

**BUDGET
SPEECH
1977-78**



**Shri S. C. SINHA
CHIEF MINISTER, ASSAM
MARCH 23, 1977**

1860
10-24
85-100

ANNALS OF THE
AMERICAN HISTORICAL ASSOCIATION
VOL. 10, NO. 1

Mr. Speaker, Sir,

I rise to present the Annual Financial Statement for the year 1977-78. The year 1976-77 with its vicissitudes has been a milestone on the long march we have undertaken in achieving the goals for removal of poverty and for promoting rapid social and economic development for our people in the State. The Governor has already referred to the various problems in his address. A review of the economy which is being presented along with the Budget also gives in some detail the position regarding the various sectors of the economy. I will, therefore, only highlight some of the important policies and measures with special reference to developments during the year 1976-77 and proposed for 1977-78.

Economy

2. Despite seasonal fluctuations and severe floods in some parts of the State, agricultural production has increased. The index for agricultural production stood at 151 in 1975-76, the foodgrains index being 149. During the period 1970-75 the industrial production has risen by about 18%. Since 1970-71 the State income in real terms has shown a rise of more than 5% annually. The per capita income has risen correspondingly by 10% in 4 years from 1971-72. At 1948-49 prices the State income in 1975-76 is Rs. 498 crores while at current prices it is Rs. 1421 crores. The corresponding per capita income at 1948-49 prices is Rs. 298 and at current prices is Rs. 851. The corresponding per capita income at current prices on all India basis is Rs. 1005.

Prices

3. The problem of rising prices continues to pose a challenge indicating no scope for remission of effort in any way. We had achieved a substantial

measure of success in checking prices in the first half of the year but thereafter there have been some disturbing trends. As Hon'ble Members are aware, in 1974-75 the wholesale price index had risen by 12% and the consumers' price index had risen by 18.5% between March 1974 and March 1975. Between March 1975 and March 1976 the wholesale price index declined by 13% and consumers' price index declined by 19.5%. However, since September 1976, largely due to the rise in prices of mustard oil, pulses and tea the wholesale price index rose from 332 in March, 1976 to 374 in December 1976 and consumers' price index rose from 327 in March 1976 to 332 in January, 1977. This only shows that the price situation calls for continuous vigilance.

Programmes
for the poor.

4. Government recognise that unless the economic hardship of the large masses of people are mitigated, they would not feel that they have any stake in development and, indeed, in the present order. Our economic programme is mainly aimed at focussing the entire range of Government's effort to this basic problem. Accordingly, homestead land has been provided to about 50,000 families and house sites have been provided to about 20,000 families under the Minimum Need Programme. In 1977-78 we propose to cover further 40,000 families for house sites. A total of about 16 lakhs bighas of ceiling surplus land was acquired as against the preliminary estimate of 11 lakhs bighas. Out of this about 7,57,000 bighas have been distributed to 2,10,968 landless families till 31st January 1977. These beneficiaries include 15,684 Scheduled Caste families and 15,352 Scheduled Tribe families. For rehabilitation of allottees Rs. 15 lakhs under the scheme 'Grant to supporting services to sharecroppers and other tenants' has been provided during the year. This would cover 6,000 sharecroppers and tenants at the rate of Rs. 250. The question of revitalisation and restructuring of co-operatives particularly for rehabilitating defaulting members and defaulting societies will engage Government attention. Government also realise the need for providing subsidiary

occupations to landless, marginal and small farmers and propose to undertake a comprehensive examination of an appropriate structure for rural development in this regard.

Rural Development project

5. A Rural Development Project was taken up in 8 selected blocks. About 1,50,000 families have been intensively surveyed. Hon'ble Members will be glad to know that 18,000 proposals for bank finances have been sponsored and banks have already cleared 6,000 proposals and have disbursed more than Rs. 28 lakhs.

Tribal Sub-Plan.

6. For bringing about a rapid economic and social development of the plains tribals, Government have taken up a tribal sub-plan which will be supplemented by special Central assistance. Accordingly, for 1977-78 a provision of Rs. 7.34 crores has been quantified from the State Plan and it is expected that the special Central assistance will be of the order of Rs. 2.60 crores as against current year's quantified allocation of Rs. 4.24 crores and additive special Central allocation of Rs. 1.98 crores. Measures for strengthening of administrative structure for the tribal sub-plan, for identifying schemes specially suited to the requirements of the tribals and for improving procedures of budgeting the provisions are under consideration. Survey of one integrated block is completed and is under examination. It is expected that the plan will gather momentum during the year 1977-78.

Programmes for the Hill Areas.

7. The main thrust in the two Hill districts continues to be on the rehabilitation of Jhumias on schemes for agriculture, horticulture, cash crop plantation and subsidiary occupations. The programme for cash crop plantations is mainly implemented through the research and extension work being done by the Soil Conservation Department and the development of plantations on a commercial basis is being done by Assam Cash Crop Plantation Corporation. Various composite projects have already been evolved. The programmes are largely based upon land reclamation, terracing, minor irrigation, afforestation agricultural inputs and infrastructure being provided in an integrated manner. The Hill Plan for the year 1977-78 has been stepped up to Rs. 7.38 crores from the State

Plan Sector. Special central assistance of the order of Rs. 6 crores is expected during the year. The Hill Plan is thus expected to total to Rs. 13 crores.

Agriculture

8. During the year Cachar and Majuli were the victims of extensive floods. About 37,000 hectares of ahu crops have been lost. Foodgrains like wheat and pulses, however, are expected to register an increase ranging from 10 to 15% as compared to the production in 1975-76. Against the targetted production of 25.5 lakhs tonnes in 1976-77 it is estimated that 23.92 lakhs tonnes of foodgrains will be produced. It is, therefore, necessary to further intensify effort to increase food production in 1977-78. An outlay of Rs. 6 crores is being earmarked for the general areas. The targets for foodgrains for the State as a whole for 1977-78 are fixed at 27.20 lakh tonnes for foodgrains, 9.5 lakh bales of jute, 1.80 lakh tonnes of sugarcane and 1.20 lakh tonnes of oil-seeds. 20.5 lakh quintals of paddy have been procured. The main emphasis of the agricultural programme is on the research facilities in Assam Agricultural University opening Agricultural Engineering College under the Agricultural University, the setting up of more Agricultural Farming Corporations to rehabilitate landless farmers, setting up of Mobile Central Plant Protection Units, more survey units for extensive soil survey work in the command areas of the existing and proposed irrigation projects and more facilities for soil testing in selected subdivisions.

**Animal
Husbandry.**

9. This programme has special relevance for the economically backward sections of the people, as it puts emphasis on cattle development, development of poultry, piggery, sheep and goats etc. Protein deficiency has developed greatly. This programme will serve to help in mitigating this problem. Establishment of intensive cattle development projects, key village schemes, cattle breeding farms and increase in milk production will have to continue. Milk production has reached the figure of 3.75 lakh tonnes in 1976-77. The target for 1977-78 is about 4 lakh tonnes. It is also proposed to improve vaccine facilities, producing vaccine in biological laboratory in 1977-78. The programme

for distribution of poultry and pig unit will be taken up under the tribal sub-plan. This programme will assist a large number of landless marginal and small farmers. In order to cater to increased demand for milk in urban areas, Town Milk Supply Scheme has been taken up. The production of milk, meat, eggs and other like products will help in the checking of price rise in the urban areas.

Fisheries

10. The programme for induced breeding, composite culture, weed control, research on sites and extension work will have to continue. Through the adoption of composite fish culture, it is proposed to increase fish production per hectare. It has been possible by means of composite culture to achieve the production of 2,200 Kgs. against the conventional production of 300 Kgs. per hectare. The programme of selection of ten enterprising pisciculturists in each subdivision, covering an area of 10 acres for adoption of latest techniques of fish culture will be further expanded. The scheme for a Fish Farmers' Development Agency which was taken up in Goalpara District in 1976-77 will be introduced in Darrang district in 1977-78. It is proposed to set up a Corporation for catering to the requirements of development, conservation, marketing and employment of local fishermen. The arrangements in this regard are in the final stage and it is expected that the Corporation will start its operation in 1977-78.

Irrigation

11. A programme for raising the rice production in the State to 30 lakh tonnes during the next three years has been prepared with the assistance of World Bank experts, and submitted for approval. This programme emphasises, *inter alia*, the command area development, exploitation of ground water resources, sinking of shallow tubewells, conjunctive use of surface and ground water. A survey of all the command area schemes already completed and of schemes nearing completion is under way. This survey is likely to be completed in the next two years. Out of the potential of 2.18 lakh hectares created at the end of Fourth Plan,

1.16 lakh hectares have been utilised. It is expected that by the end of the Fifth Plan, 35% of the potential created in the two years of the Fifth Plan will be fully utilised. Execution of 11 medium projects and one major project has started. These 12 projects are due to be completed during the Fifth Plan period and will have a coverage of 70,000 hectares. This target has been refixed at 85,000 hectares on the advice of the Planning Commission and correspondingly the Fifth Plan outlay has increased to Rs. 29 crores. The minor irrigation schemes will be further intensified and extended. They will cover an area of 35,000 hectares during 1977-78.

Power

12. As Hon'ble Members are aware, most of the power generation capacity created in previous years has been located in Meghalaya. Our effort to augment the power generation capacity in the State have been further speeded up. From September, 1976, Namrup Thermal Extension with 30 MW capacity has been put in commercial operation. Work on Bongaigaon Thermal Power Station is progressing satisfactorily. The Lakwa Gas Turbine Station (45 MW) has been sanctioned by the Planning Commission and is expected to be commissioned in 1978. The Project Report for Longpi Hydroelectric Project of 2×50 MW. capacity has been submitted to the Government of India. The investigation for two micro-hydel schemes in Karbi Anglong district are under investigation. The Namrup Gas Turbine set of 1×12.5 MW. is in operation. In addition, installation of a second 1×30 MW set at Chandrapur and extension of Bongaigaon Thermal Power Station (3×60 MW) are expected to be installed in 1977-78.

Under Rural Electrification Programme, a total of 1,769 villages were electrified till 31. 3. 1976. During this year 550 more villages are expected to be electrified. For 1977-78, the target fixed is for electrification of another 550 villages.

Cooperation

13. Adequate and timely provision of credit for the rural sector for agriculture and rural industries and subsidiary occupations has been the

crying need for rehabilitation of the rural economy. Far from this need being met, it has been the common experience in most parts of the country that the deposit mobilisation in the rural areas has not resulted in corresponding investments in the rural sector. This subject is vast and has intricate ramifications. It has been studied by various commissions and committees of experts. The State Government are of the view that Gaon Panchayat Samavay Samities should be the common agency for distribution of all varieties of rural credit so that a multiplicity of agencies at the village level does not bewilder the villager and defeat the whole objective. The administrative and financial support required for making this concept workable would be worked out and provided with the assistance of the commercial banks and rural bank. Unless bankable propositions are promoted by the joint efforts of Governmental agencies, commercial banks, financial institutions, co-operators and Panchayat workers in the sphere of agriculture, rural industries and other subsidiary occupations, it will not be possible to make a frontal attack on the problem of rural poverty. The extension of credit has to be regarded as an integral part of promotion of investment in the rural sector and therefore post-investment monitoring should be carried out. It is true that in the past a number of societies have defaulted their repayments. Intensive efforts are required to analyse the causes of the default and for rehabilitation of the defaulting members and of the societies.

During 1975-76, G.P.S.S. net-work handled a business of Rs. 17 crores in essential and consumer commodities and procured paddy worth of Rs. 29 crores. It issued production finance of the order of Rs. 3 crores during 1976-77. For 1977-78, the target for agricultural credit to be distributed through G.P.S.S. is fixed at Rs. 6.5 crores. The volume of business is expected to increase to about Rs. 30 crores in rural areas and Rs. 25 crores in urban areas. Restructuring of the co-operative societies has constituted a landmark. The network of G.P.S.S. covers nearly the whole of the population of the plains districts. By November

1976, 100% of the households have been brought within the fold of G.P.S.S structure and thus in the plains districts universalisation of Co-operative membership has been achieved during the year. The task is now to provide adequate financial and administrative support and of reactivation of the stagnant societies. The recommendations of the Banking Commission regarding this subject will have a bearing on the provision of banking credit in the rural sector.

Industries

14. The Sugar Mill in Cachar and the Assam Petrochemical Complex at Namrup have gone into production. The Jute Mill at Dalgaon and the industrial paper board project at Dhing are under consideration. Preliminary steps are being taken for carbon black project. The Ashok Paper Mills at Jogighopa has gone into production and the installation of the caustic and chlorine plant is nearing completion. The specialised paper manufacturing factory at Gauhati and jute twine factory at Nowgong and rice oil extraction factory at Dibrugarh have gone into production. The Assam Spun Silk Mills Ltd. has declared an interim dividend. Support for rural and village industries has continued by means of supply of machinery on hire purchase, training entrepreneurs, assistance by way of grants and subsidy for power. Capital subsidy for 29 units and transport subsidy for 14 units have been given during 1976-77.

The House is aware that the industrial policy of the Government was revised in March 1969 to give incentives for growth of industries in the State. Government would continue to encourage new industries, and to this end, propose to give necessary incentives and develop the required infrastructure in order to make the policy regarding industrialisation of the State more purposeful and effective.

As the House is aware, most Tea Companies having tea gardens in Assam have their registered offices located outside the State. The Government

is of the view that such offices should be moved to Assam in the case of Companies having their major tea interests in Assam, while head offices of such Companies should also be gradually transferred to the State on a phased basis, so that decisions relating to these tea gardens can be taken locally. The matter has been taken up appropriately with the Companies concerned.

Sericulture
and Weaving

15. This programme has special importance for the weaker sections in the society due to its potential for self-employment and generation of supplemental income. Schemes for extension of training facilities at Titabar, establishment of basic muga seed station and for eri, mulberry and tusser composite centres and schemes with special Central assistance for tribal sub-plan will be implemented. Two schemes for intensive handloom development and export oriented production with the proposed outlay of Rs. 2.24 crores have been started and are expected to be in operation in 1977-78. Institutional finance for weavers is being arranged.

Khadi and
Village
industries

16. The Assam Khadi and Village Industries Board has extended its operation in the hill districts and other tribal areas. During 1976-77, its total production was valued at Rs. 3 crores with self-employment for 55,000 people. It has set the production target at Rs. 4.50 crores with employment generation target for 57,000 people in 1977-78. In the hill areas, the production target for 1977-78 is Rs. 6.75 lakhs and employment target for 1030 persons.

Education

17. In each educational subdivision, a Grievance Officer to deal with public grievances in educational matters has been appointed. A Directorate of Sports and Youth Welfare has been created for encouraging sports and welfare activities. From December, 1975, 23 colleges have been taken over under deficit system. 39 high schools and 500 middle English schools were also brought under deficit system. It is proposed to bring 72 more high schools under

deficit system. Six high schools have been upgraded to higher secondary schools and 13 madrasas have been brought under full grants-in-aid system. With the improving of the standards of instruction, Government have prescribed revised qualifications for lectureships in colleges. Government have framed new rules for Managing Committees and Governing Bodies and for high/higher secondary schools and colleges. Revision of procedure for renewal and distribution of scholarships has been undertaken for ensuring timely renewal and disbursement. Effort is being made to achieve cent percent enrolment in the primary stage by the end of the Fifth Plan. Government propose to establish primary schools in all the villages without any school on priority basis. For improvement of efficiency in administration, Government have amalgamated the office of the Joint D.P.I. (E.E.) with the office of the D.P.I. The offices of the defunct Regional Board of Elementary Education have been amalgamated with the office of the D.I. of Schools. Subdivisional Selection Committees have been constituted to ensure equitable appointment of school teachers so as to reflect the population pattern. Technical Education Department administers 2 engineering colleges in degree level, 7 polytechnics in diploma level and 3 junior technical schools at certificate level. This includes one polytechnic for girls. Further, training facilities are provided for Civil Engineering, Mechanical Engineering, Electrical Engineering courses in diploma and degree level and Agricultural Engineering and Textile Engineering in diploma level. There is reservation of seats in institutions outside the State and provision of funds for higher studies and training and specialised courses in such institutions for State's candidates. Eight hundred forty-three Book Banks in schools and 65 Book Banks in colleges have been opened benefiting about 36,000 school students and 15,000 college students. Through Assam Text Book Production and Publication Corporation, text books are supplied to the students at a cheap rate. Distribution of essential commodities at controlled price has been made to boarders of 490 hostels and thereby benefiting 24,000 boarders. The occupational Vocational Guidance Bureau has covered 20 high schools,

Cultural
Affairs.

18. To popularise and promote excellence in drama movement, a drama troupe has been started. An Art Gallery has been established for facilitating holding of painting exhibitions. A cultural exchange programme has been arranged. Non-governmental cultural organisations have been supported by grants. Nine such cultural organisations in the hill areas are being assisted.

Information
and Public
Relations

19. Increasing use of films for audio-visual media to generate mass awareness of general problems of economic development, special emphasis on publicity problems in hill areas and issue of various publications to highlight nation building activities have been taken up. An information centre has been set up in Calcutta.

Public works

20. Special attention for improvement of urban roads, construction of drains and footpaths in urban areas had to be given to clear the backlog of a number of years. Three hundred kilometers of roads spilled over from the Fourth Plan have been completed and another 360 kilometers under M. N. P. were completed, besides work on 220 kilometers of roads has been in progress. Restoration or repairs on a priority basis for roads which suffered extensive damage during floods in Cachar have been taken up. Work on Gangadhar Bridge and construction of Sainik School at Mornoi at Goalpara are progressing satisfactorily. For 1977-78 a plan provision of Rs. 7.11 crores has been proposed.

Transport

21. The Assam State Transport Corporation is operating on 4341 Kilometers of roads. It is proposed to augment this coverage by another 208 kilometers in 1977-78. In 1976-77 the Corporation could significantly increase its revenues, enforce financial discipline and thereby meet all arrear and current tax liabilities, interest charges and also provide for depreciation. A scheme on transport survey in order to make an assessment of the existing facilities of different modes of transport and future transport requirements has been undertaken. The total fleet of Inland water Transport is 74 vessels. Two modern cargo vessels, ferrocement barges, are built at Gauhati, which are not

only the first in India but largest of this type. Since January 1975, 41,000 M. T. of cargo has been carried. A boat building unit is proposed to be set up.

**Flood
Control**

22. For Brahmaputra Valley and Barak Valley Plan Schemes an amount of more than Rs. 7 crores has been earmarked for 1977-78. A plan for flood control measure in Barak Valley has been drawn up. The bulk of the flood control programme is being financed from the Central loan assistance.

**Health and
Family
planning**

23. One block of the Gauhati Medical College building at its new site and 50-bedded children hospital attached to the Gauhati Medical College are expected to be completed in 1977-78. Two more primary health centres, 55 sub-centres, 5 more dispensaries and three 30-bedded hospitals are expected to be completed in 1977-78. The State has exceeded the target of sterilization fixed by the Govt. of India. Thirty-five survey education and treatment centres for leprosy are to be established. There will also be greater emphasis on malaria control. Forty-seven piped water schemes being installed are under implementation. Eight Hundred Sixty-six tubewells/ring wells are expected to benefit 145 villages. During 1977-78 spill-over schemes are likely to be completed and it is expected that 1.22 lakh people in 104 villages will be benefited. Seven hundred-ninty villages with a population of 4.25 lakhs will be covered by hand tubewells scheme. Under tribal sub plan, water supply schemes will benefit 80,000 people. Seven urban water supply schemes are under implementation for which work is likely to be completed in 1977-78.

Employment

24. The number of employed persons in June, 1976 stood at 8,09,000 as against 7,74,000 in 1975. Employment under the State Government increased significantly. In the private sector, employment increased by 1.14% as against 5.5% in the public sector for the quarter ending March 1976 over the corresponding quarter ending March, 1975. In spite of this, the live register of the Employment Exchanges showed an increase in the

number of job seekers being 2,02,000 in October, 1976. The unemployed educated persons registered by the Employment Exchanges rose to 96,088 in October, 1976.

Financial
position

25. In my last Budget Speech I had drawn the attention of the Hon'ble Members to the increasing burden of public debt. Compared to the revised estimated public debt of Rs. 526.63 crores as in March 1976, this debt is estimated to be Rs. 553.45 crores by the end of March, 1977. It is, therefore, most important that the investments which are financed from this debt should be as productive as possible. We should also resist the temptation of utilising resources raised by means of public debt for meeting non-productive expenditure as far as possible.

Annual Plan
1977-78.

26. The Hon'ble Members will be glad to know that the Annual Plan 1977-78 has been fixed at Rs. 115.97 crores. This marks a very sizable step up from the level of Rs. 72.66 crores in 1976-77 being as large as 59%. Together with tentative additional outlay of the order of Rs. 6.00 crores for Hill Plan and of Rs. 14.29 crores under Central Schemes and with an expected additional outlay of Rs. 2.60 crores for Tribal Sub-Plan the total Plan allocation for 1977-78 is likely to be of the order of Rs. 139.00 crores. The contribution of the State Government has also considerably increased as a result of the larger Annual Plan. The Central assistance has been fixed at Rs. 56.57 crores as against the State contribution of Rs. 39.55 crores. The resultant gap of Rs. 19.85 crores is expected to be financed by special Central assistance of Rs. 10.00 crores largely on account of power generation projects and the balance will have to be met by stepping up State's contribution. The House will appreciate that the Plan allocation for 1978-79 is expected correspondingly to be large. The need for making adequate contribution by the State will require the Government to mobilise resources to a greater extent than has been done hitherto. Honourable Members will be glad to know that Tea industry has considerably prospered lately. I am sure that the Tea Industry would be proud to contribute its share to the economic development of the State.

It has become necessary for the Government to mobilise the resources as much as possible. The Agricultural Income Tax Act 1939 has not been revised since 1970-71. It is proposed, therefore, to increase the rates thereunder, particularly on slabs on higher incomes. It is also proposed to raise the exemption limit from Rs. 5,000 to Rs. 8,000. While the raising of the exemption limit will give relief to low income earners, this measure will yield an additional Rs. 1.37 crores. The bulk of the jute produced in the State is sent outside the State. The rate allowed under the Central Sales Tax Act is 4% but the rate charged under the Assam Purchase Tax Act is only 3%. It is proposed to raise the tax under the latter to 4%. This measure is expected to yield Rs. 20 lakhs approximately. Govt. also have under their consideration the amendments of various tax laws with a view to rationalising and improvement of administration thereof. It is expected that all these measures including those stated earlier will result in an additional yield totalling approximately Rs. 2 crores annually.

Accounts
1975-76.

27. The accounts for 1975-76 closed with a minus balance of about Rs. 14.20 crores as against the opening balance of Rs. 7.57 crores. The revenue receipts increased by about Rs. 19 crores over the revised estimates. This increase was largely due to Agricultural Income-tax (Rs. 8.95 crores), Sales Tax (Rs. 3.90 crores) and share of Union Excise Duty (Rs. 0.90 crores) and other non-tax revenue (Rs. 1.89 crores). The revenue expenditure was also below the revised estimates. This has been made possible mainly by reduction of expenditure on General Services (Rs. 2.02 crores), Education (Rs. 3.27 crores) and C.D. Programme (Rs. 1.07 crores).

Revised
estimates
1976-77.

28. During the year 1976-77 the revenue receipts are expected to increase by about Rs. 18.32 crores over the Budget Estimates. The increase is largely due to additional receipts from Agricultural Income-tax (Rs. 6.70 crores) oil royalty (Rs. 6.30 crores), Sales Tax (Rs. 3.75 crores) and share of Union Excise Duty (Rs. 1.34 crores). The revenue expenditure is estimated to have increased by about Rs. 10 crores mainly on account of additional dearness allowance and urban im-

provement schemes. The capital receipts are estimated to be about Rs. 57 crores as against the budget estimate of Rs. 65.29 crores. The capital expenditure is estimated to be about Rs. 73 crores leaving a deficit of about Rs. 16 crores. We have not found it necessary to avail of the ways and means advance from the Reserve Bank of India and this has resulted in less capital receipts. In the revised estimates the minus opening balance of the year is expected to be more than covered and the year is expected to close with a plus balance of Rs. 11.98 lakhs which would be the opening balance of budget estimates for 1977-78.

Budget
estimates,
1977-78

29. In 1977-78 the revenue receipts are estimated to rise to Rs. 232.36 crores and the revenue expenditure is estimated to be Rs. 211.35 crores resulting in a surplus on revenue account of Rs. 21.01 crores. The capital receipts are estimated to be Rs. 77.81 crores and the capital expenditure is estimated to be Rs. 105.24 crores. The revenue surplus of Rs. 21.01 crores will be adequate to cover the estimated deficit of Rs. 20.89 crores outside the revenue account. The year 1977-78 is expected to close with a balance of Rs. 24.29 lakhs.

Dearness
Allowance.

30. During my last Budget Speech, I had referred to Government's anxiety to give some relief to the Government servants and employees of the Aided Educational institutions due to the abnormal rise in prices. It is unfortunate that such relief absorbs most of the funds which are not only unproductive but contribute to further rise of prices creating a vicious circle which it is difficult to break. Despite other pressing claims on resources, it was decided in September, 1976 that Dearness allowance should be given on an ad-hoc basis so as to give greater relief to low paid Government servants. The additional Dearness allowance for employees, proportionately higher for lower paid groups, has been granted in September, 1976. While Government recognise that this ad hoc increase of Dearness allowance may not be wholly adequate, the House will appreciate that even this decision has cost the State Rs. 3.40

crores annually. Government will always consider with sympathy any proposal resulting in relief, directly or indirectly, to the Government servants, and employees of aided institutions and it may be necessary to consider whether some arrangements can be made to protect to some extent at least the more poorly-paid employees from increase in prices of certain essential commodities.

The Hon'ble Members will undoubtedly appreciate the limitations of financial constraints and Government's other commitments to various sections of the people even more unfortunately placed, with even less or no security of livelihood. Government have a responsibility to develop infra-structural facilities etc. in the under-developed areas of the State.

It is, therefore, necessary that all of us should seriously consider whether it will not be in the long run more effective if resources are deployed for improving the productive base of the economy, instead of providing monetary relief limited to the specific classes of the people. On behalf of the Government, I would like to express our sympathy for the hardship the Government servants and employees of aided institutions have undergone and call upon them to work devotedly for the implementation of the programmes through which permanent remedies for their problems along with those of the community at large are available.

Conclusion

31. The House will appreciate that there is continuous need for making changes in the existing administrative systems, procedures and methods in order to develop the capacity for undertaking sophisticated programmes of larger financial and physical magnitude. The need for rationalising the staff and other administrative overheads becomes important in this context both for economy and for efficiency. The Department of Administrative Reforms is engaged with this task. The public sector has absorbed considerable public funds a large portion of them specially raised by way of loans. Government have created a separate

Department of Public Enterprises with the objective of providing guidance and supervision of the public enterprises. This department is charged with the task of monitoring and supervision of public enterprises as well as co-ordination of the functions of various public enterprises. A Task Force has been set up to examine the working of some of the enterprises in detail and to suggest remedial measures. The effort of the Government will continue to be to ensure that the investments made in such enterprises are rendered productive as early as possible and necessary surpluses are generated. In order to make adequate professional appraisal in an integrated manner of proposals involving high capital investment, a Public Investment Board has been constituted in September, 1976. This Board will clear the proposals involving investment of more than Rs. 25 lakhs. I have already referred to the measures being taken for ensuring speedy disbursement of pay and scholarship in the Education Department. It will be also our effort to ensure that the accounting for this purpose is rendered as simplified as possible. With the bifurcation of audit from accounts at the Centre the problem of whether similar measures should be taken so far as the State Government are concerned has assumed importance. Government consider that it will be appropriate to examine this question along with the adoption of modern methods of data processing in a selective manner. It is also necessary to make a comprehensive review of the range of laws, rules, administrative arrangements, etc., regarding taxation and public finance with the assistance of expert institutions. It is also considered that it will be desirable to invest adequately in the training of Govt. personnel in modern methods of management in various spheres as their efficiency and productivity will improve thereby. It is proposed to initiate an extensive training programme and an Administrative Training Institute is being established. I have earlier referred to a comprehensive review of the policy regarding incentives for industry. I have also mentioned that after fully assessing the recommendations of various expert bodies, Government would like to

evolve a well considered structure for rural development in general and rural credit in particular. At present, various patterns of schemes are operating in this regard and after proper analysis it is desirable to integrate lessons derived therefrom.

With the indulgence of the Hon'ble Members I have endeavoured to bring out the various policies and measures for mitigating poverty and promoting social and economic development. Government are aware that there is bound to be more than one opinion and approach on these important matters. While it is important that there is informed discussion to the fullest extent on these issues, it may be hoped that all sections of opinion would co-operate in speeding up action on essential policies and programmes. The following basic policies are suggested to comprise the broad framework within which such co-operative endeavour could be formulated :—

- (1) Speedy increase of production and productivity ;
- (2) Improvement of consumption levels of economically weaker sections and check on the consumption of the richer sections of the people ;
- (3) Generation of increased savings ;
- (4) Deployment of the savings in productive investments ;
- (5) Improvement of productivity by research, training, etc.
- (6) Check on the growth of population.

Compared to the gigantic task the capacity of the best of us individually is puny indeed. If we turn to the future, it is possible that considerable progress could be achieved if we pull together collectively. May I on behalf of the Government humbly appeal to all Hon'ble Members to join in this co-operative endeavour ?

With these words, Sir, I submit the Annual Financial Statement for 1977-78 to the Hon'ble House for consideration and approval.

ANNEXURE A

(Rs. in lakhs)

Actuals, 1975-76 (1)	Budget estimates, 1976-77 (2)	Revised esti- mates, 1976-77 (3)	Heads (4)	Budget estima- tes, 1977-78 (5)
----------------------------	-------------------------------------	--	--------------	---------------------------------------

A—Receipts

7,57.21	4,06.94	(—)14,19.63	Opening Balance	(+)11.98
202,00.68	187,55.26	205,86.82	Revenue Receipts	232,36.46
51,06.22	65,29.11	56,99.86	Capital Receipts	77,81.69
11,14.50	3,33.54	8,26.91	Receipts under Contingency Fund.	1,84.85
974,86.56	159,21.15	252,58.30	Receipts under Public Account.	222,81.02
1239,07.96	415,39.06	523,71.89	Total—Receipts	534,84.02
1246,65.17	419,46.00	509,52.26	GRAND TOTAL—	534,96.00

B—Expenditure

179,36.23	189,56.37	199,38.59	Expenditure on Revenue Account.	211,34.86
54,99.77	73,34.23	73,42.15	Capital Expenditure	105,23.66
10,26.91	...	6,84.85	Expenditure under Contingency Fund.	...
1016,21.89	156,35.70	229,74.69	Outgoing from Public Account.	218,13.19
1260,84.80	419,26.30	509,40.28	Total—Expenditure	534,71.71
(—)14,19.63	(+)19.70	(+)11.98	Closing Balance	(+)24.29
1246,65.17	419,46.00	509,52.26	GRAND TOTAL—	534,96.00

Net Results

Deficit (—), Surplus (+)

(+)22,64.45	(—)2,01.11	(+)6,48.23	Revenue Account	(+)21,01.60
(—)44,41.29	(—)1,86.13	(+)7,83.38	Outside Revenue Account	(—)20,89.29
(—)21,76.84	(—)3,87.24	(+)14,31.61	Total—Deficit or Surplus	(+)12.31

ANNUAL PLAN 1977-78—SECTORAL ALLOCATION

(Rs. in lakhs)

Head of Development	General Plan	Tribal Sub-Plan*	Hill Plan	Total
(1)	(2)	(3)	(4)	(5)
Agriculture	5,20·00	1,10·00	1,11·00	7,41·00
Minor Irrigation	4,40·00	2,00·00	60·00	7,00·00
Soil Conservation	24·00	41·00	1,95·00	2,60·00
Command Area Development...	25·00	..	..	25·00
Animal Husbandry and Dairying	1,85·00	20·00	40·00	2,45·00
Fisheries	55·00	10·00	11·00	76·00
Forest	2,00·00	..	43·00	2,43·00
Storage and Warehousing	14·00	..	..	14·00
Co-operation	2,14·00	56·00	35·00	3,05·00
Community Development	33·00	5·00	5·00	43·00
Panchayat	42·00	..	1·00	43·00
Land Reforms	1,03·00	..	15·00	1,18·00
I—Agriculture and Allied Sectors	18,55·00	4,42·00	5,16·00	28,13·00
Irrigation	7,30·00	..	50·00	7,80·00
Flood Control	3,71·00	..	8·00	3,79·00
Power	47,45·00	45·00	1,50·00	49,40·00
II.—Irrigation and Power	58,46·00	45·00	2,08·00	60,99·00
Large and Medium Industries...	1,72·00	..	31·00	2,03·00
Mineral Development... ..	47·00	..	11·00	58·00
Village and Small Industries	1,49·00	46·00	94·00	2,89·00
III.—Industry and Mining	3,68·00	46·00	1,36·00	5,50·00
Roads	4,90·00	60·00	1,80·00	7,30·00
Road Transport	1,13·00	..	6·00	1,19·00
Other Transport	44·00	..	..	44·00
Tourism	3·00	..	3·00	6·00
IV.—Transport and Communication	6,50·00	60·00	1,89·00	8,99·00

Head of Development	(Rs. in lakhs)			
	General Plan	Tribal Sub-Plan	Hill Plan	Total
(1)	(2)	(3)	(4)	(5)
General Education	5,62·00	50·00	48·00	6,60·00
Art and Culture	25·00	...	1·00	26·00
Technical Education	59·00	...	6·00	65·00
Health	2,26·00	31·00	45·00	3,02·00
Nutrition	30·00	6·00	6·00	42·00
Water Supply and Sewerage	2,00·00	48·00	48·00	2,96·00
Housing	50·00	4·00	6·00	60·00
Housing Building	40·00	...	...	40·00
Urban Development	19·00	...	4·00	23·00
Municipal Administration ... ..	...	..	...	...
Welfare of Backward Classes	1,25·00	..	...	1,25·00
Social Welfare	8·00	..	2·00	10·00
Labour and Labour Welfare	11·00	2·00	7·00	20·00
V.—Social Services	13,55·00	1,41·00	1,73·00	16,69·00
Weights and Measures	6·00	...	..	6·00
Statistics	8·00	..	..	8·00
Information and Publicity	7·00	...	...	7·00
Evaluation machinery	7·00	...	4·00	11·00
Others ... ..	...	...	2·00	2·00
Administrative Building	20·00	...	10·00	30·00
Printing and Stationery	3·00	..	...	3·00
Miscellaneous	51·00	...	16·00	67·00
GRAND TOTAL	1,01,25·00	7,34·00	12,38·00	1,20,97·00

* Excluding expected additive outlay of Rs. 2.60 crores for Tribal Sub-Plan.