GOVERNMENT OF ORISSA

SPEECH OF
SHRI RAMAKRUSHNA PATNAIK
FINANCE MINISTER, ORISSA
PRESENTING THE BUDGET ESTIMATES
FOR THE YEAR 1990-91
TO THE ORISSA LEGISLATIVE ASSEMBLY

JUNE 1, 1990
Hon'ble Speaker Sir,

May I take the privilege of felicitating the Hon'ble Members, while presenting the Budget for the financial year 1990-91 before this August house today.

2. Before giving a complete picture of the Budget for 1990-91, I would like to express my gratitude to the people of the State for extending their unprecedented support to our Party. The historic mandate given in the last election by the people of the State, mostly its farmers, workers, educated youths and mothers and sisters, with firm determination for formation of a welfare Government under the leadership of our leader Shri Biju Patnaik is really remarkable. I had indicated, while presenting the 'On Account Budget' in last March, that I would place before the Hon'ble Members the full-fledged
Budget reflecting our Government's objectives and Programmes. Most of the Programmes contained in our party's 18-point Election Manifesto placed before the people for all-round development of our State have been reflected in this Budget. In accordance with the assurances given in my reply to the last Budget discussions, the Budget proposals have now been thoroughly examined by a Cabinet Sub-Committee and given final shape by the Cabinet. I am placing this Budget before the House to-day.

3. According to the Revised Estimate of the financial year 1989-90, it was estimated that there would be a deficit of Rs. 61.66 crores at the end of the year taking into account the total receipt of Rs. 5000.01 crores to the Consolidated Fund, Contingency Fund and Public Account and total outlay of Rs. 5061.67 crores. After taking into account the deficit of Rs. 73.34 crores of the year 1988-89, the total deficit at the end of the year 1989-90 is estimated to increase to Rs. 135 crores. As the Hon'ble Members of the House analyse the critical financial position, they will realise to what extent the financial position of the State Government has deteriorated in the past few years. The deficit is mounting year after year. I am making all efforts from the beginning of the year to pull-out of such critical position.

4. The Hon'ble Members are aware that the Ninth Finance Commission have already given their final recommendations and the Government of India...
have accepted these recommendations. The Annual Budget for 1990-91 includes, the award of the Ninth Finance Commission, the share of Central Taxes as decided by the Government of India, Central devolution of funds under non-plan sector and other grants. The tax and non-tax revenue of the State Government have been enhanced as far as practicable and included in the budget. Similarly the extent of the non-plan revenue expenditure as decided by the Finance Commission, has also been estimated after due consideration which has been reflected in the Budget.

5. The receipt from various sources into the Consolidated Fund, Contingency Fund and Public Account of the State Government and the expenditure are stated in 1990-91 Budget at Annexure-1. The total receipt and expenditure have been estimated at Rs. 5810.21 crores and Rs. 5675.21 crores respectively. According to this estimation, the Budget for the year 1990-91 will register a surplus of Rs. 135 crores. But in view of the deficit of Rs. 135 crores carried over to the beginning of the current year, receipt and expenditure will be balanced at the end of the year.

6. I feel it appropriate to indicate the important steps the Government have taken in estimating the outlay in the non-plan Sector. The proposed outlay in the current year budget, on account of flood control, protection and maintenance of embankments, is three times the provision made in the earlier years. For
repair and maintenance of roads in the town areas, now under the control of Urban Local Bodies, the present provision is twice the amount provided earlier. The proposed outlay on account of repair and maintenance of different kinds of roads, irrigation projects under the control of Government, is much more than what was provided in preceding years. Further, the amount of pension payable to old-age pensioners, physically handicapped and widows has been raised from Rs. 60.00 to Rs. 100.00. It is the considered view of our Chief Minister and the Government that the cultivator is the mainstay of food production. But the cultivator has been consistently ignored by the successive Governments during the last decade. On reaching old-age, the financial condition of landless labourers, small farmers becomes even more miserable. Those who tilled the land from youth to old age and toiled hard to feed us at the cost of their sweat and blood, are helplessly languishing in penury in advanced old age. Do we not owe it as a duty to them to ameliorate their condition? The Government have therefore taken a decision to launch a new programme to provide pension at the rate of Rs. 100.00 a month, to destitute farmers who have completed 60 years of age. Provisions have been made for the purpose in the Budget.

7. Orissa lives in its villages. Our Government feel that the development of the State can be brought about by simultaneous development of our villages. The Government have taken the decision to focus their
attention on promoting economic and social upliftment of rural areas. It has also been decided to bring reforms in the administrative machinery which will be effectively used to achieve aforesaid goals. A new Department in the name of 'Rural Development Department' has been created. Minor Irrigation, Lift Irrigation, rural roads and building and rural water-supply projects, hitherto under the control of Irrigation Department and Public Works Department respectively are taken out and placed under the administrative control of the R. D. Department with a view to accelerating the multilateral development in the rural areas. No emphasis was given in the last decade, to redress the grievances of the public, through any Department or Institution. A new Department in the name of 'Public Grievance Department' has been created for looking into Public grievances and their quick redressal.

8. A new Department of Parliamentary Affairs has been created for both planning and co-ordination of the Legislative and other official business of the Orissa Legislative Assembly and to prompt steps on the problems faced by the Hon'ble Members as well as to ensure effective liaison between the State Legislative Assembly and the Cabinet.

9. The Janata Dal promised the people for eradication of corruption from all levels of the administration and public life. The State Vigilance Department have been strengthened and expanded
in order to enable them to detect cases where persons who have amassed money through corrupt practices and have acquired assets disproportionate to their known income by misusing their official position. They have succeeded in detecting large quantity of concealed wealth and brought these to light. If it is detected that any politician holding high office and any Government servants is in possession of property acquired through corrupt means, Government are considering for confiscation of such property by means of a special law to be adjudicated by a special court. It is my firm belief that we shall be able to establish a clean administration free from corruption to which our Chief Minister is deeply committed.

10. Our Government have taken bold steps to exercise utmost economy at all levels of administration and to prune non-plan expenditure. Government orders have been issued not to provide more than two vehicles to the Ministers as a step to strictly control expenditure in the use of motor vehicles. Similarly Government have decided that no Government servant will be provided with more than one vehicle. As a result the extra vehicles will be kept in a central pool for use in official work only. We are now reviewing the performance of all the 35 Public Sector Undertakings in the State, with a view to eliminating altogether any wasteful or unproductive expenditure. At the behest of the Chief Minister, the Government have taken the decision to integrate the Corporations.
with similar or identical objectives and to bring reforms in the working process of these Corporations which have been registering loss, over the years successively, and help them improve their performance. Inspite of all efforts to salvage the loss making Corporations, if they show no sign of improvement, these Corporations will be liquidated.

11. I have stated earlier that this Government had to take upon itself the burden of deficit of Rs. 135 crores of previous Government. This deficit impedes all my efforts to expand the size of the Plan outlay. The distinguished leadership and pre-eminence enjoyed by our Chief Minister at the national level helped us to present our demands before the Planning Commission forcefully and we have been able to stretch our annual plan outlay to the extent of Rs. 1,250 crores which is 50 per cent more than the last year’s estimate of Rs. 825 crores. This is unprecedented in the history of our Budget and is notable in the field of expansion of plan size. I should have to inform the Hon’ble Members on this occasion, that against the back drop of a critically stringent financial position, we have been able to receive a commitment from the Government of India to provide a special grant of Rs. 250 crores which is indeed notable, and this has been possible only due to the initiative and zeal of our Chief Minister and his rapport with the Central Government. Never before, such a commitment could be wrested from the Government of India, though the State leaders in the past have boasted of their extraordinarily intimate
relationship with Central leaders. The commitment of the Centre to provide Rs. 250 crores is indeed a veritable boon in case of a poor State like Orissa. The final estimate of the plan outlay is limited to Rs. 1250 crores. This outlay will be on the following developmental heads:

(Rupees in lakhs)

1. Agricultural & Allied Activities ........... 16,974.00
2. Rural Development ..................... 7,544.00
3. Irrigation & Flood Control ............... 23,448.00
4. Energy (Share of State Electricity Board 10,315.00)
   10,430.00)
5. Industry & Mineral Resources .......... 10,032.00
6. Transport (Share of State Transport 6,741.00
   547.00).
7. Science, Technology and Environment 380.00
8. General Economic Services .......... 6,121.00
9. General Social Services (Education, 23,019.00
   health and drinking water-supply).
10. General Services (State Police, Fire 1,611.00
    Services, District Administration,
    Treasury and Commercial Taxes
    Department).

1,25,300.00 lakhs
Or
1253 crores.

(This includes Rupees 3 crores on account of eradication of Malaria on the plan side, though earlier charged to non-plan expenditure).

Eight
12. Out of total estimated Plan outlay of Rs. 1250 crores, the State Government proposed total expenditure of Rs. 1138.44 crores in the Budget Estimate. The balance amount of Rs. 103.15 crores, Rs. 5.47 crores and Rs. 2.94 crores have been provided in Budget Estimates of the Orissa State Electricity Board, State Transport Corporation and Urban Local Bodies respectively. Besides, Central Assistance amounting to Rs. 39.5 crores had been provided for Integrated Tribal Development Programme during 1990-91. From E. S. I. and UNICEF sources a sum of Rs. 1.70 crores will also be available. A sum of Rs. 3.51 crores has been provided under State Plan for improvement in standards of administration. There arose the necessity to amalgamate the non-plan and plan expenditure relating to the programme for eradication of Malaria and for that reason, additional expenditure of Rs. 3 crores has been provided in the Budget. In this manner, the total plan outlay has been estimated at Rs. 1186.15 crores. Provision of Rs. 189.52 crores and Rs. 217.82 crores have been made in the Budget for Central Plan and Centrally Sponsored Plan respectively. Thus, the total Plan outlay has been estimated at Rs. 1593.49 crores in the Budget for 1990-91.

May I, now proceed to highlight some of the schemes meant for development and social welfare, which are included in the State Plan.

13. The principal aim of the Government is to ensure the all-round development of agriculture and the farmers. It is unfortunate that the agricultural
yields in our State are less than the national average and are only one-third of that of State of Punjab and Haryana. In the last decade no noteworthy step had been taken by the Government to enhance agricultural productivity significantly. The cultivator who availed of agricultural loans to raise crops, has failed to repay these loans, on account of any appreciable profits. He is crusted under the burden of compound interest which keeps mounting. In some cases, this is in clear violation of the principle that the interest and principal taken together will not exceed twice the amount of principal. With a view to relieving the farmers of the distress caused by the crushing loans burden the Chief Minister, our leader, has declared before the election to waive agricultural loans availed by farmers. According to that statement, loan amounting to Rs. 10,000 shall be waived. The Central Government will provide assistance for waiving loans up to Rs. 10,000 advanced by Commercial Banks up to the 2nd October 1989, to all farmers. Apart from that the Central Government in all probability are proposing to share 25 per cent of the loan taken by cultivators from Co-operative Banks. Though we have not received Central guidelines as yet, this calculation is based upon the Budget Speech, the Union Finance Minister made in the Parliament. May I, in accordance with the statement of our Chief Minister, declare that all loans up to Rs. 10,000 outstanding against each farmer and rural artisan will be waived completely. The State Government have decided to meet the
additional burden out of the State exchequer which may be in excess of the Central Assistance that would be received.

The State Government is compelled to take on this additional burden since the scheme of waiver of loans proposed by the State Government, differs in certain respects from that of the Central Government and for that purpose we have provided Rs. 58 crores in the Budget. I sincerely believe that these poor farmers will now be relieved from the threat of poverty and burden of loans as a consequence of the Governments' Policy to waive off loans. He can till the land with renewed vigour. It may be pertinent to observe here that promises to waive loans were made by Governments in office earlier but no provision of funds was made in the Budget, which is indicative of the hollow promises made and the attempts to seek cheap popularity.

14. The predecessor Government could not also make necessary provisions in the Budget, though they had decided in principle to declare Primary School Teachers as Government Servants. Immediately after assuming office this Government made necessary provisions in the Budget to implement the decision to provide all benefits to Primary School Teachers as Government Servants. From this the Hon'ble Members will realise if our Government are not more sympathetic than the previous one. For the information of the Hon'ble Members,
I would like to point out that for payment of salaries and allowances and pensions to Primary School Teachers as Government Servants a provision of Rs. 37 crores has been made in the Budget for 1990-91.

15. The Government have taken steps to increase agricultural production by extensive use of chemical fertiliser and pesticides. It has been decided by Government to open five Government fertiliser sale centres instead of three in every Block covered under the Special Rice Production Programme (S. R. P. P.). To achieve this end, arrangements have been made to provide necessary technical know-how, high yielding seeds, fertilisers, improved agricultural implements and facilities to increase agricultural production.

16. During the year 1989-90 the total production of rice both in Kharif and Rabi seasons was of the order of 62 lakh metric tonnes. During 1990-91, the target of rice production has been fixed at 64 lakh metric tonnes only during Kharif. Government now propose cultivation of short duration varieties of paddy in dry land and drought affected areas, and propagation of high yielding varieties like Hira (Super fast) on an extensive scale in other areas of the State. In every Block, efficient cultivators will be identified and according to demand for different kinds of seeds required in the area, such seeds will be produced scientifically by the identified cultivators and improved seeds will be distributed amongst Twelve
cultivators. The State Seeds Corporation has fixed the target of production of one lakh tonnes of seeds in this manner.

17. Government have decided to encourage the cultivators and to provide facilities to go in for production of one or two more crops after harvesting paddy. Expansion of agro-based industry and cold storage facilities is considered an integral part of this approach. Keeping in view the climatic condition and soil fertility of the area, emphasis will be laid on cultivation of sunflower, ground-nut, mustard and other oil-seeds. The Horticulture Department will encourage plantation of orange, improved variety of banana and mulbery. A scheme for extensive production of potato will be launched in order to meet internal demand through internal production. Establishment of cold storage facilities at different places will also be encouraged.

18. With a view to checking soil erosion and to conserve fertility of the soil, the Soil Conservation Department have launched a programme of cultivation of Cashew in 2,860 hectares of land, coffee in 201 hectares of land and cultivation of tea in 8,714 hectares of degraded land and also to start contour bunding project in 17,147 hectares of land. It has been targetted to bring 33,25,000 families under co-operatives by June 1990. 25,000 more families will be brought into the fold by June 1991. Co-operative institutions will be strengthened and
activated to support the cultivators in enabling them to increase productivity and for distribution and sale of chemical fertiliser, pesticides, etc.

19. Government are contemplating firm measures to conserve our forest resources and environment, by generating public awareness and strict observance and implementation of Rules to check illegal removal of forest produce. Valuable ‘Sandal Wood’ is being depleted as a result of illegal felling, to check for which, strict measures will be taken to punish offenders through amendment to laws. Government are also considering proposals for economic exploitation of minor forest produce through small industries, which will also provide employment to a larger number of people.

It has also been decided to integrate Orissa Forest Corporation, Similipahar Forest Development Corporation and the Orissa Plantation Development Corporation into a single authority named ‘State Forest Development Corporation’ so that development of forest and plantations can be effectively achieved.

20. In the last decade the State witnessed the acute scarcity of electrical energy. No significant effort has been made to increase production of electrical energy keeping in view the minimum need of the State. Our Government as a first priority, is taking steps to complete all hydro-electric projects within a specified time frame in order to increase
production of energy. Steps are also being taken to expedite construction and establishment of the Super Thermal at Talcher and Ib Valley. For Ib Thermal Power Plant provision has been made in the current year Budget. Besides this, Government attach importance to generation of additional power through non-conventional sources of energy. Government will also encourage the big Industrial Houses to have their own Captive Power Plants.

21. Only 14.48 per cent of the total cultivable land of the State is irrigated though our State has the distinction of claiming one-tenth of the total water resources potential of the country. The figures were however over-reported, through misleading statistics, showing scant regard to the interest of agriculturist in this State. It has been programmed to provide irrigation to 1,73,000 hectares of agricultural land in the State by ensuring speedy implementation and completion of a number of irrigation projects like Mahanadi-Birupa Barrage, Upper Kolab Irrigation Project, Rengali Irrigation Project, Upper Indravati Irrigation Project and the Subarnarekha Irrigation Project. The irrigation projects at Chheligarh and Titilagarh are now being examined so that work can start early. Besides, sufficient provision had been made in the current year Budget for Rushikulya Irrigation Project, modernisation of Hirakud Delta Project, Dhanei Phase-II, Bagha Phase-II and Baghalati Medium Irrigation Projects. The target for the year is to complete Mahandi-Birupa Barrage,
Bankabahal, Kansbahal, Kanjhari, Sunei Delta Irrigation Project, Ong Phase-I, Upper Suktel and Ghodahad expansion projects. A decision has been taken to instal one thousand new lift irrigation points and to energise these. Irrigation facilities will be extended to five thousand hectares of land through Creek Irrigation Project. At least 200 derelist lift irrigation projects will be activated during the year. The objectives is to provide irrigation facilities to 58.55 thousand hectares of land during Khariff season and to 43.12 thousand hectares during Rabi season.

22. During the current financial year, 250 new frozen semen centres will be opened and 146 artificial insemination centres will be converted to frozen semen centres under the improved heifer rearing and cattle resources development projects. Improved feed and fodder will be supplied to 7,300 heifers and financial assistance will be extended to 240 pig rearing projects and 310 sheep rearing projects. Under the programme for Economic Rehabilitation of the Rural Poor 5,000 improved variety of duckling and 20,000 chicks will be provided. Apart from that for encouraging self employment of educated unemployed youths, provision for advancing soft loan has been made. Other projects like, cultivation of fodder, preparation of improved variety of feed, milk producing Co-operative Societies will continue. For increased milk production the third phase of operation flood programme, through OMFED will also continue.

Sixteen
23. Orissa is endowed with the bounty of fishery and marine resources. A number of programmes have been launched to increase fish production, improve the economic condition of fishermen and promote fisheries development. During the year 1990-91, a target of 78,000 tonnes of inland fisheries, 62,000 tonnes of marine fish and production of 20 crores of fish seed has been fixed. A prawn hatchery has been established at Gopalpur with French technology. With a view to developing and expanding marine prawn production another prawn hatchery is being established at Chandrabhaga. Building of fishing harbour at Astarang and Gopalpur will be expedited. Other programmes are under way for promoting economic development of the fisherfolk.

24. Considering the abundance of natural resources in our State the industrial development of the State has not been very impressive. Many entrepreneurs are now giving up industries even at the beginning stage dismissing them as sick. Similarly, employment oriented rural and small industries have been subjected to negligence. Government are considering extensive amendments now to the prevailing Industrial Policy. More attention will be given to make it employment oriented and agriculture based. Steps are being taken not only to modernise the industries established under Government patronage but to make it most effective, and profitable through use of technical skills. For regeneration of the sick-industries, provision has been made in the Budget.
Schemes for encouraging the development of rural and small industries, cottage industry and handloom sector, more provision exceeding that of last year had been made in the Budget. Our efforts will confirm to complete the major and medium scale industries started by IPICOL and Electronic Development Corporation. A provision to the extent of 50 crores had been made to strengthen the infrastructure development for industries. I have indicated earlier waiving of loans in case of rural artisans. Through this scheme many artisans will be benefited. For improvement of technical and vocational education during the Eighth Five-Year Plan a scheme has been undertaken at a cost of Rs. 56.79 crores with assistance from the World Bank.

I would like to inform the House that there has been steady progress in efforts of Government in regard to establishment of a second Steel Plant. Government are also making efforts for developing the necessary infrastructure. Experts from Korea have visited Paradeep. The Central Government have also extended their assurance for helping in establishment of the Plant. For speedy industrialisation, the need has arisen to exploit and utilise the rich mineral resources of the State. So in the Industrial Policy priority will be given to mineral based industries. A proposal to develop Gemstone industry in Orissa is being developed with the assistance of United Nations Development Programme. During the current year the target to extract 29 million tonnes of minerals has been fixed.
25. Improvement to Khuntuni-Bhubaneswar Road, construction of road from Kuli to Andhra border and construction of bridge on the river, Safei on the Sambalpur-Rourkela road are in progress under the Centrally Sponsored Plan and with the assistance of Central Road Funds. During the current financial year, under Road Development Programme, 49 major bridges and construction of road extending to 144 Kms. shall be completed. Besides, the expansion of Sambalpur-Rourkela road shall be undertaken with assistance of the Asian Development Bank. This project shall be completed within coming three years and it is estimated that the expenditure will exceed Rs. 90 crores during this period.

26. It is decided to construct 61 bridges and construct road extending to 150 Kms. under Minimum Need Programme. Provision has been made to convert 545 fair-weather roads to all weather roads in order to develop communication facilities in rural areas.

27. There has been practically no expansion of the railway network in the State during the last decade since needs of the State unfortunately have not been given any importance by the Centre. It is only through the personal interest of our Chief Minister that the Central Government are now considering proposals for expansion of the railway network in the State.

28. In the field of transport two nationalised Corporations are operating. These Corporations are successively incurring loss. The State Government
issued directions to integrate both the Corporations and to improve the standard of efficiency in their work so that further loss can be prevented. It has been indicated to them that their future depends upon their planning and efficiency.

29. Increased emphasis has been attached to the upliftment of Scheduled Castes and Tribes. Many schemes and programmes are launched for their development such as: providing hostel facilities to primary schools, more number of scholarship and grants, reservation of posts for employment and financial assistance to individuals and families. The current year's target is to benefit 80,000 Scheduled Caste and 1,10,000 Scheduled Tribe members through Integrated Rural Development Programme and other programmes for eradication of poverty. Many programmes directed towards strengthening the economic condition in the Tribal areas have been undertaken through the assistance of various plan schemes and projects of Central Government meant for upliftment of the Scheduled Castes and Scheduled Tribes and also through State Plan Projects.

30. Keeping in view the target to provide "Health for All" by 2000 A. D. all the schemes of the Health and Family Welfare Department have been recast within the limited resources available. It is proposed to open a fifty-bedded hospital at Baliapal, establish one hundred additional subsidiary health centres, 25 community health centres, 200 sub-centres, 60
Ayurvedic, 60 homoeopathic dispensaries and to raise a garden of medicinal plants during the year 1990-91. Provision has also been made in the budget for replacement of old and damaged beds in the hospitals and increase beds in the rural areas according to necessity. Multi-drug therapy shall be extensively brought into use for eradication of Leprosy. Thirty Ophthalmic Assistants will be posted to 30 Primary Health Centres as a measure to eradicate blindness and trachoma. Phase-II of Area Development Programme costing 65.66 crores has been launched under assistance from the Overseas Development Authority U. K., in the districts of Sambalpur, Mayurbhanj, Sundergarh, Keonjhar and Dhenkanal.

For better medical attention in the hospitals, 350 posts of nurses have been created and average medical expenses per head of each indoor patient has been enhanced by orders of Government. The non-practicing allowance given to the doctors has been withdrawn in deference to the public opinion.

31. The main objective of our Education Policy is to provide primary education to all children of the age-group of 6—11 and 11—14. To this end, there is need for establishment of 12,000 new Primary Schools and 9,000 Upper Primary Schools. It is really difficult to meet the expenses on primary education in Plan and Non-Plan Sectors, even though the outlay proposed is more than that of the year preceding. During the year 1990-91, as many as 500 new two-teacher primary
schools shall be opened and 60 primary schools shall be upgraded to upper primary schools. Apart from that, steps are also being taken to educate all dropouts below the age-group of 14, through non-formal education, the scope of which is being expanded. It has been also decided to create 377 new posts of Sub-Inspectors in order to ensure better supervisory control and inspection of schools, check teacher absenteeism and abolish the practice of surrogate teachers. The SCERT have taken in hand a number of new schemes for teacher education and training. Provision has been made to provide improved educational tools and equipments to one-fourth of the total Panchayat Samiti Schools. For eradication of illiteracy, three new Adult Education Projects are being implemented. In the current year 200 additional Jana Siksham Nilayams (JSN) will be opened besides the existing 254 with a view to expanding the post-literacy programmes.

32. A special Project will be launched to make one of the districts free from illiteracy as a part of our programme for eradication of illiteracy. Government have decided to further extend the programme to other districts after reviewing its implementation in one district.

33. It is necessary to reorganise Districts and Sub-divisions in order to speed up the process of administration. Government is considering this with utmost urgency and a Cabinet Sub-Committee has been constituted which will submit its report by first week
of August after a thorough discussion of all aspects involved. On the basis of the report submitted by the Cabinet Sub-Committee, Government will take a decision by end of August.

34. With a view to raising excise revenue, Government introduced tender-cum-auction system prevalent in Andhra Pradesh and from present indications it seems that there would be manifold increase in the excise revenue of the State. It may be relevant to state, that the Janata Government have decided that no additional liquor shops in the State will be opened. Many Hon’ble members of this House have stated both inside and outside this House that out-still liquor shops in the districts of Kalahandi, Bolangir, Phulbani and Sambalpur have become centres of corruption and that the owner of these out-still liquor shops have been influencing politicians and people in power. Also it is being alleged that the sale of inferior quality and spurious liquor has been very adversely affecting the health and life of people. To end this practice permanently this Government have decided that the out-still liquor shops will no longer be permitted to operate with effect from 1st July 1990 in the districts of Kalahandi, Bolangir, Phulbani and Sambalpur and Government approved country liquor shops shall be opened uniformly in all districts of the State. Government have also decided to issue licence in respect of India made foreign liquor (IMFL) through the system of tender-cum-auction.
35. Some blackmarketeers and hoarders have collided in creating obstacles in supply of essential commodities at controlled prices and are raising prices by creating artificial scarcity. Because of the special efforts of our Chief Minister, additional procurement of scarce kerosene and edible oil from the Centre has been made possible and each dealer has been supplied with large quantities of these commodities for sale through the public distribution system. Now, there is no scarcity of edible oil. The Chief Minister issued orders to take strong steps against hoarders and blackmarketeers if anybody is found indulging in creating artificial scarcity through hoarding. Government have decided that anybody who creates obstacles in supplying essential commodities at controlled rates, will be booked under the National Security Act (NSA). As per this decision, two blackmarketeers and hoarders of Ganjam district have been booked under the N.S.A. Clear directives have been issued to all Collectors to deal firmly with blackmarketeers and hoarders of the district. There is enough stock of essential commodities with the Central Government to meet our requirement and there should not be any increase in their prices. I request all Members of this House, to co-operate with the Government in detecting cases of hoarding, blackmarketing and undue price rise and help Government in punishing the offenders.

36. Government have decided to supply rice at a subsidised price of two rupees per kilogram to consumers who are below the poverty line through the Twenty-four
I would solicit co-operation of all Hon'ble Members of this House in implementing this decision to supply rice through public distribution system to all identified consumers who are below poverty line, at the subsidised price. Provision has been made in budget to compensate the difference in price payable by Government.

37. Orissa will emerge as one of the most attractive tourist centres of India if the tourist spots in the State could be properly developed. Our Government have prepared a master plan for development of tourism. And according to this master plan specific tourist centres will be identified for both inland and foreign tourists and to attract them, the necessary infrastructural facilities will be developed. Government have decided to prepare an informative and pictorial brochure describing various historic, cultural, mythological tourist spots after necessary survey.

38. Chilika, the best and most picturesque lagoon of the country, is getting rapidly silted resulting in reduction in the number of migratory birds, difficulties in the movement of power boats and decrease in its fisheries resources and crabs. Our Government have made a provision of Rs. 2 crores as a step towards desilting of Chilika and Government have decided to make necessary provision in the budgets in future years to meet the requirements for desilting of Chilika as may be required. The picturesque land mass from Twenty-five
Bramhapura to Malud in between the Chilika and the sea if converted with all-weather road can convert this spot to an attractive and scenic marine drive and the distance between Bramhagiri and Puri can be reduced by 30 Kms. Government are planning to develop its potential.

39. Twenty-four projects have been taken up to improve local water-supply. In order to meet drinking water needs in the expanding city of Bhubaneswar, Naraj Water-Supply Project will be launched with financial assistance from HUDCO. Budget provision has been made for the programme. Sewerage discharge work of Cuttack and Bhawanipatna will commence this year.

The problem of rural water-supply has not been satisfactorily solved as yet. Government are aware of this problem and atleast one tube-well or sanitary well will be set-up in each of the 1,320 villages where there is no facility for drinking water and 8,139 villages where drinking water needs have been partially met. For this programme necessary budget provision has been made under State Plan, Central Plan and through the National Technology Mission.

40. Under the Urban basic service project launched in 25 towns of the State, basic services facility including health services for the poor, nutrition for children and women, free education, training to women for self-reliance are being provided to the
people living in Urban areas. Besides this, a special housing project for the bidi workers will be launched. A new project has been taken up with necessary provision in current year’s budget to construct commercial complex in each of the 100 Panchayat Samiti headquarters. Budget provision has been made to provide necessary support for housing to landless labourers.

The number of educated unemployed has increased speedily in the last decade and there has been a fourfold increase in the number of registered educated unemployed. To provide employment to these unemployed youths, our Chief Minister is personally exploring possibilities of giving employment through industrialisation and tapping the potential for employment in different departments. No miracle can provide employment to such a large number of unemployed youths immediately. But until such time the educated unemployed in the State get employed in a phased manner, Government have decided to give unemployment allowance so that the educated unemployed will not depend upon their parents for sundry expenses.

The possibility of the proposal is being examined in detail and adequate budgetary provision has been made for this.

41. I have informed the Hon’ble Members, of the Budget deficit of Rs. 135 crores inherited from the last Government which makes it increasingly difficult on
our part to initiate programmes to improve the quality of life of the poor in the State. To implement these measures, it is necessary, however, to raise resources internally. But because of the poverty of the State the scope of raising additional resources, through taxation is very limited. At this stage, nothing much tangible can also be done to raise resources through non-tax revenue. After taking into consideration the limited tax paying capacity of the people, I have attempted simplification and rationalisation of the tax structure and given some relief in respect of certain essential commodities so that the common man is not affected.

I have also taken the decision to abolish additional Sales Tax and to rationalise Sales Tax Laws so that the Small traders will not be subject to any harassment by Sales Tax authorities. Instead, it has been decided to add 2 per cent on the principal tax to the existing rates of sales tax. I have also taken care to ensure that the heavy burden of tax does not fall upon the weaker sections of the society by reducing tax on essential and life-saving drugs. Sales Tax will be totally exempted from items like Alta, bindi and glass bangles articles specially needed by our mothers and sisters and used by the poor and the rich alike as a part of every day need. Tax will be totally exempted from vegetable seeds, and shoes used by the Orthopaedically handicapped. It is obvious that disease does not discriminate between the rich and the poor, and therefore I consider that it will be against the concept...
of welfare state to ask poor people to pay more for drugs. Therefore, I have reduced the tax from 8 per cent to 4 per cent so that people get medicine at a cheaper rate. It is extremely unfortunate that such articles of daily use like turmeric and broom sticks were subjected to tax at 8 per cent. This I have proposed to reduce to 4 per cent. Tax rate on electric fluorescent tubes has been reduced from 13 per cent to 12 per cent. As a measure of rationalisation of the tax structure, the tax slab rates have been reduced to five slabs instead of existing 8 slabs. The existing minimum limit of Rs. 50,000 for compulsory registration has been revised to Rs. 1,00,000 thereby nearly 30 per cent of the registered dealers will be relieved of the tax burden. Similarly the limit for payment of tax by way of compounding has also been raised from existing 1 lakh to 3 lakhs. Forty-six new items will be subjected to tax at first point of sale. Consequently most of the commodities sold inside the State will come under first point sales tax. The Hon'ble Members, I believe, will agree with me that the tax exemption and reduction will benefit the economically weaker sections and at the same time it will require the other citizens to make some sacrifices for the economic development of the State. It is also our objective to discourage alchoholism among the people of the State. I propose to levy tax at the rate of 4 per cent on country liquor and at the rate of 16 per cent on foreign liquor. Dealers whose gross turnover exceeds Rs. 10 lakhs, will pay Twenty-nine
10 per cent surcharge. In many of the States, the system of surcharge is in vogue. Besides, evasion of tax can be checked and collection of tax can be enhanced through simplification of assessment procedure and revision in the rate of tax, I am also considering to impose entry tax in order to arrest loss of tax on durable commodities coming from outside the State. I will introduce a bill in the House as soon as I get the advice of the Law Department. It is estimated that it will yield additional revenue of Rs. 96.10 crores. It is also proposed to collect additional resources from the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Additional royalty on Kendu Leaves</td>
<td>17.99</td>
</tr>
<tr>
<td>(B) Increase in tap water cess</td>
<td>2.00</td>
</tr>
<tr>
<td>(C) Toll collection from newly constructed Bridges</td>
<td>0.25</td>
</tr>
<tr>
<td>(D) Enhanced electricity duty on Aluminium Industry</td>
<td>14.00</td>
</tr>
<tr>
<td>(E) Collection of inspection fee at enhanced rates</td>
<td>0.26</td>
</tr>
<tr>
<td>(F) Enhanced royalty on minerals (except coal) extracted by Government of India</td>
<td>8.00</td>
</tr>
<tr>
<td>(G) Increase in M.V. Tax on two and three wheelers</td>
<td>1.57</td>
</tr>
</tbody>
</table>

Thirty
Consignment tax to be introduced by Government of India.  
Increase in fee and fines by different Departments.  
Revised excise duty administered by Revenue & Excise Department.  
Enhanced House rent on Government Quarters.  
Sale of pelletized minerals  

Despite additional resource mobilisation from different sources in the year 1990-91, it has become difficult to balance the receipt and expenditure. As I had indicated earlier, I would have introduced a budget showing surplus of 135 crores had it not been a carry over budgetary deficit of 135 crores and had it not been necessary to make up the deficit during this year. I wish to inform Hon’ble Members that the Government which ruled the State in last decade has encumbered the State a debt burden of Rs. 4,000 crores over which annually it is necessary to pay an interest of nearly 400 crores. Besides this the Non-Plan expenditure of the State was rising in an increasing rate. The Hon’ble Members will agree with me that it will not be desirable to scale down the expenditure
on development of weaker section of the State. In order to tide over this critical situation, I propose to take the following steps—

(1) To reduce Non-Plan expenditure to the extent possible;

(2) To take extensive steps for raising savings;

(3) More and more resources will be mobilised through Small Savings and incentive will be provided to deposit Money in Provident Fund;

(4) Special drive will be made for collection of arrears, Non-tax revenue and recovery of loans;

(5) Steps to improve the efficiency of the Corporation and to collect the interest and share of profit;

(6) To reduce financial support and investment in shares; and

(7) To either liquidate the loosing Corporation or to integrate Corporation having identical objectives. Steps will be taken to integrate the Corporations whose aim and objectives are identical.

The Hon’ble Members will undoubtedly realise how difficult it has been to prepare a budget by making provisions for multifarious development and welfare

Thirty-two
works by augmenting the plan outlay by 50 per cent, despite the carried-over deficit of preceding years. The Hon’ble Members will be delighted to note that I have been able to present a balanced budget after having overcome the critical financial situation. I solicit the cooperation of the Hon’ble Members for the success in this difficult endeavour. I hope and trust that the Budget proposals will help in bringing about the social and economic welfare of the people. I would also request the Hon’ble Members to take into consideration all aspects of the Budget proposals and to offer their considered and valuable advice.

JAI HIND
ANNEXURE I

(In Crores of Rupees)

<table>
<thead>
<tr>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000.87</td>
<td>4093.22</td>
</tr>
</tbody>
</table>

I. Consolidated fund

(a) Revenue Account

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Plan (i)</td>
<td>1635.59</td>
<td>1615.67</td>
</tr>
<tr>
<td>State Plan (ii)</td>
<td>447.67</td>
<td>576.36</td>
</tr>
<tr>
<td>Central Plan (iii)</td>
<td>193.40</td>
<td>175.09</td>
</tr>
<tr>
<td>Centrally Sponsored Plan (iv)</td>
<td>205.27</td>
<td>187.96</td>
</tr>
<tr>
<td><strong>Total (a) Revenue Account</strong></td>
<td><strong>2481.93</strong></td>
<td><strong>2555.08</strong></td>
</tr>
</tbody>
</table>

(b) Capital Account

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Plan (i)</td>
<td>755.82</td>
<td>884.06</td>
</tr>
<tr>
<td>State Plan (ii)</td>
<td>740.45</td>
<td>609.79</td>
</tr>
<tr>
<td>Central Plan (iii)</td>
<td>10.33</td>
<td>14.43</td>
</tr>
<tr>
<td>Centrally Sponsored Plan (iv)</td>
<td>12.34</td>
<td>29.86</td>
</tr>
<tr>
<td><strong>Total (b) Capital Account</strong></td>
<td><strong>1518.94</strong></td>
<td><strong>1538.15</strong></td>
</tr>
</tbody>
</table>

TOTAL—Consolidated Fund

<table>
<thead>
<tr>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000.87</td>
<td>4093.22</td>
</tr>
</tbody>
</table>

II. Contingency Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20.00</td>
<td>20.00</td>
</tr>
</tbody>
</table>

III. Public Accounts

(a) Providend Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>296.27</td>
<td>139.27</td>
</tr>
</tbody>
</table>

(b) Other Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1493.07</td>
<td>1422.72</td>
</tr>
</tbody>
</table>

TOTAL—Public Accounts

<table>
<thead>
<tr>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>1789.34</td>
<td>1561.99</td>
</tr>
</tbody>
</table>

TOTAL—STATE BUDGET

<table>
<thead>
<tr>
<th>Income</th>
<th>Outgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>5810.21</td>
<td>5675.21</td>
</tr>
</tbody>
</table>

Net Surplus (+) 135.00

Deduct—Opening Deficit. (-) 135.00

Year end deficit (-) Nil

Surplus (+)

Thirty-five