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GOVERNMENT OF ASSAM



REFERENCE

Budget Speech
1966-67

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SHILLONG.

BY

Shri BIMALA PRASAD CHALIHA
CHIEF MINISTER, ASSAM

4th MARCH, 1966



MR. SPEAKER SIR,

I rise to present the statement of estimated receipts and expenditure of the Assam Government for the financial year 1966-67.

At the outset, I would like to pay a tribute to Shri Fakhruddin Ali Ahmed who so ably piloted the finances of the State for the past 8 years. As the House is aware, the State had to face a number of difficult situations during this period due to repeated natural calamities and the aggression committed by China in 1962 and more recently the hostilities with Pakistan. To meet the situation in the above circumstances especially with inelastic sources of revenue called for skilful and able handling of the finances. As the House is aware, Shri Ahmed discharged this onerous and extremely difficult task very well. Sir, when the services of Shri Ahmed were required by the Prime Minister in the Central Cabinet, I had to agree to his resignation from the State Cabinet, although reluctantly, in the national interest. But, I am sure all the Hon'ble Members will agree with me that the State has been deprived of the services of a very able Finance Minister.

The year 1965 has been a year of trial for the nation. Besides the heavy drain of the country's resources for the defence effort, there was a drastic fall in the production of agricultural crops due to very unfavourable weather in various parts of the country. The food production of the current year is expected to be at least 10 million tonnes below the previous year's record production of 88.4 million tonnes. The foreign exchange position showed a further deterioration with imports registering an increase over the level of the previous year and the exports registering a decrease. The price levels rose and the national price index of commodities rose from 158 in December, 1964 to 169 in December, 1965.

As the Hon'ble Members are aware, the present emergency and the uncertainty about the availability of adequate foreign aid have affected the launching

of the Fourth Five-Year Plan as scheduled earlier. The strained financial position of both the Centre and States has necessitated a total Plan outlay for the year 1966-67 of only Rs.2,086 crores as against the current year's Plan of Rs.2,250 crores. It is natural, therefore, that the State's Plan for the year 1966-67 will not be significantly higher in outlay than the Plan for the year 1965-66. While detailed studies on various aspects of the Fourth Plan are still under way, the formulation of an Annual Plan for 1966-67 had to be taken up to continue the development efforts having due regard to the exigencies of the situation.

On the basis of the tempo of development already reached and in view of the special needs and responsibilities of Assam, the State Government prepared a draft Annual Plan of Rs. 34 crores for the year 1966-67. When the draft Plan was discussed with the Planning Commission the size of the Annual Plan had to be reduced to Rs. 26.45 crores in view of the inability of the Central Government to commit themselves to give Central assistance exceeding Rs. 23.4 crores at this stage; we have, however, been assured that if the financial position of the Centre and the State improved, a mid-term appraisal would be made of the possibility of increasing the outlay.

As the Hon'ble Members are aware, the outlay for the next financial year would be utilised mainly for continuing spill over schemes and for taking up of some new schemes. The completed schemes of the Third Plan have been normalised and the impact of such normalised schemes on the State's Budget is of the order of Rs. 7.50 crores. If we take this into account it will be seen that the tempo of development will not be slowed down in 1966-67. We are, however, not happy about the small outlay which has prevented us from going ahead with some very important productive schemes. I would particularly refer to the Jamuna Irrigation Scheme, the completion of which will increase food production by more than 25,000 tonnes in terms of rice and bring prosperity to an area suffering from chronic drought. I propose to press the Union Government to allocate additional 1.65 crores to help us complete at least this scheme during the next financial

year ; I am confident that in the present emergency when the food situation is so difficult in the country, the Centre will accede to my request.

Economic
Development.

I would like to refer briefly to some important aspects of the development programme ; a detailed study of the expenditure and achievements during the Third Plan has already been circulated to the Hon'ble Members along with the Budget Speech.

Agriculture.

The total expenditure on Agricultural Programme during the Third Plan is expected to be Rs. 12.4 crores against a planned outlay of Rs. 12.62 crores ; out of this Rs. 4.62 crores will be spent on agricultural production and Rs. 2.6 crores on minor irrigation.

During the current year the winter crop has been badly affected by drought in the Goalpara and Kamrup Districts, the Mangaldai Subdivision and the western part of Nowgong District. There has also been damage to crops due to flood in Jorhat Subdivision and in various local areas due to hail-storm. As a result, the total rice production during the year which was, according to preliminary forecast, estimated to be 19.78 lakh tonnes is now estimated at 18.46 lakh tonnes only according to final forecast. I may add that an exact forecast of the out-turn of spring rice is not possible at this stage and in making the estimate it has been assumed that the production this year will be the same as during last year.

The production of jute suffered a setback this year due to unfavourable weather in the sowing season and in the early stage of growth. However, there will be a substantial increase in production of rabi crops particularly that of mustard, potatoes and vegetables as a result of special measures undertaken during the year. The progress made in popularisation of fertilisers and adoption of plant protection measures and other improved practices is fairly satisfactory. The consumption of fertilisers during this financial year is expected to rise to 20,000 tonnes

in spite of shortage in supply during the peak season as against about 10,000 tonnes last year and 4,000 tonnes year before last ; consumption during 1966-67 is estimated at 40,000 tonnes. For supply of improved seeds, the seed farms have been strengthened and the production of paddy seeds during the year 1964-65 increased by 17 per cent over that of 1963-64 and production for 1965-66 is expected to further increase. With the help of Panchayats, minor irrigation schemes, popularisation of improved implements, seeds saturation programme and introduction of new high yielding varieties have been taken up. The Soil Testing Laboratory at Jorhat has been strengthened. Two new Laboratories are under construction at Silchar and Gauhati. The plant protection materials, both equipments and chemicals, are supplied to the farmers with 50 per cent subsidy and the funds have been placed at the disposal of Panchayats for undertaking purchase of plant protection materials and distribution to the farmers. 100 Power Sprayers have been procured this year and 50 more have been ordered. A Pilot Project for use of power for irrigation is being taken up at Mayang. In the Agricultural College, 3 new Post-graduate courses have been taken up this year on Agricultural Chemistry, Plant Pathology and Entomology. Training of the Gram Sewaks, training in minor irrigation and in maintenance and operation of farm machineries have been taken up. Besides, short training courses for farmers have been taken up. The progress of Package Programme in Cachar District has been satisfactory and the Programme which was initially started in four Blocks, now covers 11 Blocks out of a total of 15 in the district. The Rice Package Programme was extended during the last financial year to 13 new Blocks and this year, it is proposed to be extended to another 9 Blocks. The Agricultural Marketing Organisation has functioned well and in the recent emergency this Organisation has done good work by helping in the disposal of border produce in the United Khasi and Jaintia Hills District. As an incentive to production a scheme has been introduced for awarding a prize of one tractor with a full set of implements to the best Anchalik Panchayat in each district and a prize of Rs.2,500 to the best Gaon Panchayat in each Anchalik Panchayat.

Animal Hus-
bandry and
Veterinary.

As a result of the special efforts in the field of poultry development, Assam is now making very satisfactory progress in poultry production and birds are being supplied from Assam to N. E. F. A., Nagaland, Manipur and Tripura. The Dairy Development Scheme has been expanding and now 6,000 litres of milk are daily distributed in Gauhati and Shillong. Proposal for setting up a Pasteurization Plant at Gauhati with an initial capacity of 10,000 litres has been finalised and in order to increase the chilling capacity for milk, two more chilling Plants are being installed at Amlighat and Nayabungalow. By obtaining the milk available in the north bank of Brahmaputra, it is hoped to raise the milk supply in Gauhati by another 3,000 litres. Plans have been finalised to supply milk in Jorhat town from next year. The Department has been able to control the major diseases of livestock and poultry.

Flood Con-
trol and
Irrigation.

The total expenditure on flood control at the end of the current year is expected to be of the order of Rs. 1,133.21 lakhs benefiting a total area of 5,03,900 acres. Besides the continuing schemes, some new schemes have been taken up during the current year among which special mention may be made of the schemes for protection of Goalpara town and Karimganj town, and strengthening of the Dibrugarh Protection Works. Government have also been considering various important measures like the dredging of the river Brahmaputra. The feasibility study of the Barak Dam has been completed and now the economics of the Scheme is under examination. I am happy to inform the House that the number of breaches and cuts to the embankments during the current year are few as compared to the figures of the preceding year.

In the field of medium irrigation, the Government are very keen on the early completion of the Jamuna Irrigation Project. This Project could not be taken up during the first three years of the Third Plan due to some technical difficulties and has now been taken up in right earnest. During the year 1964-65, an amount of Rs. 31.24 lakhs has been spent on this Scheme. The allocation for this Scheme for the current year is Rs. 50 lakhs and a sum of Rs. 40 lakhs is expected to be provided in addition. The allocation

for the next year is Rs.105 lakhs. This amount will not be adequate to complete this project and as I have already indicated, efforts will be made to get additional Central assistance for completion of this project during the next year.

Transport
and Com-
munication.

The Hon'ble Members are aware of the strain which the transport system of Assam had to bear during the recent Indo-Pakistan conflict. As a result of the closure of steamer routes through Pakistan and the air routes over Pakistan, the strain on the Railways and the road transport system was considerable; still during that critical period they did stand up to the demand of the economy. The construction of a broad gauge line up to Jogighopa has been completed and both passenger and goods services have started. The State Government have, however, been impressing upon the Government of India the necessity of extending this broad gauge line at least up to Gauhati.

With the help of a skelton Inland Water Transport service between Jogighopa and Dibrugarh and co-operation of the Railways, in spite of the closure of the river route through East-Pakistan there was no serious difficulty in transportation of tea and jute from Assam. The first phase of the construction of Pandu Port has already been completed and the revised estimates of the second phase have been submitted to the Ganga-Brahmaputra Water Transport Board. The revision of plans and estimates for the Inland Port at Jogighopa has been completed and Government of India's sanction is awaited.

In view of the importance of good communications in border areas we have taken up a number of projects to develop border roads along the Indo-Pak. border and Nagaland border with the assistance of the Government of India. A strategic road of about two thousand miles running through the States of Assam, West-Bengal, Bihar and Uttar Pradesh has been approved by the Government of India for improvement as a double lane road and styled as "Lateral Road"; 60 miles of this road will fall within the State of Assam from the left bank of

Sonkosh to the right bank of Aie river. This important scheme has been undertaken by the State Public Works Department and is scheduled to be completed by March, 1969.

As the Hon'ble Members are aware, we have constituted the Assam Government Construction Corporation Ltd., in March, 1964 for undertaking construction works on behalf of Public Works Department and other State Government Departments. Government have taken steps to entrust construction works to the Corporation as far as possible so that maximum economy and efficiency can be achieved. During the current financial year, the Corporation has undertaken additional works with a total estimated cost of a little over Rs.2.34 crores, among which special mention may be made of construction of major bridges on the National High Way and Lateral road, construction of two Silos for the Fertilizer Corporation at Namrup and construction of Silchar Medical College hostels and Gauhati Medical College.

Tourism, The Tourist Bungalow in Shillong has proved very popular and construction of another Tourist Bungalow at Shillong at an estimated cost of Rs.3 lakhs has been taken up. The rush of visitors to Kaziranga Game Sanctuary is increasing and the need for constructing another bungalow for tourists in Kaziranga has been keenly felt. Unfortunately, the Government of India could not make necessary finances available for this purpose because of the emergency. The Department have constructed a Tourist Bungalow with 10 beds at Sibsagar; departmental catering has also been arranged in this Bungalow. During the year 1966-67, the Department will undertake construction of Tourist Bungalows at Gauhati and at Thadlaskein near the lake.

Industries, The Hon'ble Members are aware that our State has not been able to attract private capital for development of industries to the extent we desire. On the other hand, industrialisation cannot be left to chance. It has become, therefore, imperative for the Government to examine the possibility of taking up industrialisation in the public sector.

Towards this end, the Government have set up the "Assam Major Industrial Enterprises Corporation Ltd." The Corporation has obtained techno-economic reports regarding setting up of various medium-sized projects. Besides, the Corporation has obtained preliminary project report for setting up a Paper and Pulp Manufacturing Factory in Cachar District with an initial capacity of 100 tonnes per day expandable up to 300 tonnes capacity of paper and pulp per day. The Corporation is also examining the possibility of taking a Cement Project with daily capacity of 600 tonnes expandable up to 1,800 tonnes per day at Bokajan where lime-stone and coal are available. The feasibility of such a plant has been established on the basis of the qualitative and quantitative analysis of lime-stone and coal made by the State Directorate of Geology and Mining and the Indian Bureau of Mines, Government of India. The Corporation has made arrangements with the Japan Consulting Institute for a Project Report on the manufacture of power tillers and transformers.

The Cement Factory at Cherrapunji is progressing satisfactorily and it is expected that the factory will go into production by the middle of 1966. The installation of Ceramic Pilot Plant has also been completed and it is expected to be commissioned shortly.

The pipe-line from Naharkatia to Namrup under the Natural Gas Distribution Scheme has been completed and commissioned. The Assam Gas Company is also examining the question of setting up a network of pipe-line in the Naharkatia-Tinsukia-Doomdoma area to supply gas to the tea gardens and other consumers. With the help of a consulting firm of engineers and the Japan Consulting Institute, the Company has obtained a comprehensive Project Report on the feasibility of establishing a viable Natural Gas based Petro-Chemical Unit. The Directorate of Geology and Mining have taken up five new projects for investigation of Assam's mineral resources, the most important of which is the drilling of lime-stone at Kailajan area to enable the State

Government to prepare a Project Report for the setting up of Cement Factory at Bokajan.

The Assam State Mineral Development Corporation has made satisfactory progress in opening a coal mine at Nangwalbbira with an annual capacity of 20,000 tonnes. The Corporation has also applied for a mining lease for exploitation of lime-stone from the Komorrah area of the United Khasi and Jaintia Hills.

The Assam Small Industries Development Corporation's Match Splint Factory at Bijni and their factory at Tinsukia for manufacturing Jax Boards have gone into production. The Corporation have already taken over the Central Stores and Raw Materials Depot at Gauhati from the Directorate and are also expected to take over shortly the Industrial Estate and the Industrial Block at Gauhati.

The Assam Government Marketing Corporation Limited proposes to open an Emporium at New Delhi to attract the attention and interest of foreign tourists to cottage industries and handicraft produce of Assam. The Corporation have already acquired a plot of land in New Delhi for opening an Emporium in a composite building where all the State Governments' emporia will be accommodated. The Corporation has also started two Handloom Production Units, one at Gauhati and one at Nalbari; and a third one at Dhekiajuli is likely to be opened soon. I am happy to inform the Hon'ble Members that the Corporation is preparing to participate in the Eighth United States World Trade Fair which begins at San Francisco on May 12.

The Assam Financial Corporation has been working satisfactorily; for the year ending 31st March, 1965, the Corporation has, besides meeting the guaranteed dividend, set apart a small sum for partial liquidation of its subvention liability to the Government of Assam.

The Assam Co-operative Sugar Mill Limited has continued its policy of advancing loans to sugarcane cultivators for getting an assured supply of

sugar-cane for crushing. The Mill has also sponsored a scheme for the installation of a Distillery Plant for utilising its by-product, namely, molasses. It is expected that this Plant will make the Mill more viable. I am glad to inform the Hon'ble Members that the Mill has produced 2,882 tonnes of sugar till 7th February, 1966 and the estimated production this year is 7671.5 tonnes as compared to 6,000 tonnes during last year.

Sericulture
and
Weaving.

Under Sericulture and Weaving, it is expected that the production of Eri cut cocoons during the year 1965-66 will be of the order of 2.50 lakh kgs. More areas have been brought under Muga food plants particularly by utilising some of the grazing reserves. By the end of 1965-66, 95 per cent of the total demand of mulberry seed within the State is expected to be met by the Mulberry Silk Worm farms of the State. Steps have been taken to encourage further production. A new high yielding variety of mulberry silk worm is being distributed to the Sericulturists in the State.

Power.

The Hon'ble Members are aware of the emphasis given during the Second and Third Plans for the development of power in the State. The Gas Turbine Station at Namrup (69 M. W.) and Gauhati (12.5 M. W.) and the Hydel Project of Umiyam Stage I (36 M. W.) have been completed and commissioned. The work relating to Umiyam Stage II (18 M. W.) has been taken up. The civil and preliminary works of the 30 M. W. Thermal Power Station at Gauhati and the constructional work of the 5 M. W. Thermal Power Station at Garo Hills are also under way.

Naturally, with generation of power having reached a certain level, special emphasis is being given to the distribution and sale of power. Mention must be made here of the fact that the Electricity Board have entered already into an agreement with the Tripura Administration and Nagaland for the bulk supply of power and are also negotiating with West Bengal for such sale. Of the important transmission lines taken up, mention must be made of the 220 K. V. line from Gauhati to Namrup, 66 K. V. line from Tinsukia to Margherita, 132 K. V. line

from Bongaigaon to Fakiragram and from Badarpur to Churaibari and the 66 K. V. line from Badarpur to Aijal.

Social Services

In the Annual Plan for the current year, 25·7 per cent of the total outlay was allocated for Social Services Sector and progress made in this Sector has been impressive. The new Dibrugarh University has been started this year. The Pachhunga Memorial College at Aijal has been provincialised and steps have been taken up for the establishment of a Science College at Jorhat. Since Teachers' Training is of great importance, the intake capacity of the Post-Graduate Training College has been increased and a new one at Goalpara is being set up. In the field of elementary education, more training facilities for teachers have been provided and the adult literacy campaign taken up in a mass scale in the Nowgong District has been successful. The Government have appointed a Director of Sports for the better organisation, direction and development of sports and athletics in the State. A site for the Regional Engineering College at Cachar has finally been selected and land acquisition started; two new Polytechnics at Shillong and Dibrugarh and a Chemical Operators' Course at Gauhati have been opened.

The shortage of doctors continues. It is, however, gratifying to note that the first batch of doctors are coming out of the Gauhati Medical College this year. The hostels, administrative and college buildings and residential quarters are being constructed, and, as far as possible, shortage in the teaching staff in that college has also been reduced. Building work for the Silchar Medical College is also progressing. The Hon'ble Members are aware of the toll taken by the Cholera epidemic last year. To prevent recurrence, mass inoculation against this disease has been intensified. Special emphasis is being given to the Family Planning Programme. The Water Supply Schemes both in rural and urban areas are progressing.

Under the Housing Scheme, apart from a loan of Rs. 10 lakhs disbursed to individuals and co-operatives, a loan of Rs. 5·6 lakhs has been given to three industrial undertakings for construction of

tenements for housing their workers. The Town Planning Organisation has completed the Master Plan for Tinsukia and the work of preparing Master Plan for some other towns is in progress. Amidst the various Social Welfare Schemes implemented, I must specially mention the Bal Bhavan at Gauhati which has proved very popular and successful.

Panchayati
Raj and
Community
Development.

The Hon'ble Members are aware how the concept of Panchayati Raj has taken deep roots in the State. I have already mentioned while dealing with agricultural production that the Panchayats have been given important responsibilities in the effort to increase agricultural production. To enable the Panchayati Raj Bodies to discharge their responsibilities, necessary powers for preparation and formulation of development schemes have been delegated to them. It is expected that these measures will help them formulate schemes suitable to the needs of individual localities.

Welfare of
Backward
Classes.

Government are fully aware of the need for formulating an integrated Plan for the autonomous districts to meet their special need and as the Hon'ble Members are aware, we had taken up the Special Development Programme for the Mizo District for intensive development of that area. The experience gained from this Programme has been of great benefit in planning for the hill areas. I am glad to inform the House that the Centre is also paying increasing attention to the development of the hill districts of the State with the object of bringing them to the level of the rest of the State. The Hon'ble Members are no doubt aware of the study being made by Shri Tarlok Singh, Member, Planning Commission with the assistance of the State Government Officials of the special problems of hill districts and Government expect that this study of the Planning Commission will convince the Centre of the need to assist the State Government in a more liberal manner in their efforts to bring about greater and more rapid development of the hill areas. On the non-Plan side, in addition to the schemes for assisting the District Councils and Regional Councils in running their normal administration, a loan of Rs. 1.25 lakhs was also given to the Pawi-Lakher Regional

Council to enable them to undertake productive schemes for the purpose of improving their financial resources.

Mention must also be made of the constitution of the Jowai Autonomous District. An Advisory Council has been set up for dealing with the matters falling under the jurisdiction of the District Council and preliminary steps for conducting elections to the District Council are also being taken up.

“The Area Development Approach” has been adopted in drawing up the Plan for the hill areas. The integrated Plan for each of the autonomous districts being drawn up aims at achieving all-round development. Special emphasis is being given to improvement of communications, soil conservation measures, introduction of new crops and stepping up of agricultural production. With a view to meeting additional cost of transport of food-grains and essential commodities to the hill areas, a scheme for development of transport facilities on co-operative basis has been taken up with a provision of Rs.8 lakhs for the next year. Though originally it was contemplated that this amount would be utilised in subsidising the freight rates on the hill roads, it is now proposed instead to utilise the amount in organising co-operative motor transport in the hill districts. With a view to stepping up Co-operative Development in the hill areas as well as to take up an expanded programme of extending credit and marketing facilities, it is proposed to set up a Co-operative Development Corporation for these areas. The Corporation will work on the lines of the National Co-operative Development Corporation and will have two wings, *viz.*, marketing and credit. It is also proposed to establish in a phased manner at least one milk colony in each of the hill districts. Members are aware that consequent on the Pakistani aggression, all the border markets were closed and the borders sealed off as a result of which the border people particularly of the United Khasi and Jaintia Hills District were put to great economic strain as they had to look for alternative markets within the country for sale of their agricultural and other produce and for purchase of essential commodities. The existing border

relief programmes consisting of rice transport subsidy and test relief schemes were found inadequate to meet the new situation and the Agricultural Marketing Organisation stepped in to lift the border produce from the interior villages in the border to the road-heads so that they could be sold economically in markets within and outside the State. More than 35 lakhs of oranges were marketed to Calcutta from these border areas within a short span of a few weeks. From the interior villages, collection was done by jeeps with trailers free of cost and for the movement from collection centres to Shillong town, departmental trucks were made available at a reasonable rate.

Hitherto only 47 Blocks—42 in the hills and 5 in the plains tribal areas were eligible for conversion into Tribal Development Blocks. The Government of India have since liberalised the existing conditions for conversion and reduced the percentage of coverage of tribal population from 66 $\frac{2}{3}$ per cent to 50 per cent. This relaxation will help in converting another 7 Blocks in the plains areas to Tribal Development Blocks.

Relief Mea-
sures.

The Hon'ble Members are aware of the storm and cyclone damages in the subdivisions of Dibrugarh, Sibsagar and North Lakhimpur during the year under review. Flood damages this year were extensive in the Jorhat Subdivision due to breach of the Gohaingaon Bund. In the course of these floods, 8 human lives were lost besides considerable damages and loss of properties, cattle and crops. To alleviate the sufferings of the people affected by these natural calamities, the Government had sanctioned up to December, 1965, a sum of Rs.8.15 lakhs as gratuitous and test relief and Rs.17.02 lakhs as rehabilitation and seed loans.

Due to drought, there was failure in Jhum Cultivation in many hill areas particularly in Nongstoin and Bhoi areas in the United Khasi and Jaintia Hills and Bokojan, Lamjan, Nalip and Sochung areas in the Mikir Hills, Mahur Khamlong and Laisong in the

North Cachar Hills and Songcha and Damprang areas in the Garo Hills. In the Nongstoin area, there was scarcity of food and rice had to be rushed to the affected villages.

In the Goalpara District, the Ahu crop was not successful, particularly in the Dhubri Subdivision and Supply Department rushed 6,100 tonnes of rice and paddy to the district for distribution through Fair Price Shops. But, in the interim period, before the Fair Price Shops could be fully organized, the people had to undergo considerable hardship.

During October and November, 1965, distress prevailed in an area of Kokrajhar Subdivision and the purchasing power of the people was very badly affected particularly due to havoc caused by Gastro-enteritis. In order to assist the distressed people, gratuitous relief was sanctioned and work under the pilot project for utilisation of rural man-power was undertaken in the affected area. There was also damage to crops due to hail-storm in the Fakirganj area of Dhubri Subdivision in December 1965.

The influx of refugees from Pakistan has been continuing though at a diminished rate and 11,033 persons entered Assam from 1st January 1965 to 31st December 1965. At present, about 72,500 refugees are accommodated in 22 camps in the State and it is expected that a large number of these families may have to be kept in camps next year also. We have so far spent Rs.2.97 crores on relief in 1964-65 and Rs.1.38 crores during the current year up to 31st December 1965. The estimated expenditure on this account next year is Rs.1.62 crores.

For rehabilitation, the type schemes sponsored by the Government of India are being implemented. Under the agricultural scheme, 3,142 families are being rehabilitated in different districts and the progress of other schemes is satisfactory. The State Government have informed the Government of India that it is not possible to rehabilitate all the refugees in our State without affecting our economy and have been pressing them to find alternative sites for their rehabilitation. The Government

of India have till now shifted about 1,200 families to N. E. F. A. and another 1,800 families will also be sent to N. E. F. A. for rehabilitation. They have also agreed to take away another 3,000 families to Mana in Madhya Pradesh for rehabilitation. Another 400 adult members of the refugee families have been sent to Andamans for reclamation of land, the ultimate objective being to transfer their families also to Andamans for permanent settlement there; it is expected that more families will be taken to Andamans for rehabilitation.

For the rehabilitation of victims of natural calamities, landless cultivators and displaced persons, Government have requisitioned 1,80,924 bighas of tea garden land and have so far allotted 1,49,509 bighas of land. The re-settlement operations are progressing satisfactorily in Nowgong and Lakhimpur Districts.

The implementation of the Ceiling on Land Holdings Act and the Assam Gramdan Act is in progress.

Essential
Supplies.

For the khariff year 1965-66, the procurement target was fixed at 4.63 lakh tonnes on an estimated crop production of 19.78 lakh tonnes. As I have already indicated, the food production has been badly affected due to drought conditions in the lower Assam Valley and floods in Upper Assam with the result that it will require strenuous effort to achieve this target. I need hardly emphasise that the greatest vigilance and co-operation by all sections of the people will be necessary to help the State to tide over the situation.

The Assam State Warehousing Corporation have extended their activities by opening 10 more centres during the year. The construction of four godowns have been completed during the year and four more godowns are nearing completion. This will bring the total number of godowns constructed by the Corporation to 14. Two more godowns are under construction. The total storage capacity of the Corporation including the hired godowns is now 50,000 tonnes and is proposed to be stepped up to 74,000 tonnes in order to stock 20 lakh maunds of paddy procured by the Government.

The Hon'ble Members are aware of the policy of the Government to maintain stocks of essential commodities as a buffer stock for use in emergency. This policy has paid ample dividends and helped in ensuring regular supplies during the last emergency. Even though cement has been decontrolled, we have managed to secure a definite assurance from the Government of India that regular supply of required quantity of cement to Assam will be maintained. I may, however, state that the difficulties in the way of getting G. C. I. Sheets are continuing and whatever quantity we are receiving now is against our earlier orders. The Government of India have now informed us that due to great scarcity of raw materials for the manufacture of G. C. I. Sheets, supply of G. C. I. Sheets henceforth would not be possible and only black sheets will be supplied to the State. We have, therefore, no option but to order these black sheets for distribution in Assam.

Employment. The employment position continues to be unsatisfactory and the number of unemployed on the live Registers of the Employment Exchanges has shown a slight increase over the previous year's figures. The Evaluation Organization recently constituted under the Planning Department has been directed to undertake a study of the impact of the various programmes undertaken for development of Small-Scale and Cottage Industries including advancing of industrial loans and imparting technical training with a view to assess the extent to which these schemes have promoted gainful employment and of the changes required, if any, in the present procedure and techniques to achieve better results. Government hope that this study will be helpful in giving wider opportunities to the local people in securing gainful employment while at the same time speeding up the pace of industrialisation in the State.

Commissions/ Committees. Among the important Commissions set up during this year, mention must be made of the Assam Forestry Commission constituted to consider and recommend changes in the administrative set up, procedure, management, control and development of

forest reserves. A Municipal Finance Committee has also been constituted to go into the finances of Municipal Bodies and suggest ways and means to help them in augmenting their resources.

The Economy Committee has completed study of the Directorate of Supply and Consumer Goods during the year and the study of the Directorate of State Transport and the office of the Registrar of Co-operative Societies is nearing completion. A study of economy measures relating to the P. W. D. buildings is also in progress.

The Administrative Reforms Committee had issued a detailed questionnaire relating to improvement and tightening of administration and replies received have been consolidated ; case studies by Study Teams have now been undertaken.

Civil Defence
and Home
Guards.

The activities of the Civil Defence and Home Guards Organization were intensified during the September emergency and Home Guards were deployed to help the Police and civil administration. Efforts to extend the coverage of these organizations continue.

In this connection I would like to refer to the exemplary courage displayed by the people living in the border areas of Goalpara District in assisting our Border Forces even when the Pakistani forces opened heavy fire on their villages. The Hon'ble Members may recall that Pakistani Armed Forces resorted to heavy and indiscriminate firing on our villages in the Satrasal and neighbouring areas in November and December and, as a result of firing, a woman and a minor girl died on 29th December, 1965. In spite of this indiscriminate firing, the people living in these border areas kept up their morale and continued to assist the Border Forces by helping in digging of trenches and in other ways. Sir, we are very proud of the exemplary courage and high sense of duty of the people living in these border areas.

Village De-
fence Or-
ganization.

The Village Defence Organization has been functioning quite satisfactorily in helping the Police Force in the maintenance of law and order in the rural areas of the State. During the recent hostilities with Pakistan, the Village Defence Parties were

engaged in security duties and did commendable work in guarding the bridges, railway track and other vital installations.

I would like to refer specially to two instances in which our Village Defence Parties showed exemplary courage in the discharge of their duties. The Hon'ble Members may recall that on 1st November, 1965, Pakistani nationals, backed by armed Pakistani Ansars, trespassed into our territory near Satrasal ; the local Village Defence Party resisted the trespassers and the Naik of the party was kidnapped by the Pakistanis. Again, on 24th November 1965, armed Pakistanis committed dacoity in Sahapara village near Manka-char. The local Village Defence Party offered brave resistance during the course of which 12 members of the Village Defence Party received gun-shot injuries. Sir, we are proud of the exemplary sense of duty and courage shown by the Village Defence Parties on these occasions.

Jails.

The Open Air Agricultural Colony set up at Jorhat in line with modern ideas has been running smoothly. A similar scheme known as the Khanapara Agricultural Project has also been started this year for the purpose of putting convicts at Gauhati Jail to useful agricultural work.

Law and Order.

Barring disturbances in the Indo-Pak border and Nagaland border, the law and order situation throughout the State was satisfactory till 28th February 1966. Unfortunately, from the 1st of March some very serious incidents are taking place in the Mizo District and the situation in that District continues to be very serious ; I have already made a detailed statement before the House about these happenings. It is unfortunate that the progress and well being of the Mizo District in particular and the State as a whole will be adversely affected as a result of these developments.

Industrial peace has been maintained by all concerned during the year.

I would now like to refer to the accounts of 1964-65. In the revised estimates the total revenue receipts were estimated at Rs. 6,411.56 lakhs but the actuals have come to only Rs. 5,823.62 lakhs due chiefly to less receipt of Rs. 683 lakhs [as grant-in-aid from the

Government of India, less revenue collection to the extent of Rs. 102 lakhs mainly under royalty on crude oil and less collection amounting to Rs. 88 lakhs under Agricultural Income-tax and Excise which is partly counter-balanced by an improvement of Rs. 285 lakhs under some minor items. The revenue expenditure which was estimated at Rs. 6,267·31 lakhs has increased by Rs. 116·74 lakhs due chiefly to higher expenditure under P. W. D.

In the capital account, the estimated receipts of Rs. 6,726·86 lakhs have gone up by Rs. 2,512·31 lakhs due chiefly to additional temporary loans and advances obtained from the Reserve Bank of India and an additional loan of Rs. 244 lakhs from the Government of India. On the expenditure side, the estimated expenditure of Rs. 7,236 lakhs has increased by Rs. 580 lakhs due chiefly to repayment of temporary loans and advances to Government of India and Reserve Bank of India and additional expenditure on certain minor items which, however, is partly set off by less expenditure on State Trading, loans and advances by the State Government and public works. There has been a net deterioration of Rs. 350 lakhs in the Public Accounts. The net result of the transactions will bring the actual closing balance at the end of the financial year 1964-65 to (—)Rs. 678·44 lakhs although the Accountant General has shown a closing balance of (+)Rs. 463·56 lakhs; this is due to the fact that we have not cleared the ways and means advance of Rs. 1,142 lakhs obtained from the Reserve Bank of India during 1964-65.

Now I come to the revised estimates for the year 1965-66. The revenue receipts for the year 1965-66 were originally estimated at Rs. 7,078 lakhs as against which the revised estimates stand increased by Rs. 296 lakhs. This difference is due mainly to additional revenue expected of Rs. 70·64 lakhs under Sales Tax, Rs. 28·27 lakhs from road transport, Rs. 23·58 lakhs as share of Union Excise, Rs. 311 lakhs as grants-in-aid from the Government of India for Police expenditure which could not be adjusted in the earlier years for want of sanction and additional grant-in-aid of Rs. 87 lakhs on some minor items set off partly by non-realisation of Rs. 150 lakhs as arrear Carriage Tax owing to the case being still pending in the hon'ble Supreme Court.

The revenue expenditure which was estimated at Rs. 7,040 lakhs has increased by Rs. 1,010 lakhs due chiefly to the impact of pay revision which could not be provided for in the Budget estimates; the Hon'ble Members may recall that when presenting the Budget for 1965-66, it was indicated that further expenditure would have to be incurred for implementing pay revision. The expenditure on interest charges on loans has also increased by over Rs.198 lakhs due mainly to late finalisation of the terms of re-payment of Government of India loans and taking up of ways and means advance from the Government of India.

On the capital side, the receipts have increased from the originally estimated amount of Rs.4,747 lakhs by Rs.4,016 lakhs due chiefly to additional temporary loans and advances from the Reserve Bank of India and temporary ways and means advance from the Government of India. Similarly, on the expenditure side, the expenditure has gone up by Rs.4,561 lakhs over the originally estimated amount of Rs.4,724 lakhs due chiefly to larger repayments of temporary ways and means advances to the Reserve Bank of India and repayments of ways and means advances from the Government of India. There has also been additional expenditure of Rs.199 laks for paddy procurement and operation of the buffer stock and some additional expenditure on a few minor items. I may add that in the Public Account, we could not invest the proceeds of the sinking fund to the extent of Rs.150 lakhs due to our adverse cash balance position and hence this amount has remained merged during the year in our cash balance. As a result, the closing balance for the year 1965-66 will be (—) Rs.1710·03 lakhs.

Before I proceed to the estimates for 1966-67, I would like to state briefly the reasons for the closing over-draft at the end of the current financial year and the steps being taken by the Government to reduce the over-draft. As I have already indicated the current financial year opened with a cash balance of (—) Rs.6·78 crores. During the course of the year, we had to take supplementary demands for Rs.1·98 crores for payment of interest and Rs.68 lakhs for payment of principal due mainly to late finalisation of the terms of some Government of India loans

advanced earlier, larger ways and means advances taken from the Reserve Bank of India and revision of the bank rate. An amount of Rs.1.99 crores had to be spent in excess of the estimated expenditure on the scheme for procurement of paddy and maintenance of buffer stock as already indicated. The impact of pay revision necessitated taking a Supplementary demand of a little over Rs.5 crores. It will be noticed that these major items alone will result in raising the over-draft to Rs.16.43 crores. The balance of the over-draft is accounted for by minor variations under various heads.

The State Government have been naturally concerned by the deteriorating cash balance position and a drive has been organized to recover the arrears of revenues, taxes and loans. As a result of the special drive undertaken to collect the arrears of revenue, an amount of Rs. 1.52 crores has already been realised from 1st July 1965 to 31st January 1966 and steps are being taken to further intensify this drive. I would, however like to inform the House that even if a substantial portion of the realisable arrears are recovered, we shall still not be able to reduce the over-draft to below Rs. 10 crores. As the House is aware, we have not been allowed to levy the Carriage Tax on tea from 1st April 1962 despite our repeated requests to Government of India ; this has prevented us from raising additional resources to the extent of Rs. 10 crores during the Third Plan period. Our claim for arrear second Plan assistance to the extent of Rs. 3.1 crores has also not been satisfied by the Government of India due to want of fuller details although we have repeatedly pointed out to the Government of India that it is impossible to furnish the details required by them at this late stage even from the Accountant General's records. Because of these factors, I am afraid, it will not be possible for us to clear the over-draft fully from the very limited resources of the State unless the Centre comes forward to help us with suitable grant in recognition of the circumstances in which the State has been compelled to resort to over-draft.

The Hon'ble Members are already aware of the economy measures undertaken by the State Government. The Government have now taken a decision

not to entertain new staff unless and until the existing surplus staff are absorbed. Obviously, the impact of this decision is not likely to be felt immediately but there is no doubt that over a period of years, the economy involved in this decision will be very helpful in reducing the non-Plan expenditure. I would like to refer in this connection to the impact of the pay revision on the State's finances. As the Hon'ble Members are aware, the Government have been examining the anomalies, if any, in the revision of pay scales and despite our very difficult financial position, it is the Government's intention to rectify the anomalies wherever they exist.

I will now place before the House the estimated receipts and expenditure for the year 1966-67. In the revenue account, the receipts are estimated at Rs. 8,274.47 lakhs and the expenditure at Rs. 8,189.53 lakhs. There will thus be a surplus of Rs. 84.94 lakhs in the revenue account. In the capital account, receipts are estimated at Rs. 8,475.15 lakhs while the expenditure is estimated at Rs. 8,523.12 lakhs. The capital account will thus be in deficit by Rs. 47.97 lakhs. In the Public Account, there will be a net deficit of Rs. 31.75 lakhs. The over-all position, therefore, will be a nominal surplus of Rs. 5.22 lakhs. I may add that in the budget for 1966-67, a sum of Rs. 1.2 crores has been provided for new schemes. The Hon'ble Members may recall that during the current financial year, we did not provide for any new scheme in the Budget except the provincialisation of the Pachhunga Memorial College at Aijal because of the very difficult financial position. In this context it was imperative that some expenditure be incurred for the new schemes during the next financial year for better administration and better implementation of the development programmes.

I would, however, like to point out that there are a large number of omitted posts in respect of which revised pay-scales are being prescribed and the removal of anomalies, if any, will also result in increased expenditure. In order to provide a margin for increased expenditure under these heads, it is essential that the State's receipts should be increased by additional taxation. With this object in view, Government propose to introduce a Bill to increase the rate of taxation under

the Assam Motor Vehicles Taxation Act by 50 per cent in the case of cycles and private vehicles constructed and used solely for the conveyance of passengers and their light luggages and 40 per cent in the case of other vehicles. This measure is estimated to fetch additional revenue of Rs. 55 lakhs during the year 1966-67 ; the budgetary position during 1966-67 will, therefore, come to a surplus of about Rs. 60 lakhs. As the surplus will be required to meet the additional expenditure indicated by me, the opening over-draft will remain unchanged at the close of the year 1966-67. There is no doubt, however, that the strictest economy measures will be called for in non-Plan expenditure in order to ensure that the over-draft does not increase.

As the House is aware, Assam has some special responsibilities being a border State and Government shall have to incur unforeseen expenditure for protection of the borders, maintenance of law and order, etc. In order to be in a position to incur such unforeseen expenditure without, at the same time, adversely affecting the development programme of the State, it is essential that maximum economy should be enforced in non-Plan expenditure ; and, in the successful implementation of this task, I seek the guidance and co-operation of all the Hon'ble Members of the House.

Before concluding, I will be failing in my duty if I do not express my thanks to all the Hon'ble Members of this august House for the co-operation they have been giving to the Government during these difficult days. The behaviour of the good people of Assam and the co-operation which they have been giving to the administration in all respects are indeed matters of pride. It would have been difficult to carry on the administration of this frontier State with so many peculiar and difficult problems without the help and co-operation the Government have received. I can with confidence hope that the people of Assam with their high qualities will convert Assam to a really "Lovely Assam", the description which Mahatma Gandhi gave about our State.

Finally, I must mention the helpful attitude which the Government of India have been taking towards our State throughout the difficult period.

J A I H I N D

ANNEXURE A

(In thousands of Rupees)

Heads	Actuals, 1964-65	Budget, 1965-66	Revised, 1965-66	Budget, 1966-67
(1)	(2)	(3)	(4)	(5)
RECEIPTS				
Opening Balance	(—) 91,89	(—) 4,01,61	(—) 6,78,44	(—) 17,10,03
Revenue Receipts	58,23,62	70,78,28	73,74,39	82,74,47
Capital Receipts	92,39,17	47,47,09	87,63,35	84,75,15
Receipts under Contingency Fund.	4,47,01	..	1,65,80	..
Receipts under Public Accounts	2,72,68,67	1,71,74,89	2,66,25,75	2,78,07,06
Total—Receipts ..	4,27,78,47	2,90,00,26	4,29,29,29	4,45,56,68
GRAND TOTAL ..	4,26,86,58	2,85,98,65	4,22,50,85	4,28,46,65
EXPENDITURE				
Revenue Expenditure ..	63,84,05	70,39,99	80,49,91	81,89,53
Capital Expenditure ..	78,15,95	47,23,97	92,85,22	85,23,12
Expenditure under Contingency Fund.	4,13,48	..	1,50,00	..
Expenditure under Public Accounts.	2,76,09,54	1,71,59,39	2,64,75,75	2,78,38,81
Total—Expenditure ..	4,22,23,02	2,89,23,35	4,39,60,88	4,45,51,46
Closing Balance ..	4,63,56	(—) 3,24,70	(—) 17,10,03	(—) 17,04,81
GRAND TOTAL ..	4,26,86,58	2,85,98,65	4,22,50,85	4,28,46,65
Net Results—				
Surplus (+)				
Deficit (—)				
(a) On Revenue Account	(—) 5,60,43	(+) 38,29	(—) 6,75,52	(+) 84,94
(b) Outside the Revenue Account.	(+) 11,15,88	(+) 38,62	(—) 3,56,07	(—) 79,72
(c) Net excluding the opening Balance.	(+) 5,55,45	(+) 76,91	(—) 10,31,59	(+) 5,22

ANNEXURE A

In support of Report

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ANNEXURE B

Statement showing the Development Head-wise allocation in State Plan out of approved expenditure during 1966-67

	(Rs. in lakhs.)
Agricultural Production	275.00
Minor Irrigation	110.00
Area Programmes for Irrigation Projects ...	1.00
Animal Husbandry	40.00
Dairying and Milk Supply	13.00
Fisheries	15.00
Forests	23.00
Soil Conservation	10.00
Warehousing and Marketing	4.00
Co-operation	30.80
Community Development	145.00
Panchayats	5.60
Irrigation	105.00
Flood Control	200.00
Power	525.00
Large and Medium Industries	175.00
Mineral Development	6.00
Village and Small Industries	50.00
Roads	250.00
Road Transport	20.00
Tourism and other Transport	6.00
General Education (including Cultural Programme)	190.00

Technical Education	...	...	...	50.00
Health including Water Supply and Sanitation	...	...	...	160.00
Housing and Town Planning	...	...	...	12.00
Welfare of Backward Classes	...	...	...	175.00
Social Welfare including Public Co-operation	...	...	...	5.50
Labour and Labour Welfare	...	...	...	19.50
Statistics	...	...	...	3.00
Publicity	...	...	...	15.00
Others	...	...	...	3.00
Local Bodies	...	...	...	3.00
				2,645.40
			Grand Total	...

