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BUDGET SPEECH

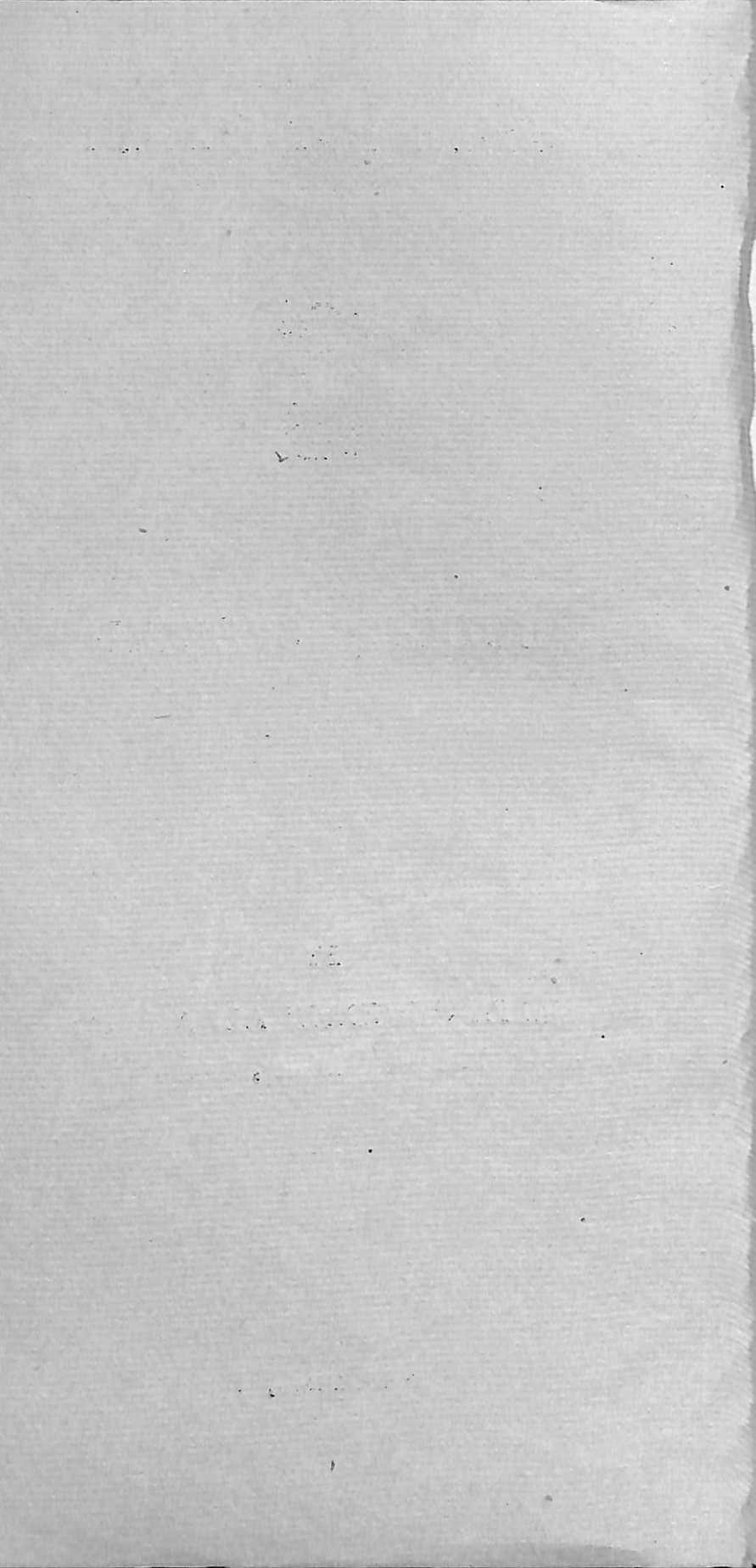
1964-65

BY

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Finance Minister, Assam

7th March, 1964





MR. SPEAKER, SIR,

I rise to present the statement of estimated receipts and expenditure of the Assam Government for the financial year 1964-65.

2. When I introduced the Budget for 1963-64 at this time last year, the grave threat caused by Chinese aggression on our northern borders towards the close of 1962 was still fresh and vivid in our minds. During this year, though there has been no fresh military incursion into our country, the continued massing and concentration of Chinese forces along our borders remained a threat to the security of the country and this area and was a constant and significant reminder of the need on our part to be fully prepared for any emergent developments that may take place in the future. The position on our southern border with East Pakistan has deteriorated and Pakistan's belligerent attitude has, of late, become a matter of very great concern. The inhuman and un-Islamic policy and behaviour of the Pakistan Government in respect of its minorities and the great hardship, constant harassment and insecurity faced by the minorities in that country have recently taken a very serious turn and have resulted in thousands of persons and families seeking sanctuary within our borders. It is a matter of great sorrow and concern that over 75,000 persons, mostly plains tribal people, have crossed into the Garo Hills district during the last 3 months. This huge influx has naturally brought, in its wake, serious problems of relief and rehabilitation. We will of course do everything possible on our part to ensure that these families, who have had to leave their hearths and homes in such insecurity and danger to their lives and property are given all possible facilities on our side. At the same time, it must be recognised that the movement of thousands of such refugee families represents a dangerous trend and combined with the jingoist attitude of Pakistan and the large number of incidents along our border during the last few months, it emphasises the necessity for increased vigilance and maintenance of law and order on our side together with full and united preparedness to meet any eventualities in the future. Situated geographically as we are, with two hostile neighbours in China and Pakistan, the citizens of this

State and region have a special responsibility and, while this entire vast country of ours will be with us and behind us in any struggle or emergent situation that may develop we, on our part, must remain fully united and prepared to face upto any such situation and challenge.

Review of  
economic  
conditions.

3. Before I go into the details of the budget proposals, I should like to touch on certain broad trends and features in the nation's economy which are, to a large extent, reflected in the economy and economic growth pattern in the State. Since the Emergency, apart from the increased allocations for the defence effort for which purpose various measures including those of additional taxation had to be resorted to last year by the Central Government, the Third Plan was also re-oriented to meet the new challenge faced by the country. This re-orientation envisaged a greater effort towards achieving the higher production targets in various spheres so that the basic features of the national economy could be adequately strengthened. While implementation of the Plan has continued adequately, the mid-term appraisal indicates that an increased effort is required, particularly in the field of agriculture where production fell short of the targets prescribed, largely owing to weather conditions. The production of foodgrains in 1962-63 is estimated to be of the order of 77.5 million tons against 79.7 million tons in the previous year indicating a decline of about 3 per cent over 1961-62 figures. Production of oil-seeds has shown improvement over previous years but sugarcane production was not satisfactory. Production of raw cotton has gone up to 53 lakh bales in 1962-63 as against 45 lakh bales in 1961-62. It is necessary to recognise that increased agricultural production must be the base of our economic effort and that our energies must be concentrated in achieving self-sufficiency and more in this field during the coming years. The fluctuations in agricultural output have been caused by fluctuations in weather conditions which have tended to be extremely adverse, though the extent of fluctuations in a downward direction has been less than occurred during the corresponding period in the First and Second Plans. It is hoped that, with favourable monsoons and the special efforts

being made to increase agricultural productivity, agricultural production will increase and the physical targets prescribed will be achieved during the remaining two years of the Third Plan period. The setback in the agricultural sector is reflected in the relatively low growth rate of national income which is estimated to have risen by 2 per cent during 1962-63 against an annual increase of 5 per cent and over envisaged at the time of the formulation of the Third Plan. The performance in the industrial sector has been fairly encouraging and industrial production has increased by 8 per cent during 1962-63 in spite of the shortages in the supply of raw materials and the complex nature of many of the new industries that are being set up. Production increases in the capital and intermediate-goods industries, which are crucial for the attainment of a self-reliant economy, have been very considerable. The balance of payments position has also shown considerable improvement and our exports have reflected a substantial increase during this period which is a very welcome trend. The general price level during the last year has moved in an upward direction, the increase being in various categories including certain foodgrains. The increase in the general price index during 1962 was about 3 per cent but, since the end of March 1963, there was a further increase in the index by 8 per cent. To meet the rising price spiral, a series of measures were taken by Government to hold the price line such as stepping up of procurement programme, tightening up the system of licensing of wholesale dealers, larger releases from Government stocks through increased number of fair price shops and consumer co-operative stores and, in some cases, action under the Defence of India Rules and other legislation. It is considered essential that together with stimulation of economic growth and various development measures, the price structure must be kept at a stable level and the efforts of Government were sought to be oriented to meet the situation effectively on both these fronts.

4. In the State, the State national income at current prices rose by about 2.9 per cent from Rs.365 crores in 1961-62 to Rs.396 crores in 1962-63, the *per capita* income also registering a small increase at current prices. The rate of growth of State national

income has been higher than the all-India average, though the effect, in 'real' terms, is somewhat less because of inadequate agricultural production during the last year, following Nature's vagaries. The last year was agriculturally an extremely unfortunate year for Assam and the production of most of the crops was not satisfactory owing to a variety of reasons but largely owing to adverse weather conditions and severe pest outbreak in some areas of the State. Rice production amounted to 15.5 lakh metric tons against about 17 lakh metric tons in the previous year. Sugarcane production was 9.8 lakh metric tons against over 10 lakh tons in 1960-61. Jute production was 6.96 lakh bales against over 10 lakh bales in the previous year. The production of pulses was also 28,000 tons against 31,000 tons in the previous year. Production of rape and mustard, however, recorded a modest improvement. It is expected that the overall agricultural production during this year will be substantially higher than during the last year. According to the forecast available at present, the production of rice will be 18.3 lakh metric tons while the production of jute is estimated to be 10.20 lakh bales. The production in respect of other commodities is also expected to show considerable improvement over the figures for the last year.

5. In the field of industries, private capital has tended to be very shy after the Chinese attack in this region in October/November 1962. It has been found necessary to take over the proposed cement factory project at Cherrapunji in the public sector for implementation. The existing industries, together with those set up during the last two or three years in the public and private sectors, have been functioning quite satisfactorily, and finished products have been regularly flowing from these units. Power generation increased from 19,656 kw in March 1962 to 26,936 kw during 1962-63 and is expected to go upto 28,980 kw by the end of this year. With the offtake of the Noonmati refinery, the extraction of crude oil from the Assam oilfields has also increased to the extent of 60 per cent over production during 1960. The extraction of other minerals has also been quite satisfactory during this period. Coal production has increased during 1962 to 7,88,000 tons and is expected to reach 9,00,000 tons during this year. Sillimanite production has shown

a considerable rise in 1962 and is expected to go upto 10,200 tons in 1963. In respect of limestone, the extraction during 1962 was 79,000 tons and is expected to increase during the next year. The production of matches was 61,000 cases in 1962 and is expected to go upto 67,000 cases during this year. The production of tea which amounted to 174 million kilograms in 1962 showed a decline when compared with the record production of 183 million kilograms achieved in 1961 but the prices fetched by Assam teas were generally favourable.

6. Like the rest of the country, Assam experienced the pressure of increasing prices during the last two years. In 1961, the general price index rose by 3 per cent and more or less remained at the same level during 1962. During this year, there has been a general trend towards increase in prices and in the period upto August 1963, the increase was quite considerable. There have, however, been considerable fluctuations and the extent of increase, and even the trend, varied with different goods and commodities. The Government have been carefully watching the price trends and in order to prevent any untoward increase in the price level, a number of steps have been taken and are proposed to be taken in future, including the maintenance of buffer stocks of essential commodities, arrangements for importing essential commodities by road, additional wagon allotment and increased rail movement to Assam to ensure a steady supply of essential commodities into the State. A network of as many as 2,351 fair price shops was opened in many areas during this year with a view to supply rice and atta at reasonable prices to people in the low income brackets. Rice also was supplied at subsidised rates through cheap grain shops to people badly affected by crop failures due to floods or pests particularly in Cachar, Mizo district and certain areas of Upper Assam. By and large, it may be said that the supply position at present is fairly satisfactory and should remain stable during the year. The problem of unemployment has still not been able to be fully tackled though there has been a considerable increase in the number of persons employed by the Government and in the public and private sectors. The number of persons in the live registers



of employment exchanges recorded an increase from 43,473 at the end of 1962 to 52,976 in November 1963, largely because of the increase in the number of persons seeking employment. Though this increase is partly a reflection of the increase in registration and greater utilisation of employment exchanges, it is necessary that greater employment opportunities must be made available through a substantial increase in the number of jobs in various spheres. It is hoped that, with the gradual establishment of more major and small scale industries and the organisation of shramik bahinis to meet the man-power demand in various construction projects and with more able-bodied persons joining the armed forces, the employment situation should substantially improve.

Accounts  
of 1962-63.

7. I should now briefly like to deal with the actuals of 1962-63 and the revised estimates for 1963-64. The year 1962-63 opened with a balance of Rs.(-) 6.56 crores against the revised estimates of the same figure. On the revenue side, receipts were Rs. 80 lakhs less than in the revised estimates largely because of some shortfall in grant-in-aid expected against the expenditure incurred by the State on Border Police Forces during the year. The revenue expenditure was also considerably less than estimated, mostly on the non-plan side. On the capital side, the receipt and expenditure figures have been somewhat inflated because of a new accounting procedure which requires that the temporary overdrawals on the Reserve Bank of India and repayment thereof in the course of the year should be reflected on the receipt and expenditure sides. Apart from this increase owing to the revised accounting procedure, the gaps between the revised estimates and the actuals of capital receipts and expenditure were Rs.(-) 87 lakhs and Rs.(-) 410 lakhs. Thus the variation was considerably higher on the expenditure side than expected at the time the revised estimates were framed. In the public account, the anticipated saving of Rs. 49 lakhs did not materialise owing to higher drawals under Remittance and Fund Account which became necessary and which resulted in the final excess of Rs.(-) 1.38 crores. In the Contingency Fund also, there was a gap of Rs.(-) 61 lakhs

owing to non-adjustment of all the advances in the course of the year. In the revised estimates, it was expected that the year would close with a ways and means deficit of Rs. (-) 4.38 crores. In actual fact, the deficit was Rs. (-) 1.46 crores only but this was due to non-repayment on our part of central loans and interest thereon amounting to a sum of Rs. 307 lakhs. Had repayment of this sum been effected, the closing balance would have been Rs. (-) 4.53 crores. I may also mention that the amount of Rs. 307 lakhs has since been repaid in the current financial year.

### ACCOUNTS, 1962-63 (RUPEES IN LAKHS)

		Revised (1962-63)	Actuals (1962-63)
(a) Opening balance	...	(-) 656	(-) 656
(b) Revenue receipt	...	4,543	4,463
Revenue expenditure	...	4,735	4,445
Difference	... ..	(-) 192	(+) 18
(c) Capital receipt	...	3,284	4,934
Capital expenditure	...	2,436	4,243
Difference	... ..	(+) 348	(+) 691
(d) Public Account—			
Receipt	... ..	13,279	16,672
Expenditure	... ..	13,230	16,810
Difference	... ..	(+) 49	(-) 138
(e) Net Receipt in C. F.	...	(+) 13	(-) 61
(f) Closing Balance	...	(-) 438	(-) 146

8. In the budget this year, we had anticipated an opening balance of Rs. (-) 438 lakhs and it has been indicated above that the actual opening balance was Rs. (-) 146 lakhs only, because of non-repayment of central loans during the last year. In the original budget estimates for this year, as indicated in my last budget speech, it was estimated that on revenue account there would be a surplus of receipts, over expenditure to the extent of Rs. 29 lakhs while, on the capital account, there would be a surplus of Rs. 71 lakhs. In addition, a surplus of Rs. 48 lakhs was estimated on public account. It was, therefore, expected that this year would close with a balance

of Rs. (-) 2.90 crores which would be reduced to Rs. (-) 1.27 crores after taking the impact of additional taxation into account.

9. In the revised estimates for 1963-64, it is considered that the total revenue receipts would increase from Rs. 51.26 crores to Rs. 53.78 crores on account of increases under various heads. This is after taking into account the reduced receipts to the extent of Rs. 76 lakhs on royalty for mineral oil including petroleum, largely due to the delay in starting the Barauni refinery and production vagaries and consequently reduced offtake of the Noonmati refinery. It is also likely that there will be less receipts to the extent of Rs. 100 lakhs under the head of tax receipts largely because the arrears payable on account of the previous Tax on Carriage of tea and jute may not be realised during this financial year. This reduction on the receipt side will be fully counter-balanced by increased income under various other heads and increased share of Central taxes which would accrue to the State Government. Thus the excess of the revised revenue expenditure over the revised revenue stands at Rs. 179 lakhs. On the capital side, the position shows a considerable improvement largely owing to a temporary advance of Rs. 3 crores from the Government of India for the building up of buffer stocks of essential commodities to meet any emergent developments. This loan was sanctioned last August for a period of one year and would be required to be repaid during the next year unless the period of loan is extended. As a result of this loan, the revised picture regarding capital receipts shows an improvement of Rs. 302 lakhs. On the capital expenditure side of the Consolidated Fund, an increase of Rs. 533 lakhs is expected under various heads and particularly under the head "Repayment of loans." The final picture on the capital side indicates a deterioration of the position to the extent of Rs. (-) 161 lakhs as against Rs. 71 lakhs estimated at the time the budget was framed. On the public account side and the Contingency Fund, there is likely to be an increase of about Rs. 160.34 lakhs and Rs. 73.10 lakhs respectively. The closing balance for 1963-64 is now expected to be of the order of Rs. (-) 253 lakhs as against

Rs. (-) 127 lakhs estimated at the time the budget was framed. This resource gap would be covered to the extent of about Rs. 2 crores by a temporary advance from the Reserve Bank of India. In view of the fact that during this year we have not only made full provision for repayment of Central loans and interest for this year but have also paid all the outstanding dues of last year, it would be clear that the State Government have been able to achieve a degree of normalcy in respect of the State's finances and that at the close of this year, the financial position of the State would be reasonably stable. A statement showing the broad variations is given below—

REVISED 1963-64 (RUPEES IN LAKHS)

	Budget	Revised
(a) Opening balance ... ..	(- )438	(- )146
(b) Revenue receipt ... ..	5,126	5,378
Revenue expenditure ... ..	5,097	5,557
Difference ... ..	(+ )29	(- )179
(c) Capital receipt ... ..	3,249	3,551
Capital expenditure ... ..	3,178	3,712
Difference ... ..	(+ )71	(- )161
(d) Public Account/Receipt ... ..	13,314	15,838
Expenditure ... ..	13,266	15,678
Difference ... ..	(+ )48	(+ )160
(e) Difference in C. F. ... ..	.....	(+ )73
(f) Closing balance ... ..	(- )290	(- )253
(g) Estimated closing balance after taking estimated additional taxation receipts into account.	(- )127	

Third Plan  
Implementation.

10. As Members of the House are aware, the Third Plan outlay for the State was fixed at Rs. 120 crores. Of this sum, the allocation for 1961-62 was Rs. 17.4 crores against which Rs. 17.78 crores was spent. During 1962-63, the annual plan outlay was Rs. 23.4 crores, which was subsequently revised to Rs. 24.4 crores against which Rs. 24.58 crores has been spent. The plan outlay for 1963-64 was fixed at Rs. 30 crores which included Rs. 50 lakhs for the special development programme in the Mizo District and Rs. 9.2 crores for accelerated expenditure on power and flood control projects besides some agricultural development schemes over and above the normal plan allocations for these sectors. The central assistance expected in respect of the accelerated development



programme was ultimately not forthcoming to the extent envisaged by the State Government and it had to be considered whether the plan outlay should be curtailed by about Rs.1 crore or the resource gap met by the State Government. Despite the reduced Central assistance, the Government did not consider it desirable or feasible to reduce the plan outlay for this year as the development departments are geared to achieve the expenditure targets fully and any curtailment in the plan would have to be reflected in reduced physical targets. The burden of covering the resource gap for this year's plan has, therefore, to be borne by the State. Inclusive of this year's plan outlay of Rs. 30 crores, it is expected that 60 per cent of the State's Third Plan outlay would be implemented by the end of the financial year. This is higher than the All-India average which has been estimated at 56 per cent. In fact, as compared with the performance of most other States, the implementation of the Plan in this State must be considered extremely satisfactory. The implementation of programmes in two vital plan sectors, namely, power development and flood control, has been such that the entire Third Plan provision for these developmental sectors is expected to be fully spent by the end of this year.

11. I do not propose, as in previous years, to go into the details of the development programmes and their implementation, together with the programmes for the next year in the present speech. For this purpose, a separate brochure called "Survey of Plan Implementation, 1961-62 to 1963-64 and Programme for 1964-65" has been prepared and will be distributed with this speech. In this brochure, a fairly detailed analysis has been given of plan expenditure, physical targets and implementation of various programmes during the first three years of the Third Plan period and the financial provisions and physical targets for the next financial year. It will be clear from this brochure that plan expenditure has been quite satisfactory in almost all sectors and that we have now reached the necessary tempo of developmental expenditure when it is possible for most departments to take up fairly comprehensive programmes in their respective sectors. This has

been rendered possible not only by the expansion of departments but by a series of measures including those of financial delegation of powers and decentralisation of authority to departments and in the field, together with the posting of Financial Advisers and Finance and Accounts Officers in the departments. With the gearing of the development departments to a higher pitch of performance, both in respect of expenditure and achievement of physical targets, the problem is now of arranging fund provisions to the extent possible. In view of the considerable backlog of progress and development that has to be made up in this State, the financial outlay and allocations for the remaining two years of the Third Plan have to be such as will enable the State Government not only to fully complete the Plan programmes within the outlay of Rs. 120 crores but also to take up additional and expanded programmes in the power, flood control and other sectors over and above the Third Plan allocations. This aspect has been taken up with the Planning Commission and the Government of India on more than one occasion. It is against this background that we have to view the position of the annual plan for the next year.

Annual Plan  
for  
1964-65.

12. For the next year's annual plan, the Planning Commission initially intimated Central assistance of only Rs. 14.4 crores. As it was not expected that contribution from State resources would exceed Rs. 5.6 crores, the quantum of Central assistance had to be very substantially increased. Taking into account the needs and requirements of the various development sectors of the State's economy, the State Government prepared a draft annual plan envisaging a total expenditure of Rs. 38 crores during the next year. In the discussions held in November 1963 regarding this draft plan, the Planning Commission initially accepted an outlay of Rs. 34.2 crores including Rs. 50 lakhs for the special development programme for the Mizo district. Subsequently, however, the Commission took the line that against this outlay, the Central assistance for next year's annual plan would be limited to Rs. 25.6 crores only. In view of the fact that the contribution from State resources could not exceed Rs. 5.6 crores, in which case the plan outlay would have to be limited to Rs. 31.2 crores, it was

suggested that repayment of the loan of Rs.3 crores, which the Government of India had given for maintenance of buffer stocks, should be deferred and that this amount should be calculated towards plan resources. The latter question needed to be cleared with the Government of India in the Finance Ministry and it was also necessary to recognise that any such adjustment towards plan resources would mean, firstly, that buffer stocks would have to be maintained out of this provision or from State resources and that this large amount would have to be repaid during the next year or subsequently from State resources. Even with the problem that both the latter aspects would present to the State Government, the question of deferring repayment of this loan and calculating this sum towards plan resources was taken up with the Government of India.

13. While this matter was still under negotiation, the Planning Commission intimated that the Plan size had been finally fixed at Rs. 27.7 crores only. This came as a great blow to us as it could not be imagined that the Planning Commission would go back on its commitments unilaterally and in this arbitrary manner. It is very surprising and unfortunate that, though the Planning Commission itself had recognised the needs and requirements of the State as necessitating a Plan outlay of Rs. 34.2 crores, the outlay was sought to be reduced by the very substantial figure of Rs. 6.5 crores. Such a reduction would naturally involve a reduced outlay on most development programmes and particularly the power and flood control programmes, which are considered as vital for the future development of the State. The departmental allocations, based on the higher outlay of Rs. 34.2 crores, had already been made, together with budget provisions for the next year. In these circumstances, it was not possible for the State Government to accept the revised outlay for next year and the matter was immediately taken up with the Planning Commission. It was also stressed to the Commission that, unless the case of Assam is treated on a similar footing as that of other administrative units in this region, the State Government would be faced with serious difficulties and it would not be possible to maintain

a pace of development which would be commensurate with the basic needs of this problem-ridden State. Even the outlay of Rs. 34.2 crores was hardly adequate to meet our requirements and it was not feasible to accommodate the substantial cut that the Planning Commission sought to impose on the State Plan after its earlier assurance and commitment. It is earnestly hoped that the situation and difficulties of the State will be fully appreciated and that the higher outlay, the need for which has been fully recognised by the Planning Commission, will be accepted by the Commission and the Government of India and the resource gap covered by additional Central assistance. For the present, therefore, while the Plan outlay has been retained at Rs. 34.2 crores in next year's budget, the figure for Central assistance has been shown at Rs. 22.1 crores only, which is the reduced figure intimated by the Planning Commission. There would thus be a gap of Rs. 6.5 crores between the figure of Rs. 34.2 budgeted by the State as the total Plan for next year and the total of Central assistance accepted so far together with the State's contribution. Of this gap, Rs. 3 crores is proposed to be covered by postponement of repayment of loan for this amount sanctioned by the Government of India for buffer stocks. It is of course vitally necessary that such stocks should be maintained and necessary action will have to be taken to ensure the turnover of such stocks throughout the year in such a manner as to ensure that such stocks are adequately available for any future emergent situation as may face the State. For the remaining Rs. 3.5 crores, there is no alternative but to show this as a resource gap for the present and press the Government of India and the Planning Commission to increase the Central assistance for the State Plan to the level earlier recognised by the Commission as legitimate and essential to meet the needs of the State. I have again met the Union Finance Minister recently, acquainted him with this state of affairs and sought his assistance in this regard. His sympathetic approach to our difficulties, problems and the plight in which we have been placed gives me a ray of hope that such Central assistance will not be denied. The details of the sector-wise allocations and the schemes proposed to be



taken up in next year's Plan are given in the brochure and I hope that, after going through the brochure, hon'ble Members will give their views and suggestions regarding the various programmes and schemes.

14. The Plan for next year aims at improving and consolidating the position in respect of agricultural production which is and must continue to be the mainstay of the State's economy. The package programme in Cachar district and a modified package programme in Nowgong, Sibsagar, Goalpara and Darrang is expected to have substantial effect on agricultural production in the future. The physical targets for next year envisage substantially increased production of all the major crops through the implementation of a more intensive development programme. Together with the rest of the country, this State still continues, however, to be greatly dependent on Nature's vagaries and it is hoped that weather conditions will not be as unfavourable as they were during last year and a part of this year. A technical committee has been constituted for locating suitable blocks of waste land for settlement of agricultural workers. In order to ensure the fullest possible co-ordination between the units of local self-government in the field and the governmental machinery, a Study Group was appointed to examine as to how the panchayats could be made more effective and how their role could be made more purposive, particularly in the field of increasing agricultural production. This Study Group visited various States and have submitted their recommendations which have, for the most part, been accepted by Government. These recommendations aim at strengthening the panchayats financially and substantially expanding their role and powers in respect of development schemes, particularly in the agricultural sector. It is proposed that, from the next year, grants will be made to the panchayats for implementation of a number of schemes which are at present sanctioned departmentally together with the allocation for schemes under the schematic pattern in the Community Development blocks. Through such financial decentralisation, it is expected that not only will the panchayats become more financially-viable units but that they would have direct

control over implementation of various programmes vital for agricultural production and the like. It is also intended to effect organisational changes to give greater emphasis to agricultural production and, for this purpose, a Commissioner for Agricultural Production is proposed to be appointed shortly in place of the existing post of Development Commissioner. It is also proposed to make grants available to the panchayats on the basis of the population of each panchayat at the rate of 50 nP. *per capita* in place of the present system of distributing grants to the extent of a proportion of the land revenue. By this and various other means suggested by the Study Group and approved by Government, the role of the panchayats is sought to be made much more effective as this is considered absolutely necessary if the field programmes, particularly in respect of agricultural production, are to really succeed. The flood control programme, which has been taken up more effectively through the Flood Control Board and Technical Committee of which senior Central Government officials are also members, is also proposed to be intensified during the next year. A fairly comprehensive programme has been approved for implementation during the next two years apart from the emergent measures for controlling floods and erosion as may be necessary. Together with panchayats, the role of the co-operatives is proposed to be made more effective through implementation of the revitalisation programme undertaken in four districts which will facilitate the flow of rural credit in these areas.

15. It is proposed that continued emphasis should be given next year to the infra structure for industrial development, namely, the power programme and development of transport and communications so that the necessary base can be provided for industrial growth and expansion. It is expected that, during the next year, both the Namrup Thermal and the first stage of the Uiam Hydrel project will be commissioned, besides the installation of a 12.5 megawatt unit at Gauhati. The total installed capacity at the close of 1964-65 is expected to be of the order of 148,500 kw. and with the completion of these projects, a great stumbling block in the path of

industrial development will have been removed. Apart from completion of the bulk generation projects, the Electricity Board would also be constructing a wide network of transmission and distribution lines connecting different parts of the State. Necessary action will also be initiated from the next year in respect of power projects to be taken up in the Fourth Plan. Side by side, both rail and road communications are expected to be substantially improved and the transport bottleneck would be greatly reduced. The programme for industrial growth also is proposed to be intensified. In the circumstances in which the State has been placed, it may be necessary to take up more schemes in the public sector in the future. The State Government also propose to set up a Mining Corporation from next year to take up mining operations in the hill districts and other areas where mineral production can be substantially expanded. The Government also propose to set up an Assam Construction Corporation to take up the implementation of various construction projects in the State and supplement the efforts of the P. W. D. It is also hoped that the Construction Corporation will be able to initiate schemes which would bring about a reduction in the cost of building materials and would also fill the gap that is often faced in the State in respect of agencies to take up large construction schemes and contracts.

16. For social services, substantial allotments are proposed for the various sectors and the details in this regard are indicated in the brochure. In the field of education in particular, substantial expansion is proposed at various stages. The provision for elementary education has been substantially increased. The pay scales of teachers will also be substantially improved following the Pay Committee's recommendations. In respect of secondary and collegiate education also, considerable expansion and extension of facilities is envisaged. Greater emphasis is proposed to be given to the merit-cum-means test for award of scholarships. It is also proposed to make special provision for female education, particularly at the secondary stage. In respect of health services, provision has been made for construction of the

essential buildings for the Medical Colleges and for repairs to the erstwhile Local Board dispensaries besides provisions for the national disease-control programmes and special programmes such as for family planning. Provisions for social welfare, housing and town planning have also been made to an extent as would enable these programmes to be taken up to a greater extent during the next year. An important measure of social security introduced this year has been the group insurance scheme for plantation workers, the premia for which is paid from the Tea Plantations Provident Fund. The Government consider the development of the hill districts and the plains tribal areas a special responsibility and propose to give particular emphasis to the development programmes for these areas. Apart from the projects and schemes intended for these areas and included in the general Plan, a fairly comprehensive programme is being and will continue to be implemented in these areas as part of the programme for welfare of Backward Classes. Land and agricultural development is proposed to be effected through various measures, such as, soil conservation, improved agricultural practices, horticulture and emphasis on cash crops, particularly in the border areas which merit special attention. The road construction projects, which are really vital for these areas, have been steadily implemented in the last few years and have gradually opened up the interior. This programme is to be further intensified, specially in the border region so that the produce of these parts can be effectively marketed. The question of special freight rates for some of the products may also have to be considered and an official Committee has been appointed particularly to examine the economics and freight rate for transport of potatoes from the United Khasi and Jaintia Hills to the plains areas. With increased power generation and the industrial potential of the hill districts, it is expected that industrial development will proceed apace and provide considerable employment opportunities. Social services through expanded educational, medical and other facilities are also expected to be provided in greater measure in these areas. The problem of water supply has been given special priority and apart from water supply schemes in the interior, projects for Aijal and Diphu have been



undertaken at a cost of over Rs. 25 lakhs each. The Government also propose to make some funds available for the improvement of Jaiaw and other parts of Shillong during the next year. In the Mizo district, for the implementation of the special development programme for this district, the Deputy Commissioner has been made the sanctioning authority for all development schemes under this special programme. It is expected that this delegation will greatly expedite the implementation of schemes and programmes in this district.

17. The last two or three years have been difficult years for Assam. Despite this, the implementation of the Plan and the Government's policies has proceeded satisfactorily and we are gradually reaching a stage when substantial all-round growth and development in the State's economy will have been reached and will be reflected in greatly-improved standards of living. It is the aim of Government that, together with economic progress, the State would rapidly move along the path of Democratic Socialism that we have adopted as our goal. The policies of Government are designed to gradually achieve this end through expansion of the public and co-operative sectors, greater equalisation of incomes and the implementation of various programmes which would ensure fuller opportunities for all.

18. I should like to refer particularly to the position of essential commodities. As most of these commodities have to be brought from outside the State, the transport link is very vital. Even with improved road communications and increase of the rail movement facilities, it is nevertheless necessary to continue to maintain buffer stocks of essential commodities to ensure a steady supply of such commodities in the State at reasonable prices should any serious emergency develop in future. The supply position of rice in the State during this year has been one of considerable stress and strain. Owing to the heavy floods in 1962, there was considerable destruction of crops and procurement was limited to 1,21,000 tons. We received considerable assistance from the Central Government who released 63,000 tons of rice and 20,000 tons of wheat which met part of the deficiency. The prospects for the

Essential  
supplies.

next year appear to be much brighter. It will, however, be necessary to move rice and wheat from outside the State during the next year also and the matter has been taken up with the Government of India. For the kharif year 1963 also, the co-operative organisation has been entrusted with the task of paddy procurement. A high procurement target has been fixed and it is proposed to keep 50 per cent as a buffer stock in Government godowns. Government are making every effort to ensure adequate procurement and senior officers for the purpose have been posted in the main procurement areas. It is hoped that, with the various measures taken by Government including the maintenance of buffer stocks, the supply of essential commodities will be maintained satisfactorily and in adequate measure during the next year.

Land settle-  
ment and  
reforms.

19. The Government attach great importance to expeditious conversion of annual patta lands into periodic, settlement of land with landless persons and prompt eviction of encroachers from the village grazing reserves and professional grazing reserves. An area of 48,871 bighas of annual patta lands has been converted into periodic and an area of 6,906 bighas of waste lands has been settled with landless persons during the period from 1st January 1963 to 30th September 1963. Five thousand and forty-five bighas of land in V. G. Rs, 5,684 bighas in P. G. Rs, and 7,768 bighas of sarkari land have been cleared of encroachments during the period from 1st April 1963 to July 1963. During 1963, re-settlement operations have been going on in the districts of Kamrup and Sibsagar and also in the temporarily-settled areas of Karimganj subdivision. These are expected to be concluded by the end of 1964. An increase of revenue to the extent of Rs. 15 lakhs is anticipated after the resettlement operations in these areas are completed. The district of Nowgong and the Dhubri town have also been brought under resettlement. Resettlement operations in the districts of Lakhimpur and Darrang are proposed to be taken up next. In the field of land reforms, the abolition of intermediaries has been practically completed and the Ceiling Act is proposed to be more effectively implemented during the next year. The Land Reforms Board has continued to advise Government in various matters relating to land reforms. So

far, 61 villages have been declared as gramdan villages under the Assam Gramdan Act and efforts are being made to popularise this movement further.

Relief mea-  
sures.

20. In April 1963, a cyclone of great intensity swept over some of the villages of Dhubri subdivision causing large scale damage to life and property. In order to relieve the distress of the affected people, a sum of Rs. 1.22 lakhs was sanctioned in the shape of gratuitous relief, free rations, cash doles and for setting up of relief camps. Another sum of Rs. 4,85,825 was also sanctioned to the affected people as rehabilitation loans. Besides, a sum of Rs. 14,175 was sanctioned as cattle loans to the deserving cultivators whose cattle died in the cyclone. The State was visited by three successive floods in the months of June, July and August. Nowgong was the worst affected district. As a result of these floods, an area of 2,249 sq. miles comprising 2,564 villages was affected throughout the State. Relief measures to alleviate the distress of the affected people were promptly taken up. Remission of land revenue and local rate has been given to the extent of Rs. 3.21 lakhs during the year 1963-64 upto December 1963 to the pattadars who were badly affected by floods and other calamities. Owing to a major failure of crops in 1962, there was scarcity of food in some of the subdivisions especially in the district of Cachar. Government sanctioned a sum of Rs. 3 lakhs to Cachar for giving subsidy for rice sold to the people through cheap grain shops. Gratuitous relief to the extent of Rs. 50,000 and test relief schemes to the extent of Rs. 2.25 lakhs were also sanctioned for Cachar district. The total amount sanctioned for the State as a whole to relieve the distress of the people affected by natural calamities like floods, erosion, cyclone, fire, food scarcity, etc., are as follows—

1. Gratuitous Relief	...	...	Rs.
2. Test Relief Schemes	...	..	8,79,734
3. Rehabilitation Loans	...	...	3,69,527
4. Seed Loans	...	...	7,56,675
5. Cattle Loans	...	...	4,17,832
	...	...	1,49,175

With the influx of refugees in the Garo Hills, the State Government have opened a number of relief camps along the border, and have taken necessary measures to give relief in various forms including

rations, shelter, medical aid and the like. A sum of Rs.5 lakhs was initially sanctioned for this purpose and a further sum of Rs.5 lakhs has been allocated. We appreciate with gratitude the commendable assistance given by the Garo people and the District Council to these families. The Central Government have assured that the expenditure in respect of these refugees would be borne by them and measures for the rehabilitation of these unfortunate families in Assam, N.-E F.A. and elsewhere are being taken in consultation with the Central authorities. Considerable relief was sanctioned during the last year to Mizo district where some pockets were severely affected by crop failure. The position in these areas under both Aijal and Lungleh subdivisions is unsatisfactory this year also and extensive relief measures continue to be implemented. The total sum sanctioned this year by way of transport subsidy for carriage of rice to the affected areas amounts to Rs. 4.3 lakhs besides Rs.6,000 sanctioned as gratuitous relief. Test relief schemes sanctioned this year amount to Rs.4.32 lakhs. The above relief expenditure is in addition to the subsidy of Rs. 4.04 lakhs under the Civil Supply scheme.

Pay Com-  
mittee.

21. It will be recalled that the State Government had constituted a Pay Committee in June 1962 to examine and make recommendations regarding the revised pay scales for Government servants in various categories. Owing to the Emergency, however, the work of the Committee had to be suspended from November 1962 upto June 1963. Since then, the the Committee has had a series of sittings and has submitted its final report to Government on 29th February last. The interim relief recommendations, having a financial implication of about Rs. 90 lakhs, have been implemented from the beginning of this year and it has been suggested by the Committee that the revised pay scales should be given effect to from 1st April 1964. The Committee's recommendations, which envisage considerable improvement in pay scales, particularly for the lower categories of Government employees, have taken into account the present price structure and trends together with all other relevant factors and considerations. The financial implication of the Committee's



recommendations is of the order of over Rs. 2 crores annually. While the Committee's report and the heavy expenditure on Government employees is under Government's consideration despite the financial difficulties of the State, I would appeal to the State Government employees of all categories to rise to the occasion and put in their utmost effort in whichever task they are employed so that the extra expenditure to be incurred out of public revenues on their account can be fully justified and compensated by increased output and efficiency all-round.

**Economy  
Committee.**

22. An Economy Committee to examine and recommend the measures of economy possible in the various departments had also been appointed by Government. The Committee has submitted its report in respect of a few departments and these are under consideration at present. It is expected that the Committee will be able to complete its task in respect of the other departments in the course of the next few months and that final decisions on the recommendations of the Committee will be taken thereafter. Apart from the measures to be suggested by the Economy Committee, Government are taking all necessary steps to ensure economy to the extent possible.

**Law and  
Order.**

23. The law and order situation in this State has, on the whole, been fairly satisfactory during the year under review. There were, however, some incidents when Naga hostiles caused depredations in the border areas of Sibsagar and United Mikir and North Cachar Hills Districts, apart from two attacks on trains. Various measures for the safety and protection of the lives and properties of people living along the Nagaland border have been taken. Such measures include the clearance of jungles on either side of the railway line from Naojan to Dhansiri, improvement of communications and the posting of police battalions in this area. We have been pressing the Central Government for reimbursement of the cost of police battalions deployed along this border. I hope the Government of India will accept the position that this border must be treated as a responsibility of the Central Government and will reimburse the heavy expenditure that we are compelled to incur on this account. On



the Indo-Pakistan border, particularly in Cachar and United Khasi and Jaintia Hills districts, the situation remained tense at times and a few serious incidents took place during the year because of the intransigent attitude of the Pakistani forces who resorted to firing on 8 different occasions. The Government have taken various measures to stop infiltration of Pakistani nationals into our State. There has been a substantial increase in the number of detection of such infiltrants during the year owing to the strict vigilance and constant check. The recent incidents and disturbances in Shillong have been extremely unfortunate. I would not like to dwell on these incidents in detail as they will be the subject-matter of a judicial inquiry. I am confident, however, that all responsible persons will join in ensuring that such incidents do not recur.

24. The general crime position in the State was satisfactory during the last year and there has been a slight fall in the number of cases of various categories. Intensive patrol by police and village defence parties were organised to check and control crime. The number of road accidents in the year has shown a slight increase which can be attributed to the considerable increase of vehicular traffic in the State. The Government appointed a Committee to examine the causes of increase of road accidents and to suggest remedial measures and the Committee's recommendations are in the course of implementation. The working of the Anti-corruption Branch was fairly satisfactory and 162 inquiries were instituted up to December 1963. The organisation disposed of 157 inquiries during the year including inquiries pending from the previous year. With the setting up of a vigilance organisation, which proposal has been accepted by the Government, it is hoped that corruption and malpractices will be able to be greatly reduced. With the increased problems of the State consequent on the Emergency, it has become necessary to expand the police force. Eleven battalions of Special Armed Police from other States and the Central Reserve Police from New Delhi were drafted to assist in the maintenance of law and order in the State. Some additional staff and additional platoons of Armed Branches were also sanctioned during the year. The police force continued to adopt several internal

security measures such as guarding vital installations, lines and communications. The Fire Service Organisation was also expanded during the last year and one sub-station was opened at Barabazar in Shillong besides adding to the strength in other fire stations. A proposal for establishment of 9 new sub-stations in industrial and other centres is under consideration.

Civil Defence  
and Home  
Guards.

25. The Civil Defence and Home Guards organisation continued to be under the direct supervision and control of a whole-time Director of Civil Defence assisted by a Deputy Director. The total number of Home Guards so far recruited is 17,244 of whom 12,687 have completed their training. This organisation will be a powerful instrument for strengthening the will and resolve of the people to face up to any danger or emergency besides assisting in maintenance of internal security, in providing essential services like nursing and first-aid, operation of water and power supply installations etc. in case of necessity. The State Government also recognise the necessity of imparting training in preliminary military discipline and action is being taken in this regard. There has been good response to the Village Volunteer Force scheme taken up by the Community Development department. The Village Defence Parties also have given a good account of themselves during the last year.

26. With a view to bring about reformation among jail prisoners, the Government sanctioned the opening of an agricultural colony on approximately 175 bighas of land in the district jail at Jorhat. This has been undertaken to provide an incentive to the convicts to be on good behaviour and to facilitate their ultimate rehabilitation. The other correctional institutions have been maintained and expanded during the last year and are expected to be further expanded during the next year.

Administra-  
tive reforms.

27. An important development in the field of administrative reforms has been the separation of the judiciary from the executive which has been introduced in Kamrup and Lakhimpur districts from 26th January this year. It is expected that, in the light of experience gained in this regard in these two districts, such separation would be further extended to other areas in the State. The Government are also



anxious to review the entire position in respect of the present-day administrative procedures and an Administrative Reforms Committee is proposed to be constituted very shortly. A whole-time post of Director, Methods and Organisation Division has been created in order to make this Division really effective. Training courses for assistants and stenographers were continued during the year and are proposed to be expanded during the next year together with training of a number of additional auditors and accountants to man the accounts side in various departments.

Estimated  
Receipts  
and Ex-  
penditure  
for 1964-  
65.

28. It is in the context of the above factors and circumstances that I would now place before the House the estimates of receipts and expenditure for 1964-65. The year is expected to open with a balance of about Rs.(-)253 lakhs. On revenue account, the receipts have been estimated at Rs. 61.78 crores for the next year as against the revised estimates of Rs. 53.78 crores for 1963-64. This figure includes a provision of grants-in-aid from the Central Government to the extent of Rs. 418 lakhs on police items comprising of a sum of Rs. 270 lakhs as grant-in-aid on account of expenditure incurred by us during the last year and also anticipated expenditure for the current and next years on the police battalions employed along the borders with Nagaland ; Rs. 64 lakhs for the police battalions (4th and 5th B. S. F.) deployed along the Indo-Pak border ; Rs. 49 lakhs being the cost of re-organisation of the Border Security Forces and Rs. 35 lakhs for expenditure on the raising of the 5th A. P. Battalion. Though these claims have not yet been fully accepted by the Government of India, I hope the Central Government will appreciate that both in respect of protection of our districts bordering on Nagaland from the Naga hostiles and the expenditure on border security along the Indo-Pakistan border, the burden cannot be borne by the State and full financial assistance must be available from the Central Government. In respect of revenues from State resources, higher receipt estimates have been provided under various heads to the extent of Rs. 123 lakhs on land revenue items, Rs. 7 lakhs under State excise, Rs. 5 lakhs under taxation of vehicles, Rs. 51 lakhs under sales tax, Rs. 19 lakhs in respect of forest revenue and Rs. 129 lakhs under other taxes and



duties. The increased receipt under land revenue is expected partly because of greater crude oil consumption in the refineries next year and partly because of better collection expected. In this regard, I should like to mention particularly that specific targets have been prescribed for collection of arrears in land revenue, taxes and outstanding loans. A concerted effort is proposed to be made during the next year to ensure that these targets are fully achieved. In respect of taxes, it has been decided to set up a special Enforcement Branch headed by an Assistant Commissioner of Taxes to check the tax collection in the districts and to detect cases of tax evasion. It is expected that with the establishment of this unit, tax evasion would be able to be substantially reduced. It is also proposed to give a rebate of 1 per cent for punctual payment to serve as an incentive for prompt settlement of sales tax dues as an experimental measure. In respect of the other items also, the collection machinery is proposed to be tightened and the improved position expected is reflected, together with the new taxation measures introduced earlier this year, in the higher estimates. The provision of Rs. 280 lakhs under 'other taxes and duties' includes an estimated receipt of Rs. 150 lakhs on account of outstanding dues from the Tax on Carriage of tea and jute consequent on this State legislation being held *intra vires* by the Supreme Court. On account of the increases under the various items above, the revenue receipts next year are expected to be substantially higher than the revised figures for this year. The expenditure on the revenue side is estimated at Rs. 59.07 crores against the current year's revised estimates of Rs. 55.57 crores. The increase is largely due to increased expenditure in pay heads due to grant of interim relief and plan expenditure on the revenue side to a greater extent than during this year. Provision has also been made for certain other schemes and services in various departments which are considered to be essential.

29. The capital receipts for the year 1964-65 are expected to be of the order of Rs. 28.84 crores as against the revised estimate of Rs. 35.51 crores for this year. The capital receipt for the next year includes a provision of market loan of Rs. 300 lakhs which will either have to be borrowed from the public or obtained



from the Government of India who may take out the loan on behalf of both the Centre and the States during the next year. This also includes a sum of Rs. 294 lakhs on account of loan from the Central Government against the amount which we will collect from small savings and sale of prize bonds. The capital expenditure, on the other hand, is expected to be of the order of Rs. 34.72 crores as against the revised estimate of Rs. 37.12 crores for this year. It may be noted in this connection that it has not been possible to provide for the repayment of the Rs. 3 crores loan for maintenance of buffer stocks during the next year and it will be necessary for the Central Government to extend the period of repayment of this loan. Unless this is done, the deficit at the close of the next year would increase further to this extent. It has been indicated above that the plan provision as provided for in the budget on the basis of the initial discussions with the Planning Commission is considerably higher than the plan outlay now intimated by the Commission. This is reflected in the substantial gap of Rs. 5.88 crores on the capital side which is only partially set off to the extent of Rs. 2.71 crores by higher estimated receipts over expenditure on the revenue side. In our public accounts also, it is expected that there will be a deficit balance of Rs.(-) 0.67 lakhs. The deficit for the year 1964-65 will, therefore, be of the order of Rs.(-) 3.17 crores without providing for repayment of the Central loan for maintaining buffer stocks. To this figure of Rs.(-) 3.17 crores has to be added a deficit of Rs.(-) 2.53 crores expected at the close of this year which the State Government would not be in a position to repay during the next financial year. We, therefore, expect to close the year 1964-65 with a figure of Rs.(-) 5.70 crores.

30. I have already mentioned that the financial implication of the Pay Committee's recommendations is expected to be of the order of over Rs. 2 crores annually and that the Committee's recommendations are expected to be given effect to from the beginning of the next financial year. In the budget estimates, provision has only been made for continuance of the interim relief sanctioned by Government with effect from 1st April 1963. There would thus be an



additional financial implication of over Rs. 1 crore during the next financial year in this regard which has not been taken into account in the present budget estimates.

Additional  
taxation  
measures.

31. In view of the substantial resource gap and the deficit anticipated during the next financial year, it is not considered possible to avoid additional taxation measures. I am fully aware that the sources of taxation are gradually becoming more inelastic in the State. At the same time, the need for more resources for development purposes and to meet the inescapable expenditure of Government necessitates greater sacrifices on the part of the general community and those sections who can bear the additional tax burden. It is accordingly proposed that the following additional taxation measures will be introduced during the next financial year—

(1) *Sales Tax (a)*.—It is proposed to increase the rate of general sales tax from 4 nP. to 5 nP. This is expected to yield a revenue of Rs. 40 lakhs. The rate of 5 nP. is prevalent in the neighbouring States of West Bengal and Bihar and it is desirable to increase the rate to this level not only for raising additional revenue but to maintain uniformity with other States in this region.

(b) It is also proposed to increase the rate of sales tax on the following items of goods to 10 per cent from the existing rate of 4 per cent—

- (i) Thermos flasks ;
- (ii) Electroplated nickel or silver or German silver goods ;
- (iii) articles made of stainless steel ;
- (iv) upholstered and iron and steel furniture ;
- (v) ivory articles and articles inlaid with ivory ;
- (vi) foam rubber sheets, cushions, pillows, mattresses and other like articles ;
- (vii) perambulators ;
- (viii) carpets, including durries.



It is expected that the extension of the higher rate of 10 per cent in respect of these articles would yield an additional revenue of about Rs. 3 lakhs.

(c) It is also proposed to levy sales tax on coal, coke and coal gas at the rate of 2 nP. in the rupee. It is expected that this could yield an additional revenue of Rs. 7.50 lakhs.

(2) *Electricity Duty*.—It is also intended to levy a tax on sale or consumption of electrical energy at the rate of 2 nP. per unit. Such a tax on electricity is already existing in most States and with the increased generation expected in this State during the next financial year, it is considered necessary to tap this revenue source. This levy is expected to yield an additional revenue of Rs. 8.40 lakhs.

(3) *Excise Duty*.—It is proposed to increase the rate of excise duty on liquor so as to yield an additional revenue of Rs. 7 lakhs.

(4) *Agricultural Income Tax*.—It is proposed to increase the rate of agricultural income-tax as follows—

(a) In respect of income which exceeds Rs. 1 lakh but does not exceed Rs. 2 lakhs, 57 nP. in the rupee as against 55 nP. at present; and

(b) In the case of income exceeding Rs. 2 lakhs, 60 nP. in the rupee from the existing rate of 57 nP.

It is expected that this measure would yield an additional revenue of Rs. 20 lakhs.

32. The above taxation measures are expected to yield a total revenue of Rs. 85.9 lakhs during the next financial year. Since it is likely that the additional financial implication of the Pay Committee's recommendations next year, over the budget provision made on the basis of interim relief sanctioned by Government, would be about Rs. 100 lakhs, these measures would, to an extent, offset the increased financial burden arising out of the increased remuneration payable to Government employees during the next financial year.

33. It will be seen from the above that the present financial estimates in respect of the next financial year envisage a considerable deficit both in respect of annual estimates and in the ways and means position. This is particularly unfortunate when we had achieved, by the close of this year, a substantial degree of normalcy in respect of the State's finances. The deficit, however, has for the most part been caused by the Planning Commission because of the reduced outlay of the State Plan in the next year which the State Government has not found it possible to accept. It is necessary that the Planning Commission and the Government of India must review the position in respect of the magnitude of the State Plan and must provide necessary financial means to enable the Government to take up a programme of the size and magnitude as has been recognised as reasonable and legitimate by the Planning Commission. I am sure that I will have the support of all Members of the House in this regard and that it will be appreciated that, in this peculiar context, a substantial financial deficit has become inevitable. I am also confident that the Planning Commission and the Government of India will recognise the legitimacy of our claims and will come forward with the necessary financial assistance as would enable the State Government to take up an annual plan next year of the size envisaged in the present estimates.

34. This border State bristles with various problems and difficulties many of which have assumed special significance and magnitude in recent years. It is necessary that the entire population of the State, irrespective of caste, creed and community, and irrespective of whether they are living in the hills or in the plains or in the rural or urban areas, must join together and fully co-operate in the task for building a better Assam. The challenge of the times is such that all our energies must be united and fully harnessed in discharging this great responsibility.

JAI HIND

## ANNEXURE A

(In thousands of Rupees)

	Actuals, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(1)	(2)	(3)	(4)
	Trs.	Trs.	Trs.	Trs.
<b>RECEIPTS</b>				
Opening Balance .. ..	(-) 6,55,91	(-) 4,37,85	(-) 1,45,85	(-) 2,52,77
Revenue Receipt .. ..	44,63,09	52,63,60	53,77,52	61,78,35
Receipt from debt raised in India.	48,75,22	31,86,92	34,56,82	28,04,14
Recoveries of Loans and Advances by the State Government.	58,61	61,93	93,86	79,66
Receipts from the Contingency Fund and Public Account.	1,72,34,14	1,33,14,41	1,61,11,53	1,58,82,10
<b>TOTAL ..</b>	<b>2,59,75,15</b>	<b>2,13,89,01</b>	<b>2,48,93,88</b>	<b>2,46,91,48</b>
<b>EXPENDITURE</b>				
Revenue Expenditure ..	44,44,50	50,96,61	55 56,89	59,06,66
Capital Expenditure ..	6,47,31	9,75,56	9,74,73	13,46,17
Expenditure on repayment of debt raised in India.	26,17,06	7,43,56	12,38,11	10,02,90
Loans and Advances by the State Government.	9,78,96	14,59,05	14,98,83	11,23,12
Expenditure on Contingency Fund and Public Account.	1,74,33,17	1,32,65,59	1,58,78,09	1,58,82,77
Closing Balance .. ..	(-) 1,45,85	(-) 1,51,36	(-) 2,52,77	(-) 5,70,14
<b>TOTAL ..</b>	<b>2,59,75,15</b>	<b>2,13,89,01</b>	<b>2,48,93,88</b>	<b>2,46,91,48</b>
<b>Net Results—</b>				
Surplus (+)				
Deficit (-)				
(a) On Revenue Account	(+) 18,59	(+) 1,66,99	(-) 1,79,37	(+) 2,71,69
(b) Outside the Revenue Account.	(+) 4,91,47	(+) 1,19,50	(+) 72,45	(-) 5,89,06
(c) Net excluding opening balance.	(+) 5,10,06	(+) 2,86,49	(-) 1,06,92	(-) 3,17,37

## ANNEXURE B

**Statement showing the Developmental head-wise Allocation in State Plan out of approved Expenditure of Rs.3,420.60 lakhs for the Financial year, 1964-65**

The provision of Rs.3,420.60 lakhs under Revenue and Capital Heads for next year's State Plan includes the following provisions for various development sectors:—

	Lakhs of Rupees				
Agricultural Production	...	...	...	...	133.00
Minor Irrigation	...	...	...	...	130.00
Animal Husbandry	...	...	...	...	41.00
Forest including Soil Conservation	..	...	...	...	28.00
Fisheries	...	...	...	...	12.00
Co-operation	..	..	...	...	46.60
Ware-housing and Marketing	...	...	...	...	5.00
Community Development	...	...	...	...	181.00
Panchayats	...	...	...	...	21.00
Flood Control	...	...	...	...	300.00
Irrigation	...	...	...	...	93.50
Power	...	...	...	...	950.50
Industries and Minerals	...	...	...	...	235.00
Transport, Communications and Tourism	...	...	...	...	193.50
<b>Social Services</b>					
Education including Technical Education	...	..	...	...	415.00
Health	...	...	...	...	231.00
Housing	...	...	...	...	75.48
Welfare of Backward Classes *	...	...	...	...	278.00
Social Welfare	...	...	..	...	4.54
Labour and Labour Welfare	...	...	...	...	16.48
					<hr/>
					Total—(Social Services) ... 1,020.50
					<hr/>
					Miscellaneous ... 30.00
					<hr/>
					GRAND TOTAL ... 3,420.60

\*Rs.278.00 lakhs includes Rs.50 lakhs for Mizor Hills Special Development Programme.



