



BUDGET SPEECH FOR 1964-65

SHRI R. SANKAR

28th February, 1964

Sir,

I rise to present the budget estimates for 1964-65.

2. The year 1963 was a momentous year in several respects. It witnessed the nation preparing itself to take up the challenge posed by the threat of invasion on our northern borders. In the face of this danger, our people forgetting all differences stood shoulder to shoulder and the world saw the resurgence of a united and determined nation. If the test of true nationhood is how it stands up to a crisis, it is a matter of gratification that India has stood the test well.

3. While inaugurating the opening session of this Assembly, the Governor dealt at length with the measures taken by the State Government to meet the requirements of the National Emergency. We have contributed Rs. 185 lakh to the National Defence Fund and deputed a battalion of the Malabar Special Police and a battalion of the Special Armed Police for service in Nagaland. The Home Guards Organisation has been built up as a second line of internal defence and security. Training of technical personnel at different levels from mechanics and paramedical personnel to Engineers and Doctors has been taken up on an emergency basis. Liberal concessions to serving army personnel and their families have been sanctioned in recognition of their services to the nation. As the defences of the country have to be built up on economic strength, the Plan was re-oriented to the tasks of increasing agricultural production and expanding industrial activities. The tempo of developmental efforts achieved this year will have to be kept up in the coming years, as an integral part of building up the nation's strength.

ECONOMIC TRENDS IN 1963

4. The State's agriculture fared well during 1962-63 when compared with the all-India picture.

5. The index number of agricultural production (base 1956-57=100) rose from 108.4 in 1961-62 to 111.0 in 1962-63, recording an increase of 2.4 per cent over the year. Almost all the important crops registered sizable increase in production during 1962-63. Production of rice increased from 9.88 lakh tons in 1961-62 to 10.76 lakh tons in 1962-63. In the current year though the first crop was quite ordinary, the second crop just now gathered has been generally very good. Coconut which claims the biggest share in the State's agricultural income registered an increase of 58 million nuts compared to the previous year. Other crops like banana, arecanuts, cashew nuts and sugarcane also recorded a rise in output during the year. The rise was most pronounced in the case of banana which recorded an increase in production of almost 40 per cent. This is a particularly welcome trend in view of the expanding foreign market for the commodity.

6. Among the plantation crops, rubber has recorded the maximum increase in output. Its production increased by about 16 per cent compared to 1961-62. Rubber is an important industrial raw material whose production in the country is very much short of demand. Our State has a special responsibility in wiping out the deficit since Kerala accounts for more than 90 per cent of the country's output of natural rubber.

7. In this general picture which is quite bright there are certain dim spots which should be taken as a note of warning. We are losing ground as it were in the export trade of some of our traditional export commodities like pepper and ginger. Pepper is already facing keen competition from other producers like Sarawak and Malaya. The consequent fall in price is acting as a disincentive against increased production of the crop with the result that the production of pepper is falling in spite of all the developmental efforts. The problem can be solved only by maximizing the productivity per acre and thus improving our capacity to compete. The situation is more or less similar in the case of ginger also.

8. Wholesale price indices of agricultural commodities registered a slight fall in the early part of the year 1963. The index (base 1952-53=100) of 123 in April moved up to 126 in May and again to 135 in December though it was rather steady in July and August. The pressure of prices during 1963 was largely accounted for by food articles, the most important among them being rice.

9. The position of rice supplies in the State continued to be satisfactory during 1963. As stated earlier, the internal production of rice was higher compared

to the previous year and supplied from outside were normal. The only untoward occurrence that threatened to disturb the smooth food situation during the year was a sharp rise in the price of rice during November-December 1963 which was largely controlled by the timely action of the Government.

10. The working class cost of living indices in Kerala, which showed a tendency to fall in the beginning of 1963, began to rise thereafter. The maximum rise was recorded in December in all the centres. Between January and December the indices rose by 7.7 per cent.

11. Since the declaration of the National Emergency, the labour management relations in the State have shown a marked improvement. There is a growing awareness both among labour and management that they should solve differences peacefully and through voluntary methods. The man-days lost during November 1962 to October 1963 were only 1.99 lakh. The loss for the corresponding period of the previous year was 21.32 lakh man-days. The number of strikes also went down from 461 to 113.

12. Unemployment continues to be the major disquieting feature of the economy of the State. About 14 per cent of the labour force is still unemployed. The number of employees in the public sector increased to 2.37 lakh on 30-9-1963 from 2.25 lakh on 30-9-1962. The growth of private sector employment was, however, not significant. The number of factories increased from 2573 in 1962 to 2600 in 1963. Though 230 factory units were opened during 1963, 203 factories were closed during the period. The maximum number of both additional units opened and units cancelled was in the cotton textile industry. There was considerable reduction in the number of coir factories during the year.

13. Another disturbing problem of equal or even greater magnitude is the acute pressure of population on the limited resources of the State. The growth of population needs effective curb in the coming years. For the fruits of planned development to reach the masses, effective action in this direction is needed. The provisional regional income figures indicate that the per capita income in the State is not growing as it should, due to the high demographic pressure. During 1962-63 the State income registered an increase of 3 per cent (at 1960-61 prices) over the previous year, whereas the per capita income of the State rose to Rs. 299 only from Rs. 297 in the previous year. Thus while the State income showed a rise of 3 per cent, the per capita income recorded only a rise of 0.6 per cent, the difference being accounted for by the increase in population.

14. The new industries coming up in the State are placing our economy on the threshold of industrialisation. A much greater effort, however, is needed to ensure higher levels of employment and an adequate rate of growth.

THE PLAN-LESSONS OF MID-TERM APPRAISAL

15. In a sense the Third Five Year Plan is really the first plan for Kerala as the State in its present form was not in existence when the Second Plan was formulated. The First Plan prepared in a hurry was only an experiment in planning. Of course its main objectives which consisted of a few irrigation and power projects and community development projects were fulfilled in the main. The Second Plan representing a more broad based effort envisaged an outlay of Rs. 87 crore and its achievement in terms of financial targets is of the order of 92 per cent. The main objectives of the Third Plan are raising the regional income by 5 per cent per annum, and providing the basis for a more balanced economy with a substantial programme of industrialisation and expansion of agricultural production. In another month we will be completing the third year of the Third Plan. Out of the proposed Plan of Rs. 170 crore we would be spending nearly Rs. 90 crore by the end of this year, that is, about 53 per cent of the total outlay.

16. The mid term appraisal of the Third Plan revealed the shortfalls in production, employment and regional income that have occurred so far in the implementation of the Plan. It has been estimated that there was a fall in regional income in 1961-62 from the previous year. This was mainly due to the fall in agricultural output caused by the unprecedented floods during the crop seasons. In 1962-63, the regional income has risen by 3 per cent.

17. Agriculture is obviously crucial to the wealth and welfare of our State. We have to ensure a steady increase in agricultural output at all costs. Massive efforts are now under way to make up for the earlier shortfalls. And it is hoped that ultimately the Third Plan targets of agricultural production will be realised.

18. In view of the accelerated efforts made for, the implementation of the Power programme, the present shortage of power is expected to be remedied by the end of the current Plan. In the industrial field, the efforts taken by the Government in the last two years are expected to yield dividends in due course. Under Transport and Communications, and Social services (Education, Health, etc.) the indications are that the Third Plan outlays will be considerably exceeded.

19. The mid-term appraisal has disclosed that, during the last two years, the base has been laid for better progress and increased output. It has, however,

underlined the need for concentrating efforts in the two key sectors of agriculture and industries. The need for careful and detailed advance planning in respect of projects and schemes has also been brought to light. Failure to do so results in delays in implementation, underestimation of costs, emergence of imbalances and sometimes even in the abandonment of some of the projects. Increase in construction costs is a factor that results in shortfalls in the physical targets. It is therefore important to keep down construction costs. These lessons of the mid-term appraisal will be carefully borne in mind in implementing the annual Plans for the remaining years of the Third Plan and also in preparing the Fourth Plan.

20. Action for the formulation of the Fourth Plan has already been initiated. Twenty-three working groups have been constituted to submit reports on different sectors of development. A Programme Committee will be constituted shortly to determine the outlines of the approach to the Fourth Plan, the order and pattern of investment, choice of priorities, etc. It is expected that, before the end of 1964, a tentative outline of the Fourth Plan could be drawn up.

21. I now turn to review briefly the financial transactions of the preceding and current years.

ACCOUNTS-1962-63

22. The accounts of 1962-63 disclose a small deficit of Rs. 32 lakh on Revenue Account against an estimated surplus of Rs. 9 lakh. One of the reasons for this deterioration was the fall in the collections under land revenue as a result of the striking down of the Kerala Land Tax Act by the High Court. The expenditure on Capital Schemes and on disbursement of loans and advances together exceeded the budget estimates by over Rs. 1 crore. During the year the Government received a ways and means loan of Rs. 3 crore from the Government of India. Mainly on account of this, the transactions of the year recorded an improvement in the overall financial position by Rs. 3.28 crore against the improvement of Rs. 1.26 crore anticipated in the budget.

REVISED ESTIMATES-1963-64

23. Including the yield from additional taxation measures the budget estimate for the year 1963-64 was Rs. 75.22 crore. Against this the revised estimate fixed comes to Rs. 75.16 crore. There are, however, large variations under individual heads. The largest short-fall (Rs. 137 Lakhs) is under land revenue, as necessary legislation for collecting the tax could not be passed this year. The Kerala State Electricity Board will be paying Rs. 44 lakh less than the budget estimate towards interest due to the Government. The yield from Forest will also be lower by Rs. 20 lakh. Owing to the closing down of the mineral

concerns, not much of royalty on minerals could be collected this year. Additional receipts by way of the State's share of Central taxes and increase in the yield from Sales tax off set to a large extent the above shortfalls.

24. The expenditure on Revenue Account is placed at Rs. 70.04 crore against Rs. 70.93 crore contemplated in the budget. A number of economy measures have been introduced in the course of the year. Cuts on non-essential Plan and Non-Plan schemes have also been affected early in the year. Inevitable increases have, however, occurred under certain heads. Under the working expenses of the State Transport Department, an increase of Rs. 90 lakh has been allowed in view of the rise in the cost of diesel oil, tyres and spare parts following the increase in Central excise duties and in view of the enhancement in the rates of vehicles tax.

25. The revised estimate of expenditure on Capital Account stands at Rs. 12.90 crores which is higher than the budget estimate by Rs. 1.44 crore. The main increases are Rs. 50 lakh under Communications and Rs. 54 lakh under Anti-Sea Erosion Works. The revised estimate of disbursement of loans and advances (net) remains at the same level as the budget estimate, though there are variations under individual schemes.

26. The transactions under debt, deposit and remittance heads are expected to bring in a net receipt of Rs. 17.67 crores against Rs. 14.69 crores estimated in the budget. The increase is mostly accounted for by the accelerated Central assistance for Plan schemes sanctioned by the Government of India in the course of the year.

27. The year which began with an opening balance of(-) Rs. 85 lakhs is expected to close with a balance of (-) Rs. 39 lakhs.

BUDGET ESTIMATES FOR 1964-65

28. I now pass on to the budget estimates for 1964-1965.

Revenue

29. The estimate of revenue for the year 1964-65 stands at Rs.7958 crores. An amount of Rs. 16.93 crores is accounted for by the State's share of Central taxes and grant-in-aid of the revenues. For Plan schemes an amount of Rs. 1.39 crores is anticipated as grant from the Government of India, and this is Rs. 1.2 crores higher than the revised estimate. Under ordinary revenues, an increase of Rs. 2.7 crores over the revised estimates has been taken into account. The yield

from sales tax is expected to go up by Rs. 1 crore in the coming year. It is also assumed that the necessary legal measures for the collection of land tax could be brought into force in the near future.

Expenditure

30. The expenditure on revenue account is estimated to be Rs. 76 crore which is higher than the revised estimate by nearly Rs. 6 crore. The Capital expenditure outside the revenue account is placed at Rs. 13.88 crore, while the estimate of disbursements of loans and advances (net) is fixed at Rs. 18.13 crore which is almost double the revised estimate. The abnormal increase under loans and advances is accounted for by the fact that the provision for loans to the Kerala State Electricity Board is fixed at Rs. 15.7 crore against the revised estimate of Rs. 8 crore in view often substantially larger outlay for power originally agreed to at the discussions with the Planning Commission. Excluding this item, the increase under loans and advances (net) is only Rs. 1 crore.

ANNUAL PLAN 1964-65

31. The State's Plan outlay for 1964-65 agreed to by the Planning Commission at the time of the Annual Plan discussions was Rs. 44.17 crore. This meant that the Central assistance for the State Plan for 1964-65 should be Rs. 29.50 crore, as the Planning Commission had assessed the State's own resources for the Annual Plan at Rs. 14.67 crore. The budget estimates for 1964-65 have been prepared on the above basis, the actual amount budgeted for being a little higher, viz., Rs. 44.37 crore which is Rs. 11 crore over this year's outlay. The Central share on Centrally Sponsored Schemes has been tentatively taken at Rs. 5.62 crore on the basis of the approved pattern for individual schemes. Including the provision of Rs. 15 lakh as State's share for Local Development Works, the gross Plan outlay comes to Rs. 50.14 crore.

32. The Planning Commission has, since the preparation of the detailed budget estimates, intimated that the Central assistance for the State Plan for 1964-65 is fixed at Rs. 26.20 crore and that the State Plan outlay might be correspondingly reduced from Rs. 44.17 to Rs. 40.87 crore. The State Government have taken up the question with the Government of India. The State Plan expenditure for next year may have to be regulated on the basis of the final decision on the quantum of Central assistance. I do, however, hope that the State would be getting the outlay originally agreed to by the Planning Commission.

Power

33. The current year's outlay for Power is Rs. 11.4 crore and this would be spent in full. The third unit of the Neriamangalam Power Station was commissioned in May 1963. The Panniar Power Station has also been commissioned this year as programmed. The installed capacity at the end of the year will be 192.5 mega watts as against 147.5 mega watts at the beginning of the year. The works on the Sholayar and Sabarigiri Projects are in full swing. All attempts are being made to commission these projects as quickly as possible.

34. The outlay for Power proposed for 1964-65 is Rs.18.5 crore as agreed to at the annual Plan discussions. But in case the Plan outlay has to be reduced owing to the scaling down of Central assistance Power will have to bear a drastic cut. The main target for 1964-65 is the commissioning of the Sholayar power station which will increase the installed capacity in the system by 54 megawatts. The erection of the generating plant as Sabarigiri Power Station is expected to be started during the year. The major portion of the Pamba-Pallom-Always 220 kv line is also proposed to be completed. Under the distribution and rural electrification programmes, 120 new centres are to be electrified, 26000 consumers connected up and 11000 street lights installed during the coming year.

Industries

35. I need not recount the various steps that have been taken by the Government during the recent years to promote industrialisation. Even though there was considerable industrial advancement in the country as a whole during the first two Plan periods, the industrial structure in Kerala remained more or less stagnant. Investment on industries in the First and Second Plans was meagre. This picture is now changing. Industrial development has been given greater stress in the Third Plan. We have been successful in persuading the Government of India to start a number of Central sector enterprises in the State. They have helped in establishing a solid base for rapid industrialisation and are in themselves capable of stimulating the growth of numerous subsidiary industries. The industrial policy statement of June 1960 offering maximum aid to industrialists coupled with fair deal to labour has created confidence in private entrepreneurs. In short, the climate is now more favourable than it was at anytime before, and the State is proceeding steadily towards the goal of industrialisation. We are, I should think, turning the corner.

36. The Government-owned industrial concerns have been reconstituted into five joint stock companies and it is expected that they will soon undertake

expansion programmes. The Kerala State Industrial Development Corporation is vigorously pursuing its efforts at promoting private sector industries. At present the Corporation is taking steps to sponsor the establishment of a cast iron spun pipe plant, steel casting foundry, a marine diesel engine factory and a starch factory. Besides, it has given financial assistance to seventeen other industrial concerns. The possibility of setting up a number of other industries is also being investigated. Contacts with reputed business firms both inside and outside India are being established for this purpose. The Government propose to invest Rs.50 lakh in the Kerala State Industrial Development Corporation next year so as to enable it to continue to render financial assistance to deserving enterprises.

37. Schemes for development of small scale industries, handlooms and coir will also continue to receive special attention during the coming year.

38. Our industries have taken up the supply of materials to the Defence Department. Last year they supplied materials valued at Rs. 225.18 lakh. This year it has increased to Rs. 244 lakh.

Agricultural Production

39. The intensified efforts made this year to increase agricultural production will be continued next year also. The substantial increase in the outlays for agricultural production both this year and in the coming year highlights the importance given to this sector. Since the cultivable area at our command is limited, increase in agricultural production can be brought about only by intensification of cultivation. It is a good augury that our cultivators are now deeply conscious of the irresponsibility. They are utilizing fertilizers in an increasing measure, and taking to scientific agricultural practices. The following table shows the quantity of chemical fertilizers used:—

(In Tonnes)

<i>Year</i>	<i>Nitrogenous</i>	<i>Phosphatic</i>	<i>Potassic</i>	<i>Total</i>
1960-61	26150	28906	400	55456
1961-62	30825	52044	4424	87293
1962-63	40820	55562	15644	112026
1963-64	60000	65625	20000	145625

(Estimate)

Thus over a period of two years the consumption of chemical fertilisers has

almost doubled itself and over the past three years it has nearly trebled. The scheme for fertilizer trials on cultivators' fields is now in force in six districts and next year it is proposed to extend it to the remaining districts also. The programmes for production of urban compost and green manuring are also progressing satisfactorily. These are sure indications of the rapid strides we are taking in the agricultural field.

40. The Third Plan target for the establishment of paddy seed farms covering 865 acres will be achieved by the end of this year. 84 seed stores were constructed in the first two year of the Plan. 138 seed stores are expected to be constructed this year and the target for 1964-65 is to establish an equal number. There are at present 17 Departmental and 30 Block Nurseries capable of producing 8 lakh of quality coconut seedlings. Annually about 12 lakh of arecanut seedlings are distributed from the various nurseries in the State. The six Departmental pepper nurseries produce about 6 lakh rooted cuttings annually. Improved seeds and seedlings are thus easily within the reach of our agriculturists.

41. Plant protection operations are being steadily expanded. An area of 7.20 lakh acres is expected to be covered in 1963-64. The target fixed for the year 1964-65 is 8.20 lakh acres. 180 lakh of coconut trees will be sprayed this year as against 129 lakh of trees sprayed in 1962-63. The same target is fixed for next year also.

42. During 1964-65 two more Blocks in the Alleppey District will be brought under the Package Programme, there by bringing the entire district under the scheme. The scheme for intensive cultivation of rice is being implemented in 19 Blocks outside the Package Districts. Next year it is proposed to extend the scheme to three more Blocks.

Irrigation

43. The progress of the irrigation schemes is handicapped by the inability to provide necessary resources. Every efforts being made to complete all the twelve spill-over schemes by the end of the current Plant. Of the six new schemes, Pamba, Kuttiadi and Chitturpuzha which are connected to the utilisation of regulated discharges from Power Schemes have been assigned higher priority. The other three schemes will be spilling over substantially to the Fourth Plan. A total provision of Rs. 1.9 crore is included in the budget for 1964-65 for major irrigation.

44. Minor irrigation works which need smaller outlay but produce quicker results are progressing satisfactorily. The outlay for 1964-65 is Rs. 1.18 crore..

Anti-Sea Erosion

45. Sea erosion has become a serious problem in this State. During the first two years of the current Plan, sea walls with groynes for a length of 7 miles 1 ½ furlongs were constructed and it is expected that about 6 miles of seawalls, will be completed this year. The original programme was to protect 25 miles of coastline during the Third Plan period. But the havoc caused in recent times to the coast-line calls for a substantial revision of the scope of anti-sea erosion works. The allocation itself has to be stepped up. In November 1963 an expert from the U.S.A. deputed by the Government of India inspected the erosions along our seacoast and suggested changes in the design of the beach-protection works. Revised estimates taking into account his suggestions are being prepared. For 1964-65 a provision of Rs.80 lakhs is made for anti-sea erosions along our sea coast and suggested changes in the design of the beach-protection works. Revised estimates taking into account his suggestions are being prepared. For 1964-65 a provision of Rs. 80 lakh is made for anti-sea erosion works.

Fisheries

46. The scheme for the construction of mechanized boats is in good progress now, when compared with previous years. During 1964-65 it is proposed to construct 50 boats. Besides completing the Azhikode boat yard, a new boatyard will be constructed at Cannanore next year.

47. Preservation of fish is as important as production. The programme for 1964-65 therefore includes the erection of one new ice plant at Cannanore with UNICEF aid and the construction of four insulated vans and two carrier vessels. It is also proposed to install additional equipments in the freezing plants at Kozhikode and Cochin.

48. Kerala is already in the fore-front among the States in India in the matter of fish production. Improved methods of catching, transporting and preserving fish are being steadily applied. Export of fish has been expanding during the past few years. Last year the value of exports passed the four crore mark. The current year promises to be even better.

Co-Operation

49. Our efforts at promoting the co-operative movement have met with a great measure of success. The co-operative movement has been revitalised to shoulder the responsibility of increasing agricultural production. The organisation of farming societies on a large scale deserves special mention in this context. Short and medium term credit to the extent of Rs. 12 crore has been afforded to the agriculturists during the current financial year.

50. With a view to holding the price line and ensuring equitable distribution of essential commodities, the Consumer Co-operative Programme has been implemented in the State. Nine District wholesale stores have been setup. 665 Rural Societies have been selected for distribution of consumer goods to the rural population. Consumer Stores have been set-up in 35 industrial establishments. Efforts to set-up Consumer Co-operative Stores in all industrial establishments are being continued.

Education

51. Every effort is made within the Government's financial capacity, to expand educational facilities in the State. Since the beginning of the Third Plan, 87 Secondary Schools, 421 U. P. Schools and 179 L. P. Schools have been newly opened. The Third Plan target additional enrolments in schools are already nearly achieved and very likely they will be exceeded.

52. The facilities in many of the existing schools are far from satisfactory. The accommodation for class rooms and play grounds is not adequate in many of the schools. Enough furniture is not available in all the schools. An immediate solution of these and other allied problems involves the investment of huge amounts and hence can be attempted only in a limited way. Every year provision is being made for acquiring land, constructing or renovating buildings, purchasing furniture, library books and science equipments, and thus in the course of the next few years it will be possible to provide all the schools with necessary facilities.

53. The quality of education particularly of elementary education has to be improved. Children in the formative age group need special attention. Pre-school and primary education should be conducted in an atmosphere conducive to inculcating in the young minds a sense of discipline, a respect for peaceful and orderly life and devotion to noble ideals. This is a field in which constructive research works has to be done. It is proposed to establish a State Institute of Education utilising Central assistance to find out methods of improving the quality of elementary education. The scope of the CARE feeding programme has been extended and nearly 16 lakh children are benefited by the scheme now.

54. On the administrative side also there is need to reorganize the Department to enable it to tackle the complex problems of expansion. Administrative delays are to be obviated and a system of regular and effective inspection introduced. A Special Officer is now studying this question.

55. Besides granting permission to open new private schools, Government-propose to open new schools next year also at some of the places where there is absolute necessity. The expenditure on this will be met from overall savings under the Plan Schemes relating to General Education.

56. Encouragement is given for the study of Sanskrit which is our language of culture by instituting special scholarships. An incentive scheme for encouraging the education of Muslim girls is also being put through. It is also proposed to supply text books free of cost to poor and needy children in the State during the coming year. This has been made possible by the generous gift of paper by the Governments of Sweden and Australia for which we are grateful to them.

57. The importance of the study of modern foreign languages is obvious. It is proposed to introduce the study of German and Russian in the University College, Trivandrum, from the next academic year onwards.

58. The number of admissions in the Sainik School has increased from 100 to 200 from January 1964. A provision of Rs. 3.22 lakh is included in the State Budget for 1964-65 for the grant of scholarships to students of the Sainik School. The construction of permanent buildings for housing the school is also making good progress. An amount of about Rs. 40 lakh would be spent by the end of March 1964 for the construction works. Next year a provision of Rs. 25 lakh is made for completing the works.

59. The Rural Institute started this year is a novel experiment in the field of education so far as this State is concerned. The preparatory course for Diploma in Rural Service and the Sanitary Inspectors' Training Course were started in July 1963. Sixty students have been admitted to the former course and thirty for the latter. Next year it is proposed to start the Diploma Course in Rural and Civil Engineering, the Certificate Course in Agricultural Science and the regular Diploma Course in Rural Services.

60. Technical education in general is making good progress. During the past four years there has been considerable increase in the number of admissions to the Engineering Colleges, Polytechnics and Junior Technical Schools. The following table shows the figures:

<i>Class of Institution</i>	<i>No. of Institutions Intake</i>			
	<i>1960-61</i>	<i>1963-64</i>	<i>1960-61</i>	<i>1963-64</i>
Engineering Colleges	4	6	596	1110
Polytechnics	12	14	1518	2228
Women's Polytechnics	.	3	..	180
Junior Technical Schools	9	20	540	1200
Industrial Training Institutes	6	10	2420	4164

The intake of Industrial Training Institutes would be increased by another 1168 in 1964-65.

Health

61. A major achievement in the field of public health is the successful completion of the National Malaria Eradication Programme. The independent Appraisal Teams which visited the State to assess the progress of work of Malaria eradication Programme. The Independent Appraisal Teams which visited the State to assess the progress of work of malaria eradication have recommended complete withdrawal of D.D.T. spraying all over the State. The scheme for the eradication of small pox is also progressing according to schedule. Cannanore, Kozhikode and Palghat Districts have been covered by mass vaccination. The work is now under way in the Trichur, Ernakulam and Kottayam Districts and will be completed shortly. The vaccination operations will be extended to the remaining three Districts next year. Additional filariasis control units will be started next year to serve some of the areas not covered by the existing units.

62. There are now four Medical Colleges in the State as against two in 1960-61 and the number of admissions has increased from 310 to 485. Similarly, the number of nurses' training schools has increased from 4 to 8, and the intake from 136 to 375.

63. The Programme for 1964-65 for augmenting the medical facilities in the State includes the opening of six Homoeo dispensaries, six Ayurveda dispensaries, ten Allopathic dispensaries, five T.B. Centres, three V.D. Clinics, one T.B. rehabilitation centre and twenty three S.E.T. (leprosy) centres. A provision of Rs. 7.53 lakh is also included for providing additional beds in existing hospitals. The Third Plan target of 15000 hospital beds in the State has nearly been achieved.

64. It is proposed to reorganise and revitalise the family planning organisation. The programme envisages both educating the public on the need for having planned families and providing simple contraceptive materials within the reach of all classes of people. With this end in view new rural and urban units will be set-up. A provision of Rs. 11 lakh is made in the budget estimates for 1964-65 for strengthening the family planning organisation.

65. The Employees State Insurance Scheme intended to provide medical facilities to factory workers and their families has achieved substantial progress. A sum of Rs. 14.35 lakh is being provided for 1964-65 to extend the benefits to persons and areas which have not been covered by the scheme.

66. The Committee set-up by Government to examine the question of reorganising the Department of Indigenous Medicine and the system of Ayurvedic education and other allied matters has submitted report. A lump sum provision of Rs. 3 lakh has been made in the budget towards the implementation of the recommendations after Government take final decisions on the report.

Public Works

67. The construction of buildings has been solved down in view of its lower priority in the context of the National Emergency. For roads and bridges an amount of Rs. 2.52 crore is expected to be spent in 1963-64. Twenty-four bridges have been opened during this year. The next year's allocation for Communications' is Rs. 2.64 crore.

Land Reforms—Implementation Of

68. The passing of the Kerala Land Reforms Act, 1963, is one of the major achievements of last year towards the socio-economic progress of the agrarian community. The implementation of the reforms contemplated in the Act will be done with utmost expedition. The Act contemplates the appointment of Land Tribunals and a Land Board and necessary provision is included in the Budget estimates for 1964-65 for the connected expenditure. Section 109 of the Act envisages the constitution of an Agriculturist Rehabilitation Fund for rendering help by way of loan or grant to persons affected by the Act, in deserving cases. A token provision is made for the constitution of this Fund. Religious, charitable or educational institutions of a public nature may vest in the Government their rights in respect of lands held by tenants under them and receive annuities fixed by the Land Tribunal. A token provision of Rs.1 lakh is made in the budget estimates towards the payment of such annuity.

Social Security Measures

69. The adoption of the concept of welfare state as our political ideal entails the obligation on the part of the Government to give adequate protection to the weaker sections of the society. Social security measures are therefore given increasing importance in every democratic country. Ever since the present Government assumed office, systematic efforts are being made in this direction. The schemes already sanctioned, namely, old age pensions, disability pensions and pensions to destitute widows, bring relief to those strata of society which are incapable of earning their bread. A new housing scheme to provide housing facilities to the poorer classes of the community will be implemented next year. An amount of Rs 4 lakh is included in the budget for this purpose.

70. In the coming year, the Government propose to liberalise some of the existing social security measures.

- (a) *Old age pensions*:—Government are now spending Rs. 18 lakh a year on old age pensions to persons of the age of 70 and above. The benefit of the old age pension scheme will be extended to those within the age group 65 to 70. The additional expenditure on this measure is estimated at Rs. 20 lakh per annum.
- (b) *Family Pensions to State Service Personnel*:—The benefit of family pension is now admissible only in the case of Government officers with ten years of service and the pension is tenable for a maximum period of ten years. The scope of the scheme will be enlarged. It will according be made applicable to all regular employees on pensionable establishment, temporary or permanent, with not less than one year's service. The family pension will be tenable for life or till remarriage of the pensioner. The Scale of the pension will be fixed as follows:—

<i>Pay at the time of death or retirement</i>	<i>Family Pension admissible</i>
Above Rs. 800	10 per cent of pay subject to a maximum of Rs. 150 per mensem
Up to and including Rs. 800 but above Rs. 200	15 per cent of pay subject to a minimum of Rs. 50 per mensem
Up to and including Rs. 200 but not below	25 per cent subject to a Rs. 100 of Rs. 50 minimum per mensem
Below Rs. 100	30 per cent subject to a minimum of Rs. 20 per mensem

The extra cost has been estimated as Rs. 1.5 lakh for the first year. This may go on increasing at the rate of Rs. 1 lakh every year, and the extra cost may stabilize itself around Rs. 25 lakh per annum.

- (c) *Increase in minimum pension*:—The minimum pension payable to a State service officer (including temporary increase) is proposed to be enhanced to Rs. 20 per mensem. This will confer a benefit of Rs. 7 ½ per mensem to the lowest category of pensioners. The additional cost involved is estimated to be Rs. 6.75 lakh per annum.

71. While on the subject of pensions, I may digress a little to make a reference to the efforts made by the Government to redress one of the long

standing grievances of the pensioners, viz., delay in sanctioning pensions. The various processes involved in checking up the claims and verifying the liabilities of the pensioners inevitably take sometime. The Government have been making consistent efforts to minimise the delay. An officer of the status of an Additional Secretary to Government has now been asked to devote a part of his time to this problem. It is gratifying that there has recently been a marked decrease in the number of pending pension cases. The efforts will continue till the situation is brought under control and everybody can expect to get his pension within a reasonable time limit.

Increase in Dearness Allowance of Low Paid Officers

72. The financial position as indicated by the budget estimates does not permit any fresh commitments which will have the effect of increasing the cost of administration. However, in view of the increase in the cost of living indices and the financial difficulties of persons having fixed income, Government propose to increase the dearness allowance of the low paid employees under them with effect from 1st April 1964. The rate of increase will be Rs. 3 per mensem for persons drawing a basic pay below Rs. 100 and Rs. 5 per mensem for those drawing a basic pay of Rs. 100 and above but below Rs. 200. Private school teachers will also be given similar increase in their dearness allowance. The expenditure will be about Rs. 1 crore. It is estimated that about 2,35,000 employees including private school teachers will come within the scope of this relief.

WAYS AND MEANS

73. According to the budget estimates presented to this House there will be a surplus of Rs. 3.58 crore on Revenue Account. The expenditure on Capital Account and on the disbursement of loans and advances is estimated to be Rs. 32.01 crore. An amount of Rs. 7.64 crore will be required for repayment of loans taken by the Government. The State has also to pay Rs. 47 lakh to the Madras Government towards the repayment of their open market loan maturing next year. Against this we hope to get a loan of Rs. 27.13 crore from the Government of India by way of Plan assistance. Our share of small savings collections is fixed at Rs. 1.5 crore. Credit for an open market loan of Rs. 4 crore is also taken in the budget.

74. The ways and means position as indicated in the Budget Estimates may be summarised as follows:-

	<i>(Rs. in crore)</i>
Opening Cash Balance	(-) 0.39
Surplus on Revenue Account	(+) 3.58
Capital Expenditure	(-) 13.88
Loans and Advances (net)	(-) 18.13
Net accretions under other Debt Heads	(+) 27.34
Closing Cash Balance	(-) 1.48

75. Taking in to account the welfare measures mentioned above, the deficit in cash balance will be Rs.2.76 crore. So far as the Revenue Account is concerned, there will still be a surplus. Our difficulty is in regard to balancing the Capital budget; we have not been successful in raising adequate amounts by way of loans from the open market or small savings collections. We are exploring alternative sources of raising finances so as to cover the deficit on Capital Account. If these efforts do not meet with success, we have to take appropriate steps to ensure that the expenditure does not outstrip the resources available.