will continue to receive priority attention. The State Housing Board has launched a massive programme of construction of Rs. 30,000 houses for the benefit of the rural poor who have lost their houses in the recent floods. The entire margin money required to avail institutional finance from the Housing & Urban Development Corporation is being provided by the State Government. Provision has also been made for construction of houses for distribution among landless labourers. Assistance for housing development will continue to be provided to people belonging to middle and low income groups and under the village housing project. Improvement Trust are being activated to undertake bigger programmes of housing development in urban areas.

28. In furtherance of our aim to provide protected water-supply to the entire population with a reasonable time frame, the Budget includes provision for installation of 5,400 tube-wells and 1,400 sanitary wells in rural areas. In the urban sector, 8 of the 23 ongoing water-supply schemes would be completed and 7 new schemes would be taken up. The budgetary allocation for water-supply next year is Rs. 8.25 crores against Rs. 7.75 crores this year. This would be supplemented by additional allocations expected from other agencies under the programme of International Decade of Water-Supply.

29. Transport and communication are among the basic infrastructure for economic development. We are, therefore, determined to remove the severe handicaps from which the State suffers in this matter. The Koraput-Rayagada rail link has since been included in the Sixth Plan. We shall continue to press our claims for Talcher-Sambalpur and Jakhapura-Banspani rail links.

30. In the road sector, our objective is to complete expeditiously the ongoing works and to provide all-weather communication facilities to villages and clusters with a population of 1,500 and above. The programme for 1981-82 includes commencement of 252 new works under the Minimum Needs Programme. 185 kms. of major roads and 705 kms. of rural roads would be improved. 14 major bridges and 23 other cross drainage works will be completed.

31. For improving public transport facilities, plan outlay for the Orissa State Road Transport Corporation has been stepped up substantially. As a result the Corporation would be able to strengthen its fleet strength by adding 200 new buses. Minor ports and inland water transport facilities are also proposed to be improved. The State Plan allocation for development of transport and communication has been stepped up from Rs. 13.71 crores this year to Rs. 16.16 crores in 1981-82.

32. Tourism development is being accorded high priority having regard to the rich potentials of the State. Apart from
Providing better communication facilities to places of tourist interest, it is proposed to establish tourist complexes with rest sheds, hotels and other amenities. Allocation of funds for development of tourism has been increased from Rs. 60 lakhs this year to Rs. 100 lakhs in 1981-82.

33. Our policy to protect the interests of the working classes will continue to be pursued vigorously. Government have already taken several measures to ensure industrial peace and timely payment of wages and compensation to workers. Eradication of bonded labour has been given special attention. Minimum wages have been raised. To provide higher income to Kendo leaf pluckers, the purchase price of Kendo leaf has been raised substantially this year. Coverage under the Employees State Insurance Scheme has been expanded. We hope that the working classes would respond positively in discharging their social responsibility.

34. Lack of adequate opportunities for gainful employment is among our major problems. The size of unemployment in Orissa has been estimated at 22.6 lakhs at the commencement of the Sixth Plan. It will be our earnest endeavour not only to provide employment opportunities to all those who join the work force in the years to come, but also to reduce substantially the backlog of unemployment. As the problem is massive and it would not be possible to make a significant dent by trying to provide only wage-employment, efforts will be intensified to promote self-employment opportunities. To ameliorate the condition of the poor in rural areas who suffer from chronic under-employment, the National Rural Employment Programme would be implemented vigorously, eliminating contractors and middlemen so that the benefits flow direct to the masses.

35. A special feature of our policy to promote economic growth with social justice is the target group approach for the poor and the under-privileged. Our programme for Economic Rehabilitation of the Rural poor which aims at providing a stable economic base to at least 10 poorest family in each village, is intended to cover 50,000 families next year over and above 28,000 this year. The Budget provides Rs. 9.68 crores for this purpose.

36. The programmes, I have just outlined together with other expenditure commitments of the State require a total outgo of Rs. 810.60 crores from the Consolidated Fund in 1980-81. To meet this, receipts from tax and non-tax revenues of the State, at current rates, have been estimated at Rs. 217.54 crores. Devolution of grants, shared taxes, and loan assistance from the Government of India would be of the order of Rs. 459.19 crores. Borrowings from the open market and other sources like the Reserve Bank, State Bank of India and the Life Insurance Corporation together with recovery of loans and advance are estimated at Rs. 90.92 crores. Cash surplus in the Public Account of the State would be of the order of Rs. 19.97 crores. All these budgetary resources add up to a total of Rs. 787.62 crores. The difference of Rs. 22.98 crores in the Consolidated Fund together with an estimated gap of Rs. 7 crores in respect of State Undertakings is intended to be made good by mobilisation of additional resources.

37. Sir, in a State like ours, with heavy concentration of poverty-stricken people, mobilisation of additional revenue is a difficult task. Income levels of the People being low, the tax base in the State is naturally constricted. For mobilisation of resources, our strategy, therefore is to take recourse more to non-tax measures.

38. We wish to liberalise our Sales tax law by raising the turn-over limit for compulsory registration from the existing level of Rs. 25,000 to Rs. 50,000 per year. This would provide relief to as many as 4,860 small dealers. We expect additional revenue from levy of tax on consignment, transfers of goods going out of Orissa but this requires legislation by the Parliament and also amendment of the Constitution. The Central Government would initiate the requisite legislation. Measures requiring approval of this House would be placed for consideration at the appropriate stage.
39. As I have mentioned before, we wish to lay greater emphasis on non-tax measures for mobilisation of additional resources. Losses in the management of irrigation works and electricity supply need to be cut down. Rationalisation of working arrangements and revision of royalty in respect of our forest and mineral resources can provide additional revenues. Institution of the Provident Fund Scheme for employees not yet covered by such arrangements can help mobilisation of savings, which may also profitably be deployed for development financing. It will be our endeavour to explore these and similar other avenues for accomplishing the task of additional resource mobilisation without hurting the common man.

40. With these words Sir, I present the Budget Estimates for 1981-82 for consideration and approval of the House.

JAI HIND