



सत्यमेव जयते

GOVERNMENT OF ASSAM

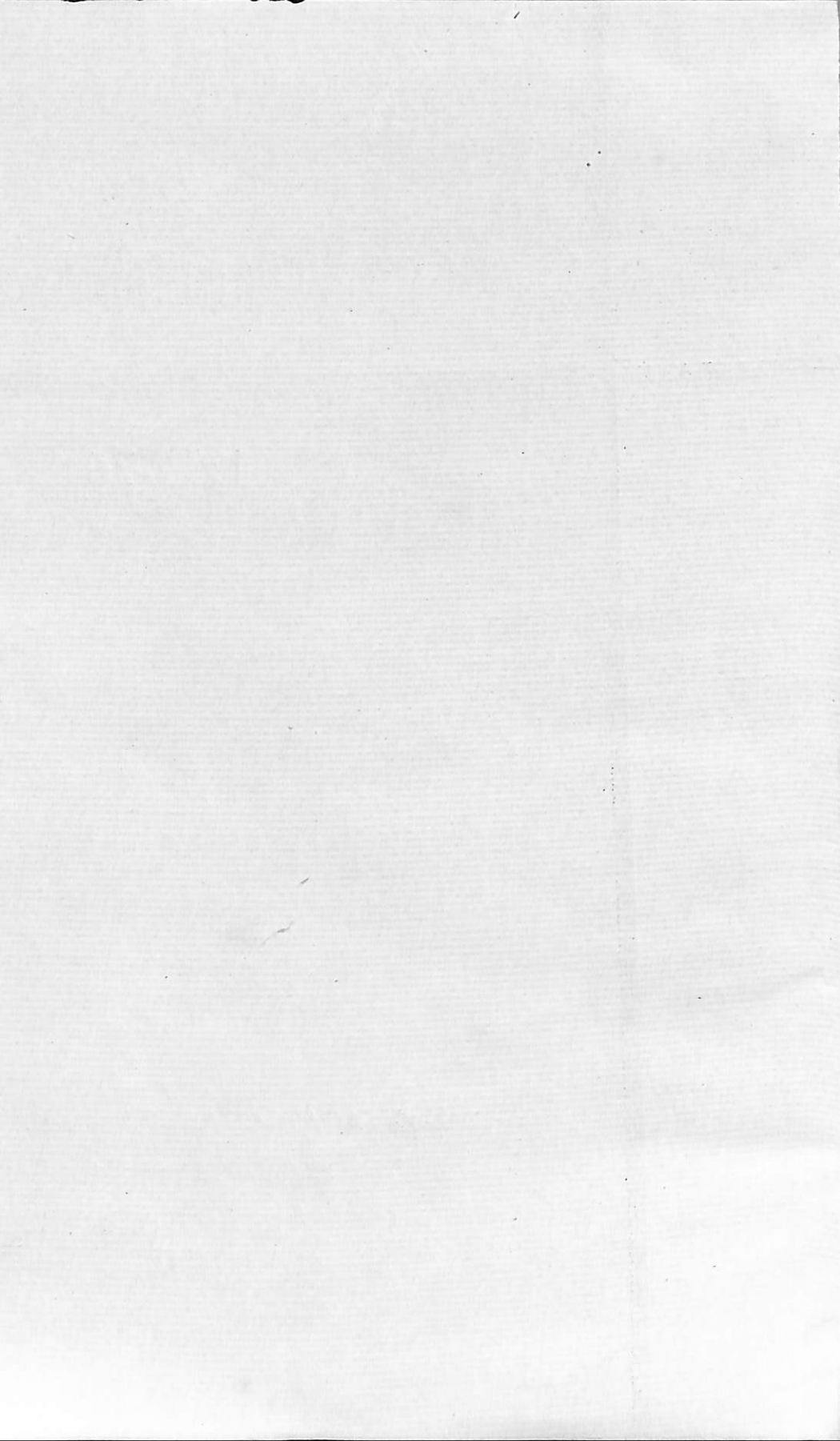
BUDGET SPEECH

1975-76

Shri SARAT CHANDRA SINHA

Chief Minister, Assam

March 4, 1975



Mr. Speaker Sir,

I rise to present the Annual Financial Statement for the year 1975-76.

The national economy experienced severe inflationary pressures during the first year of the Fifth Plan. The Wholesale Price Index reached its highest peak in the week ending September 21st, 1974 which was 32% higher than the corresponding week of 1973. The average Wholesale Price Index in 1974 went up by 27.3% as compared to the average increase of 19.2% in 1973 which is indicative of the continued strength of inflationary forces in the economy. The unsatisfactory production of foodgrains during the year had contributed directly to the steep increase in prices. However, the improved prospects for the forthcoming Rabi crop, the arrangements for import of foodgrains and a reduction in the rate of growth in money supply can be expected to have some stabilizing effect on prices. If the present encouraging trend persists, the Wholesale Price Index for March, 1975 may stand no more than 15% above the level of March, 1974 as compared to an increase of about 29% between March, 1973 and March, 1974.

The behaviour of prices has broadly followed the same pattern in Assam. The average Consumer Price Index for Working Class population in Assam for the year 1974 stood at 368, as compared to 284 in 1973 and was, therefore, higher by 29.6%. The peak in the upward march of prices was reached in the month of October, 1974, after which a decline is noticeable. As against a level of 411 in the month of October, 1974, the Consumer Price Index for Working Class in Assam stood at 389 in December, 1974. However, there is no room for complacency as inflationary forces are still active. The level obtaining in December, 1974 though lower than that of October, was substantially higher than that for the corresponding period for the previous year. According to the latest estimates, the State income at current prices in 1973-74 was Rs. 946 crores and the per capita income Rs. 601 as compared to Rs. 875 crores and Rs. 572 respectively in 1972-73. The State income at constant prices (1948-49) increased by 2% over that of 1972-73 but this being lower than the rate of population increase, there was a slight fall in the per capita income.

In the course of his address, the Governor has already given a broad outline of the general law and order situation and the activities of the different Departments of the Government. I shall, therefore, refer only briefly to the performance and programmes in some selected sectors.

Agriculture
& Irrigation

Owing to the devastation caused by successive floods during the year, agricultural production has been adversely affected and it has not been possible to make up the shortfall in full despite our

best efforts. As against last year's rice production of 19.43 lakh tonnes we have been able to achieve only 18.44 lakh tonnes this year. In the case of jute, a target of 11 lakh bales was fixed against the achievement of 10.86 lakh bales in 1973-74. Because of the damage caused by floods, production has been only of the order of 8.7 lakh bales. The experience of the current year has served to re-emphasise the importance of perennial irrigation so that some measure of stability could be brought about in agricultural production. For the current year, a target of bringing 50,000 hectares under irrigation has been fixed and additional funds have been provided for financing this programme by diversion of Plan funds to this priority sector. As a result of concerted efforts, the target is expected to be achieved. In the light of the encouraging performance of the Department during this year, additional irrigation of 59,000 hectares is contemplated during the next financial year. During the Fifth Plan it is proposed to create irrigation facilities to cover about 3 lakh hectares in the whole State and it is hoped that when this programme is completed, the present instability in agricultural production due to repeated flood havoc would be controlled to a large extent.

As a result of the special efforts made during the Rabi season there has been increase in the acreage and production of wheat, pulses, oilseeds and vegetables as compared to last year. Besides the programmes relating to Farmers' Service and publicity coverage through mass media, training and publication, special emphasis continued to be given to the high yielding varieties programme. Among the service facilities created, special men-

tion may be made of increased provision of better seeds and extension of facilities on a zonal basis for seed and soil testing and testing of fertilizers and pesticides. The area covered by high yielding varieties during the current year is estimated at 3.7 lakh hectares as against 3.4 lakh hectares during last year. In the case of plant protection, 2 lakh hectares could be protected during this year against 1.1 lakh hectares last year. Our efforts to promote the use of chemical fertilizers have suffered a setback because of the sharp increase in fertilizer prices in the wake of oil-price-rise. Efforts are being made, therefore, to develop local manurial resources including conversion of town-waste into organic manure. In the matter of agricultural credit, significant progress has been achieved in the districts covered by Small Farmers' Development Agencies, although much more needs to be done. About 1.5 lakh farmers have been identified for coverage under the programme.

Veterinary
and Animal
Husbandry

One new Intensive Cattle Development Project is proposed to be taken up during 1975-76. This will be in addition to the two projects already established. A new scheme for development of piggery including a pork processing plant is also proposed. The Biological production Section responsible for production of Biologics has been expanded. During the current year, establishment of 5 Dispensaries and 10 First Aid Centres has been taken up and an equal number of Dispensaries and First Aid Centres are proposed to be established next year. Improvement of five erstwhile Local Board Veterinary Dispensaries has been taken up during the year and improvement of six more will be taken up next year.

One of the main objects of Nationalisation of Banks was to make credit available for productive purposes to the economically weaker section of society. In order to achieve this, Government have linked the Gaon Panchayat level Co-operative Societies with different Banks and also taken steps to channelise credit for the Rabi and early Ahu crops through these Societies. Physical inputs like seeds and fertilizers are also being channelised through the Societies to ensure that the Bank credit is effectively utilised for productive purposes. Marketing of the produce is also sought to be linked with credit by arranging procurement through the Societies. This is the first but very important step taken by the Government in achieving the real objective of Nationalisation of Banks and in implementing this step Government had to face many difficulties and serious resistance from different vested interest opposed to this progressive measure. The experience gained in this venture during the Rabi and early Ahu campaigns has encouraged us to hope for much greater success in future campaigns.

This programme for the economic transformation of the rural areas will be successful only if the people and their representatives are closely associated with its implementation. With a view to achieve this, Government have decentralised political and financial powers to the Mahkuma Parishad and the Gaon Panchayat, the latter of which is co-terminous with the Co-operative Society. It is hoped that with the co-operation of the people and Panchayati institutions the progressive measure of linking bank credit with the production programmes of the poorer sections of the people will achieve rapid success.

**Community
Development**

The Community Development Blocks have continued to function satisfactorily and the Applied Nutrition Programme has been in operation in 16 Blocks during this year. The Crash Nutrition Feeding Programme which was started during 1970-71 as Centrally Sponsored Scheme is financed in the Plains Districts from our own resources from the current year. The objective of the programme is to combat malnutrition among the children of developing age and expectant mothers by providing right type of diet. During the current year an amount of Rs. 9 lakhs will be spent on the programme in the Plain Districts with the physical target of 17,000 beneficiaries. In the Hill areas, however, the Crash Nutrition Feeding Programme will continue to be implemented as a Centrally Sponsored Scheme.

Industries

In the field of industries, there was continued emphasis on promotional activities like the establishment of Industrial areas, construction of approach roads and training of personnel to man the various industries that are coming up in the State. Fifteen technical and thirteen non-technical trainees are undergoing training under the Assam Small Industries Development Corporation. Two technical and eight non-technical entrepreneurs have completed in-plant training and seventeen technical and three non-technical trainees are undergoing in-plant training in different units. Eight entrepreneurs have already been given training in the manufacture of ready made garments, tannery, umbrella making and fuel injection. In order to encourage entrepreneurs to set up industries, government are implementing schemes for advance of loans,

supply of machinery under the hire purchase scheme, equity participation and collaboration through the Assam Industrial Development Corporation. Rs. 2 lakhs have been sanctioned so far as equity participation and machinery worth about Rs. 15 lakhs under the hire purchase scheme have been supplied to 57 entrepreneurs of which machines for 41 units have been installed. Loans amounting to Rs. 7.13 lakhs will be advanced shortly to entrepreneurs for setting up units for umbrella assembly, supari making, atta chaki, oil crushing etc. The Assam Small Industries Development Corporation will establish two Common Facility Centres, one each in the Tezpur and BARPETA areas, to assist private entrepreneurs to run their power loom units. The Centre will include a yarn preparatory plant and a calendering plant. Preliminary works have already been completed in this regard and this scheme is expected to provide direct employment to about 40 persons and indirect employment to about 500 persons. Applications for setting up 20 ready-made garment manufacturing units and 5 units for manufacturing office-stationery are also under process by the Small Industries Service Institute and the Banks.

The Assam Khadi & Village Industries Board has continued to make satisfactory progress. During the current year the total production is valued at Rs. 2.05 crores and employment was provided to about 43,000 persons. During the next year it is expected to step up the production to Rs. 2.2 crores and provide employment to 52,000 persons. Special mention may be made of the encouraging response of the people in the Hill

Assam Khadi & Village Industries Board.

areas to which the schemes of the Board were extended recently. The production target in the Hill areas for the current year is Rs. 2 lakhs with employment potential of 500 persons and it is expected that during the next year the production target can be raised to Rs. 3 lakhs providing employment to about 1,000 persons. Grants have been given for bamboo, cane works, smithy works, sital pati and other village industries.

**Sericulture
& Weaving**

The Department of Sericulture and Weaving has taken up a scheme for covering a total area of 2,770 acres in Village Grazing Reserves under Muga Plantation and already more than two-third of the area has been planted. As a result of the establishment of 40 Collective Mulberry Gardens and 7 Mulberry Silk Farms upto the end of the Fourth Plan and the establishment of rearing centres and silk reeling units, there has been considerable improvement in quality and quantity of raw silk products. The 43 co-operatives organised so far for handling transactions relating to cocoons to eliminate middlemen and ensure reasonable price to the actual growers have functioned satisfactorily and during the current year 3,067 kilogrammes of Eri cut cocoons and Silk waste have been supplied to the Assam Spun Silk Mill at Jagiroad by the Societies. The Sericulture Institute at Titabar has continued to impart training to trainees from Assam as well as neighbouring States of the North Eastern Region. Three trainees sent to Mysore for training in Post-Graduate course in Sericulture have returned recently after successful completion of the course and are being absorbed in the Department. Four more trainees have been sent to Mysore and Ranchi for training.

An ambitious programme is proposed to be taken up in the Hill areas during the next year including the establishment of 2 Eri Seed Grainages, 15 Eri Concentration Centres, 2 Muga Food Plantation Centres, 1 Mulberry Foreign Race Seed Station, 10 Collective Mulberry Gardens, 1 Tassar Block Plantation Centre and a Tassar Research Station. These efforts are expected to increase substantially the production level of Eri layings, Eri cut cocoons and Mulberry layings from the third year of the Plan.

Separate Electricity Boards have been constituted for Assam and Meghalaya as provided for by the North Eastern Areas (Reorganisation) Act. According to the agreement reached between the two Governments in this regard, power supply to Assam from the Umiam-Umtru system will be adjusted over a period of years without causing a sudden power crisis in Assam. It is, however, essential that we should take urgent steps for increasing our own power generation so that the pace of development in Assam is not slowed down. Priority is accordingly being given to the installation of new power stations in the State. The Kopili Hydro-Electric Project will be taken up for implementation under the auspices of the North-Eastern Council and the commissioning of this project will help in meeting the increased power requirements of the region in the Sixth Plan.

Power

The Public Works Department has not found it possible to restore fully the extensive damages caused to road communications by the severe floods owing to want of financial resources. The Government of India have sanctioned advance

Public Works.

Plan assistance of Rs. 2 crores for reconstruction of roads, etc. which have been totally damaged by floods and out of this Rs. 1.84 crores is expected to be spent during this year. They have, however, declined to give any assistance for restoration of flood damages. As a result, we have been compelled to restrict our additional expenditure on restoration of flood damages to Rs. 1 crore only as against the requirement of over Rs. 3 crores. The problem of surplus labour has also added to the financial difficulties of the Department. Government are trying to solve this problem taking all factors into consideration including the human aspect as well as the overall needs of the State in the matter of good communications. The building construction programme entrusted to the Public Works Department has suffered a set back due to the acute shortage of cement and steel materials.

Flood Control measures continue to be im-
 Flood Control
 nplemented by the State Government outside the State plan with financial assistance from the Government of India as legislation has not yet been enacted for taking over Brahmaputra Flood Control by the Central Government. Unfortunately, the Government of India are not giving us financial assistance to cover fully the cost of flood control measures; they insist that Central assistance will be available only for the works and the cost of land acquisition should be borne by the State Government from its Plan. We have pointed out that land acquisition cost is an integral part of the estimates; we have also pointed out that the Flood Control Programme is being taken over by the Central Government due to non-availability of adequate resources with the State Government and, therefore, passing the bur-

den of the land acquisition cost to the State Government would not be reasonable. It is hoped that the Central Government will appreciate the justice of our stand in this matter.

For the current year, the Government of India have sanctioned additional assistance of Rs. 2 crores for taking up anti-erosion measures, retirement bunds, etc. Satisfactory progress has been made in building up the organisation for dredging operations in the Brahmaputra and dredging has been started from December, 1974.

Enrolment of children of the age group 6-11 Education years continues to make satisfactory progress; the enrolment figure was 78% by the end of the Fourth Plan and is expected to rise to 84% by the end of the current year. A new scheme for non-formal education for the students of age group 9-11 years has been introduced with effect from 2nd October 1974 with a view to achieve universal enrolment as early as possible and also to extend schooling facilities to the left-out or dropped-out children. A scheme for mass literacy campaign for the tea garden areas is under consideration of Government with a view to remove illiteracy amongst the adult tea garden and ex-tea garden labourers. Emphasis has been given on in-service training courses through the State Institute of Education and the State Institute of Science Education for qualitative improvement. A scheme for introduction of science in Elementary Schools has been taken up in collaboration with the UNICEF and it has been introduced in 50 Primary and 30 Middle Schools as a Pilot Project. The coverage will be expanded from the next year and in the first phase, 1,000 Primary Schools

and 800 Middle Schools are proposed to be covered. Attention is also being given to the development of Pre-Primary Education and a proposal for taking over the Pre-Primary Teachers Training School in Dibrugarh is under consideration. A scheme for establishment of a few Ashram-type residential Middle Schools is also being taken up. Emphasis in High School and College Education has now to be given on quality rather than quantity and for this purpose a number of in-service training courses have been introduced for the teachers of the Secondary Schools. Provision has also been made for award of special prizes as incentive to teachers of outstanding merit.

In the field of games and sports, tournaments were organised at District level and participants were selected therefrom for National events like foot-ball competition, hockey tournament, etc. Our School Table Tennis team have become the National School Champion and won the Gold Medal in 1974.

In the field of Technical Education the only new scheme being implemented during the year is the introduction of the Post Diploma Course in Automobile Engineering. The emphasis has been mainly on consolidation of the Engineering Colleges, Polytechnics, Junior Technical Schools and the Textile Institute already established by improving the academic facilities and arranging training and higher studies for teachers and Instructors.

Cultural
Programme

The Assam State Film (Finance and Development) Corporation was constituted during the current year with a share capital of Rs. 10 lakhs and is expected to assist the producers of Assamese

Films in producing quality films by issue of loans. The Assam State Film Development Council has been constituted to advise the State Government on policy matters. A number of films have been shot in the Jyoti Chitraban Film Studio and processed in the Laboratory. The Rabindra Bhavan stage has been equipped with screens and electrically operated curtains and the revolving stage has also been commissioned. Grants totalling Rs. 4.03 lakhs were sanctioned during the year to 191 organisations for promotion of music and art and a total grant of Rs. 1 lakh was placed at the disposal of the District Councils for promotion of the activities of non-official cultural organisations in the Hill areas.

The three Medical Colleges continued to function satisfactorily both in imparting Medical Education and giving treatment to the patients of the Region as a whole. It has been decided to construct the new Medical College Hospital Building at the foot of Narakasur Hill as early as possible. The existing Civil Hospitals are proposed to be expanded to provide more beds and some of them will have to be shifted to suitable locations for which steps have been taken for arranging land. Out of 130 Blocks in the State, 100 Blocks have already been covered by 112 Primary Health Centres and steps are under way to establish Primary Health Centres in the remaining Blocks also in a phased manner; six of them are expected to be established within the current year. A number of existing Primary Health Centres will also be converted gradually to 30 bedded Hospitals under the Minimum Needs Programme. Reconstruction of the ex-Local Board dispensaries in a phased manner

Medical, Public Health and Water Supply.

has also been taken up and during the current year 15 dispensaries are likely to be fully reconstructed. Construction of 4 Dispensaries in the Plains Tribal Areas is in progress. The Ayurvedic College has since been upgraded to a Degree College. The Public Health Laboratory has been functioning in a wing of the Gauhati Medical College after its transfer from Shillong. Eight Zonal Offices have been established with necessary staff, equipment and Mobile Laboratories to improve quality control and detection of adulteration of food products. The Central Workshop of the State Health Organisation has started functioning at Gauhati and a Regional Workshop is being established at Silchar. It is also proposed to establish Regional Workshops at Tezpur and Jorhat. In the field of Public Health, special mention may be made of our success in containing foci of small pox. The importance of providing safe drinking water cannot be over-emphasised and an ambitious programme for water supply to 7,500 villages with a population of 34 lakhs is envisaged under the Minimum Needs Programme during the Fifth Plan period. During the current year 350 villages covering a population of 2.7 lakhs in the Plains and 59 villages with a population of 12,000 in the Hill areas are expected to be covered by the programme. Work on 38 Rural Water Supply schemes spilling over from the Fourth Plan are expected to be completed during the next year.

Inland Water Transport

The Inland Water Transport Training Centre continued to impart training to local youths; so far 300 local youths have been trained and all of them have secured employment in the different ferry services and under private operators. The

training centre is being expanded by introducing higher training and during the current year preliminary higher training has been given to 60 local youths as well as 30 employees of the Department. A programme to construct modern ferry vessels to meet the increasing demands of traffic has been taken up and preliminary steps have been completed for construction of a 29 metre single hulled twin screw passenger-cum-cargo ferry vessel and a 32 metre Catamaran type double decker passenger-cum-vehicle ferry vessel. It is proposed to construct a 29 metre single hulled steel vessel for the Uzanbazar-Kurua ferry service next year. Construction of a Survey Launch for conducting Hydrographic survey and inspection of channel is also proposed during next year.

The Factory Inspectorate continued to function satisfactorily and a special cell was opened during the year for prompt investigation of fatal and serious accidents in factories and recommending safety measures relating to machinery, plants and equipment in factories. The State Boiler Inspectorate undertook inspection of modern giant boilers, economisers, steam and feed piping etc. in addition to the normal statutory periodical inspection of installed boilers. The work of this Inspectorate is steadily increasing with the growth of industries and will increase rapidly with the commencement of erection and fabrication works of industries like Ashok Paper Mills, Bongaigaon Refinery, Petro-chemical Complex, etc. The department will be suitably strengthened from time to time to handle the increasing work-load.

Factory and
Boiler In-
Spectorates.

Improvement of Managerial efficiency.

Dialogue has been initiated with organisations like the Indian Institute of Management, Ahmedabad and the Administrative Staff College of India, Hyderabad with a view to improve management skills and techniques in the administration and in the Public Sector undertakings. It is hoped that with the help of the Management Consultants available with these institutions, it would be possible to make the administration more efficient in carrying out the Socio-economic programmes of the Government. Improvement of management in the Public Sector undertakings will also help in improving the resource position of the State.

Monitoring & Servicing Cell

A Monitoring and Servicing Cell has been set up to maintain constant watch over the activities and performance of the Gaon Panchayat level Societies, the crop production programmes, the progress of procurement and the performance of the different organisations which have to ply a key role in the success of the production programmes. This Cell has been doing useful work in locating bottlenecks and alerting the concerned authorities about the likely emergence of problems so that timely solutions could be found. The Cell has also started preparing a shelf of projects with the help of the different Departments like Agriculture, Animal Husbandry, Fisheries, Irrigation etc. so that these could be available readily to the cultivators for taking full advantage of the long-term and medium-term credit facilities offered by the financial institutions. The Consultants of the Agricultural Refinance Corporation have also been associated in the preparation of the projects so that there would be no difficulty in arranging

necessary finance at a later stage. Priority is being given to prepare such a shelf of projects to suit different agro-climatic conditions prevailing in the State for the benefit of the people in all the Gaon Panchayat areas.

In order to make up the backlog of development in the Hill areas, it is essential that steps should be taken for transformation of the economy in the two Hill Districts. With a view to achieve this objective, steps are being taken to prepare a viable project in collaboration with the Agricultural Refinance Corporation and the State Bank of India for consideration of the World Bank; the assistance of expert Consultants will also be utilised in the preparation of the Project Report.

Hill areas
and Back-
ward Classes

Steps for drawing up schemes to make institutional finance available to the backward classes are also being taken and the Corporations being constituted for the Backward Classes will play a key role in the flow of credit to this vulnerable section of the people.

I shall now refer to the efforts made by the State Government to mobilise resources for the Plan. As the Hon'ble Members are aware the Fifth Plan outlay for the State has now been fixed tentatively at Rs. 486.72 crores. The State Government are required to contribute Rs. 50 crores for the Plan by additional resource mobilisation including Rs. 30 crores by revision of royalty on crude oil. During the current year the tariff for Electricity has been revised upwards and is expected to yield additional resource of the order of Rs. 11.22 crores during the Plan. It has also been decided to revise the fare structure of the Assam

Resource
mobilisation

Meghalaya Road Transport Corporation and this measure will yield additional resource of the order of Rs. 5.17 crores during the Plan. These measures, together with the additional resource mobilisation already undertaken, will yield total additional resource of Rs. 23.29 crores for the Plan. It will thus be seen that we have already done our part to achieve the target and, but for the delay in the revision of royalty on crude oil, the target of Rs. 50 crores would have been exceeded. We are pursuing the proposal for upward revision of the royalty on crude oil with the Central Government.

It is obvious, however, that the financial outlay on the Plan shall have to be raised further in order to achieve the same physical targets because of the steep increase in costs. Our efforts to mobilise additional resources shall, therefore, have to continue. Government are already examining a draft Bill for levying a Cess on Irrigation so that some financial return is realised on the facilities created for increased agricultural production. Government have also decided to constitute a Committee of non-officials including experts to make a study of the Government's expenditure and investment programme and suggest suitable measures for improving the resource position and mobilising additional resources from productive sectors in general and the rural sector in particular where substantial investments have been and are being made.

Resources
for Annual
Plan 1974-75

During the current year the Government had to incur additional expenditure of Rs. 1.1 crores on account of the upward revision of the scales of pay of the three lowest categories of Government

servants and Rs. 7 crores on account of Dearness Allowance to the Government servants and employees of the Aided Educational institutions. Substantial additional expenditure had also to be incurred to deal with the devastation caused by floods. The anticipated reimbursement of Rs. 3.26 crores by the Central Government on account of the Outside Police Battalions did not materialise in view of the Central Government's claims on account of the cost of CRP Battalions. All these factors resulted in a resource gap of over Rs. 10 crores. In order to balance the Budget, therefore, the Annual Plan had to be cut by Rs. 3 crores and the balance gap covered by economy measures and improved collection of taxes and other dues.

I now come to the accounts for 1973-74. The accounts for the year have closed with a minus balance of Rs. 1562.69 lakhs as against a minus balance of Rs. 499.78 lakhs indicated in the revised estimates. The deterioration was due chiefly to wrong debits against the State Government by the Controller of Defence Accounts and irregular debits by the Railways and partly to non-reimbursement of our dues on account of Outside Police Battalions by the Government of India.

Accounts
1973-74

The wrong debits made by the Controller of Defence Accounts were adjusted and the irregular debits raised by the Railways were reversed due to the vigorous efforts made by the State Government. As indicated earlier, the resource gap arising from additional expenditure on pay, dearness allowance, natural calamities and shortfall in reimbursement was closed partly by a cut in the Annual Plan outlay and partly by economy measures and improved collection.

Revised
Estimates
1974-75

As a result of all these measures, the year is expected to close with a nominal plus balance of Rs. 9.95 lakhs.

Budget Estimates, 1975-76

I now turn to the estimates for 1975-76. During the year the revenue receipts are estimated at Rs. 17,028.69 lakhs, and the revenue expenditure at Rs. 17,639.55 lakhs. The revenue Budget will thus be in deficit by Rs. 610.86 lakhs. The total receipt outside the revenue account is estimated at Rs. 21,506.33 lakhs while the expenditure is estimated at Rs. 20,885.05 lakhs. The surplus of Rs. 621.28 lakhs outside the revenue account will thus wipe out the deficit in the revenue account and the year is expected to close with a plus balance of Rs 20.37 lakhs.

Government do not propose to introduce any Bill for additional taxation during this Session.

Dearness Allowance

Sir, I have referred earlier to the abnormal increase of prices in the whole country and in our State. The question of adjusting the Dearness Allowance of Government servants and employees of Aided Educational institutions on the lines recommended by the Assam Pay Commission has to be considered in the context of its impact on the resource position and development of the State.

As the Hon'ble Members are aware, even the Central Government have found it difficult to sanction Dearness Allowance to their employees strictly in accordance with the accepted formula because of resource constraint. In our case, if additional Dearness Allowance is sanctioned according to the formula, we will have to incur additional expenditure of nearly Rs. 32 crores to cover

an additional 81 points with effect from 1st July, 1974 upto the end of the next financial year. Even if the increase in Dearness Allowance is sanctioned from 1st March, 1975 instead of 1st July, 1974, the additional financial implication for the year 1975-76 would be of the order of Rs. 19 crores. This would mean that not only will the State be unable to contribute any resources for the Plan but additional taxation may also have to be imposed merely to pay Dearness Allowance.

Sir, we are aware of the immense hardship caused to the fixed income group by the abnormal increase of prices. While we would like to do all that is practicable to help them, we cannot ignore our great responsibility to improve the lot of the large number of people who are living in great distress. A hard decision has therefore been taken that our first priority in the allocation of resources should be for the Plan which will benefit the State as a whole and the poorer sections in particular and any increase of the Dearness Allowance already sanctioned to Government servants and employees of Aided Educational Institutions shall have to depend on the availability of adequate resources after meeting the Plan requirements. Sir, I am confident that all the Hon'ble Members of the House representing the people of the State will approve the higher priority given by the Government in the allocation of resources to the needs of the community as a whole over the needs, however genuine, of a small section of them.

Sir, the past year has been a period of great trial for the people of our State. The distress caused by the unprecedented rise in prices was accentuated by the large-scale devastation caused

by repeated floods and resulted in great suffering particularly to the poorer section of the people. We have tried our best to relieve their misery and distress by mobilising all resources-financial, human and material at our disposal and we have been successful to a large extent. But there is no gainsaying the fact that all our efforts would have been of little avail but for the whole-hearted co-operation of the people who faced the situation with fortitude and courage.

Sir, I do not claim that the machinery through which our policies have to be implemented is perfect. There have been shortcomings but I do submit that our efforts to improve the performance of the administrative machinery have succeeded to some extent. Sustained efforts in this regard will continue to make the machinery more responsive to public needs.

I know that the people have faith in our policies and programmes and in our sincerity to be of service to them. I take this opportunity on behalf of my colleagues and myself to rededicate ourselves to the great and noble task of removing poverty and improving the economic and social wellbeing of our people.

With these words, Sir, I submit the Annual Financial Statement for 1975-76 to the Hon'ble House for consideration and approval.

ANNEXURE A

(Rupees in lakhs)

Actuals, 1973-74	Budget Esti- mates, 1974-75	Revised Estimates, 1974-75	Heads	Budget Estimates, 1975-76
1	2	3	4	5
A—Receipts				
(-)9·61	(-)4,99·78	(-)15,62·69	Opening Balance	9·95
115,55·93	156,93·63	166,34·45	Revenue Receipts	170,28·69
108,16·17	63,40·71	72,63·83	Capital Receipts	72,63·98
10,74·12	8·00	19,45·75	Receipts under Contingency Fund	1,48·25
152,95·08	123,23·85	158,60·85	Receipts under Public Accounts	140,94·10
387,41·30	343,66·19	417·04·88	Total Receipts	385,35·02
387,31·69	338,66·41	401,42·19	GRAND TOTAL	385,44·97
B—Expenditure				
152,06·38	165,75·93	168,68·05	Expenditure on Revenue Account	176,39·55
89,08·20	65,29·50	76,48·67	Capital Expenditure	68,96·89
11,13·00	...	18,58·63	Expenditure under Contingency Fund	1,48·13
150,66·80	109,53·35	137,56·89	Outgoing from Public Account	138,40·03
402,94·38	340,58·78	401,32·24	Total Expenditure	385,24·60
(-)15,62·69	(-)1,92·37	9·95	Closing Balance	20·37
387,31·69	338,66·41	401,42·19	GRAND TOTAL	385,44·97
Net Results				
Deficit (-)				
Surplus (+)				
(-)36,50·45	(-)8,82·30	(-)2,33·60	1. Revenue Account	(-)6,10·86
(+)20,97·37	(+)11,89·71	(+)18,06·24	2. Outside Revenue Account	(+)6,21·28
(-)15,53·08	(+)3,07·41	(+)15,72·64	Total Deficit or Surplus	(+)10·42

ANNEXURE—B

Annual Plan 1975-76-Sectoral Allocations

Heads of Development.	(In lakhs of rupees)		
	General Plan	Hill Plan	Total
(1)	(2)	(3)	(4)
Agriculture	302·06	44·64	346·70
Minor Irrigation	451·67	18·33	470·00
Soil Conservation	35·95	29·05	65·00
Command Area Development	5·00	—	5·00
Animal Husbandry and Dairying	138·60	21·40	160·00
Fisheires	37·00	5·00	42·00
Forest	94·00	16·00	110·00
Storage and Ware-housing	5·00	—	5·00
Co-operation	113·00	12·00	125·00
Community Development	26·00	4·00	30·00
Panchayat	25·00	2·30	27·30
Land Reforms	48·00	7·00	55·00
I. Agriculture and Allied Sectors	1281·28	159·72	1441·00
Irrigation	378·00	12·00	390·00
Flood Control ...	200·07	9·93	210·00
Power	1525·00	65·00	1590·00
II. Irrigation and Power	2103·07	86·93	2190·00
Large and Medium Industries	259·00	20·00	279·00
Mineral Development	22·00	5·00	27·00
Village and Small Industries	166·88	16·12	183·00
III. Industry and Mining	447·88	41·12	489·00

ANNEXURE—B

Heads of Development	General Plan	Hill Plan	Total
1	2	3	4
Roads	200·00	100·00	300·00
Road Transport	95·04	7·46	102·50
Other Transport	22·50	...	22·50
Tourism	2·70	1·30	4·00
IV—Transport and Communi- cation	320·24	108·76	429·00
General Education ...	513·00	39·00	552·00
Art and Culture	14·00	...	14·00
Technical Education ...	41·25	2·75	44·00
Health — ...	167·90	22·10	190·00
Nutrition — ...	30·50	6·50	37·00
Water Supply and Sewerage	160·00	40·00	200·00
Housing — ...	35·00	5·00	40·00
House Building —	50·00	..	50·00
Urban Development	15·00	5·00	20·00
Welfare of Backward Classes	100·00	...	100·00
Social Welfare —	8·70	1·30	10·00
Municipal Administration	5·00	...	5·00
Labour and Labour Welfare	13·18	1·82	15·00
V—Social Services —	1153·53	123·47	1277·00
Statistics — —	6·00	...	6·00
Information and Publicity	3·00	...	3·00
Evaluation Machinery	0·50	...	0·50
Others .. —	16·50	...	16·50
Administrative Building	10·00	...	10·00
VI—Miscellaneous ..	36·00	..	36·00
GRAND TOTAL	5342·00	520·00	5862·00