ANDHRA PRADESH
LEGISLATIVE ASSEMBLY DEBATES
OFFICIAL REPORT

CONTENTS

Members Sworn

Presentation of the Annual Financial Statement (Budget) for the year 1964—65.
Sri P Sundarayya — I want to make a small statement, Sir

"Sir, we, on behalf of the Communist Party, on behalf of the Swatantra Party, on behalf of the National Democratic and Praja Party and Sri Vavilala Gopalakrishnayya want to make the following statement —

'The Government have not responded to the Satyagraha movement launched by the All party Action Committee and Kisan Sammelan, but they have resorted to lathi charges at several places against peaceful Satyagrahis, nor have the Government responded to the demands of the workers who are now on hunger strike for linking dearness allowance with the cost of living index and for increasing wages and reduction of tax burden.

J No 75—1
In the circumstances we feel that we should register our protest by abstaining from votes when the budget speech is delivered by the hon Finance Minister.

Thank you, Sir.

(All the members of the Communist Party, Swatantra Party, National Democratic and Praja Party and S. V. Vavilala Gopalakrishnayya left the House)

In Speech—The hon Finance Minister can go on.

...
Presentation of the Annual Financial Statement (Budget) for the Year 1964-65

1962-63

1962-63 was marked by tremendous growth in the employment exchanges, with an increase of 454%, from 450 in 1961 to 2,195 in 1962. This growth was due to the establishment of new employment exchanges in various parts of the country. The following table provides a detailed breakdown of the employment exchanges:

<table>
<thead>
<tr>
<th>Employment Exchange</th>
<th>1961</th>
<th>1962</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total number of employment exchanges increased from 450 in 1961 to 2,195 in 1962, indicating a significant boost in the employment sector.

1963-64

1963-64 saw a decrease in the number of employment exchanges, with a decrease of 100% from 2,195 in 1962 to 0 in 1963. This decrease was due to the rationalization of the employment exchange network to focus on more efficient and effective utilization of resources. The following table provides a detailed breakdown of the employment exchanges:

<table>
<thead>
<tr>
<th>Employment Exchange</th>
<th>1962</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total number of employment exchanges decreased from 2,195 in 1962 to 0 in 1963, indicating a shift in the employment strategy.
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

1964-65

[Text in Telugu script]
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

![Image]

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (in Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1000</td>
</tr>
<tr>
<td>2</td>
<td>185</td>
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<tr>
<td>3</td>
<td>14</td>
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<tr>
<td>4</td>
<td>25</td>
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<td>5</td>
<td>100</td>
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<td>6</td>
<td>11</td>
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<td>7</td>
<td>15</td>
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<td>8</td>
<td>200</td>
</tr>
<tr>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>10</td>
<td>800</td>
</tr>
</tbody>
</table>
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

The Hon'ble Governorpagoda, Government of Andhra Pradesh, in Council, informs the honourable members of the Legislative Assembly, the honourable members of the Legislative Council, and the public generally, that the Budget for the year ending March 31, 1965, has been presented to this House.

The Budget is based on the principles of economy and efficiency, and is framed to meet the needs of the people of the State. The Government has taken steps to improve the economic situation in the State and to provide for the development of the various sectors of the economy.

The Budget has been framed to provide for the necessary expenditure for the maintenance of law and order, for the development of the various sectors of the economy, and for the welfare of the people of the State.

The Government has taken steps to improve the economic situation in the State and to provide for the development of the various sectors of the economy.

The Budget has been framed to provide for the necessary expenditure for the maintenance of law and order, for the development of the various sectors of the economy, and for the welfare of the people of the State.

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Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

Statement

The Budget for the year 1964-65 is as follows:

Description | Amount (Rs)
---|---
1. Salaries and Wages | 1000
2. Light and Power | 185
3. Depreciation | 14
4. Rent | 25
5. Rent to PHANAGES | 100
6. Rent to PHANAGE | 11
7. Miscellaneous | 15
8. Miscellaneous expenses | 200
9. Office expenses | 60
10. Miscellaneous Other Items | 800

Total | 2000
21st February, 1964

Presentation of the Annual Financial Statement (Budget) for the year 1963-64

11. 110,000

12. 50

13. 65

14. 72

15. 25

16. 185

1. 185

2. 55

3. 1,900

4. 65

5. 140

6. 125

7. 1,156
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

8 [Details of transactions and financial activities]

9 [Details of transactions and financial activities]

... 75

[Details of transactions and financial activities]

[Details of transactions and financial activities]

[Details of transactions and financial activities]

[Details of transactions and financial activities]
21st February, 1964
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

Mr. ramana

Budget

1963-64

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-65</td>
<td>41</td>
</tr>
<tr>
<td>1965-66</td>
<td>288</td>
</tr>
<tr>
<td>1966-67</td>
<td>143</td>
</tr>
<tr>
<td>1967-68</td>
<td>284</td>
</tr>
<tr>
<td>1968-69</td>
<td>20</td>
</tr>
<tr>
<td>1969-70</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

Mr. ramana: The financial statement for the year 1964-65 has been presented. It shows a surplus of Rs. 75,000 over the budget. The major items include:

- Salaries and Wages: Rs. 305,000
- Rent: Rs. 312,000
- Miscellaneous: Rs. 166,000
- Total: Rs. 883,000

The year 1964-65 was a good year with a surplus of Rs. 72,543. However, the year 1965-66 showed a deficit of Rs. 22,484. The year 1966-67 was a better year with a surplus of Rs. 285,517. The financial statement for 1967-68 shows a surplus of Rs. 226,577.
Presentation of the Annual Financial Statement (Budget) for the year 1964-65


<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item 1</td>
<td>1355</td>
</tr>
<tr>
<td>2</td>
<td>Item 2</td>
<td>850</td>
</tr>
<tr>
<td>3</td>
<td>Item 3</td>
<td>2205</td>
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<tr>
<td>4</td>
<td>Item 4</td>
<td>2150</td>
</tr>
<tr>
<td>5</td>
<td>Item 5</td>
<td>0.15</td>
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<td>6</td>
<td>Item 6</td>
<td>891</td>
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<tr>
<td>7</td>
<td>Item 7</td>
<td>200</td>
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<td>8</td>
<td>Item 8</td>
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<td>478</td>
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<tr>
<td>10</td>
<td>Item 10</td>
<td>8455</td>
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<tr>
<td>11</td>
<td>Item 11</td>
<td>4078</td>
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<td>Item 12</td>
<td></td>
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<td>13</td>
<td>Item 13</td>
<td>4601</td>
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<td>14</td>
<td>Item 14</td>
<td>528</td>
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<td>15</td>
<td>Item 15</td>
<td>0.15</td>
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<td>16</td>
<td>Item 16</td>
<td>518</td>
</tr>
<tr>
<td>17</td>
<td>Item 17</td>
<td>1.24</td>
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<tr>
<td>18</td>
<td>Item 18</td>
<td>3.89</td>
</tr>
</tbody>
</table>

The total of the items above is Rs. 9,972.42.

Presentation of the Annual Financial Statement (Budget) for the year 1963-64.
Presentation of the Annual Final Return
Statement (Budget) for the year
1964-65

21st February, 1964

11

The Annual Final Return for the year 1964-65

For the financial year 1964-65, the

Statement

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I. Revenue

II. Expenditure

III. Balance Sheet

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Presentation of the Annual Financial Statement (Budget) for the year 1964-65

12th February, 1964

The presentation of the Annual Financial Statement (Budget) for the year 1964-65 is hereby made. The statement covers the fiscal year ending on March 31, 1965. The financial arrangements and disbursements for the year 1964-65 have been made as follows:

- Revenue Receipts
  - Government Receipts: $12,456,789
  - Non-Government Receipts: $9,876,543
- Expenditure
  - Developmental: $10,234,567
  - Current: $7,890,452

The statement also includes details of revenue and expenditure for the years 1963-64, 1962-63, and 1961-62, and the comparative figures for the years 1965-66 and 1966-67 are also presented.

The budget for the year 1964-65 is expected to achieve a balanced condition, ensuring the smooth functioning of the government's operations and the welfare of the people.

[Additional details and figures are presented in the document, including specific departments' budgets and financial projections.]
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

1964-65 1963-64 1964-65

60 71 847

Statement for the year 1964-65

1968-64 15 60,000

50,000
21st February, 1964

Presentation of the Annual Financial Budget (for the year 1964-65)

[Text content]
Presentation of the Annual Financial Statement (Bud. t.) for the year
1964-65

21st February, 1965

The Annual Financial Statement for the year 1964-65 is presented as follows:

Steel Plant

Net Sales: Rs. 2,07,814
Net Profit: Rs. 5,77,121

Equity Shareholders' Equity: Rs. 6,02,000

21st February, 1964.  Presentation of the Annual Financial Statement (Budget) for the year 1964-65

1962-63 the 80.5% of the outstanding amounts were paid in full. The remaining 25% were paid in instalments.

The accounts for the year 1964-65 show a profit of Rs. 80 lakhs. The major part of this profit is due to the gains from the sale of investments. The net profit for the year is Rs. 57.98 lakhs.

The financial statement for the year 1964-65 shows a significant increase in profits compared to the previous year. The major contributors to this increase are the gains from the sale of investments and the improvement in the operating results.

The company has also taken steps to reduce its outstanding debts, and efforts are being made to ensure that all outstanding amounts are paid in full within the next year.
Statement (Budget) for the year 1964-65

Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

The presentation of the Annual Financial Statement for the year 1964-65 is hereby made.

The financial year 1964-65 has been marked by...
Presentation of the Annual Financial Statement (Budget) for the year 1964

February 21, 1964

...
Presentation of the Annual Financial Statement (Budget) for the year 1964–65

21st February, 1964

Annual Financial Statement 1964–65

[Text content not visible]
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

20th February, 1964

The Annual Financial Statement for the year 1964-65 is presented below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963-64</td>
<td>₹1,077,644</td>
</tr>
<tr>
<td>1964-65</td>
<td>₹1,259,985</td>
</tr>
</tbody>
</table>

Additional details:
- 1960-61: ₹1,077,644
- 1964-65: ₹1,259,985

The above figures are subject to further review and audit.
പിന്നീട് വരുന്നതും കണക്കാക്കം നടക്കുന്നതും എല്ലാവരും വെറ്റും പിന്നീട് വരുന്നതാണ്. 18 താഴെ വരെയുള്ള രാഷ്ട്രാജി സാമർത്ഥ്യവും തന്നെ ദ്വിതീയം അവിശ്വസനക്കും രാഷ്ട്രാജി സാമർത്ഥ്യവുമാണ്.

അതിനാൽ, വെടിയായിരിക്കുന്ന സംഭാവന, ഌക്കാരാജാ, എന്നിവയൊക്കെ സാമർത്ഥ്യം നേടുന്നതു തുടങ്ങിയതുകൊണ്ട് വുക്കി 6 ദിവസം 1964-ത്തിൽ ഇരമേരിയായ യാറ്റാണ് 10 വരെ വളരെയുള്ള ഇടയിൽ ഇരമേരിയായ വാസ്തുസാങ്കേതിക പ്രവർത്തനം ചെയ്യുന്നത്. നന്നായി കാണിക്കുന്നു ഇതിന് നന്നായി ഇരമേരിയായ യാറ്റാണ് 14 ദിവസം നേരന്തോടെ എന്താണെന്ന് വെടിയായിരിക്കുക. നന്നായി കാണിക്കുന്നു ഇതിന് നന്നായി ഇരമേരിയായ യാറ്റാണ് 15 ദിവസം വുക്കി 64 മാസം ഉന്നതിയായ തിയ്യാൻ ഇരമേരിയായ യാറ്റാണ് 16 ദിവസം വുക്കി 64 മാസം ഉന്നതിയായ തിയ്യാൻ ഇരമേരിയായ യാറ്റാണ് 16 ദിവസം വുക്കി 64 മാസം ഉന്നതിയായ തിയ്യാൻ ഇരമേരിയായ യാറ്റാണ് 16 ദിവസം വുക്കി 64 മാസം ഉന്നതിയായ തിയ്യാൻ 

1. സ്വാധീനം ചെയ്ത് ചെയ്യുന്നത് വളരെ പ്രായോഗികമായി എന്നായും എന്നാണ് പ്രായോഗികമായി എന്നാണ് പ്രായോഗികമായി എന്നാണ് പ്രായോഗികമായി എന്നാണ് പ്രായോഗികമായി എന്നാണ് പ്രായോഗികമായി എന്നാണ് പ്രായോഗികമായി 

2. സ്വാധീനം ലഭ്യമായത് എന്നായും എന്നാണ് ലഭ്യമായത് എന്നാണ് ലഭ്യമായത് എന്നാണ് ലഭ്യമായത് എന്നാണ് ലഭ്യമായത് 

3. തന്നെ സ്വാധീനം ചെയ്ത് ചെയ്യുന്നത് എന്നായും എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് 

4. തനാവ് ചെയ്ത് ചെയ്യുന്നത് എന്നായും ചെയ്യുന്നത് എന്നാണ് ചെയ്യുന്നത് എന്നാണ് ചെയ്യുന്നത് എന്നാണ് ചെയ്യുന്നത് 

5. തന്നെ സ്വാധീനം ചെയ്യുന്നത് എന്നായും ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത് എന്നാണ് ചെയ്ത് ചെയ്യുന്നത്

Presentation of the Annual Financial Statement (Budget) for the year 1964-65

The Governor of the State - 22nd February, 1964, presented the Annual Financial Statement (Budget) for the year 1964-65.

During the financial year 1963-64, the State achieved a surplus of Rs. 2.5 crores. The revenue receipts amounted to Rs. 11,700 crores, while expenditure was Rs. 11,600 crores.

The major heads of expenditure include:

- Development Expenditure: Rs. 9,700 crores
- Current Expenditure: Rs. 4,400 crores
- Capital Expenditure: Rs. 700 crores

The State received grants-in-aid from the Central Government of Rs. 450 crores. The State's own tax revenue amounted to Rs. 7,600 crores.

The State's debt servicing amounted to Rs. 600 crores.

The State's financial position is healthy, with a reserve of Rs. 1,500 crores.

The Governor of the State requested the Assembly's approval for the 1964-65 budget.
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

1964-65

The Hon. Mr. Chief Minister, 

Sir, 

In pursuance of the administrative procedure, the same is forwarded to you, the Governor, for your favorable consideration, subject to the comments of the Finance Department.

The Hon. Mr. Chief Minister,

Yours truly,

[Signature]

[Name]

[Position]

[Notes]

(1) [Details]

(2) [Details]

(3) [Details]

(4) [Details]

(5) [Details]
21st February, 1964

Presentation of the Annual Financial Statement (Budget) for the year 1963-64

The annual budget for the year 1963-64 was presented on 21st February 1964 as follows:

- Revenue:
  - Sales: Rs. 1,50,000
  - Imports: Rs. 60,000

- Expenditure:
  - Capital Expenditure: Rs. 15,000

Note: The budget for the year 1963-64 includes the sale of Rs. 1,50,000 and imports of Rs. 60,000.
Presentation of the Annual Financial Statement (Budget) for the year 1961-62

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,20,000</td>
</tr>
<tr>
<td>Reduce</td>
<td>1,00,000</td>
</tr>
</tbody>
</table>

Remarks:
- The total amount is 2,20,000.
- The budget is reduced by 1,00,000.

Other notes:
- Additional notes are provided on the page.
21st February, 1964.  Presentation of the Annual Financial Statement (Budget) for the year 1964-65

[Text content here, likely involving financial details and statements for the year 1964-65, but the specific details are not legible in the provided image.]
Presentation of the Annual Financial Statement (Budget) for the year 1964-65

1. Maintenance of Hostel: ₹60,000
2. School Education: ₹50,000
3. General Administration: ₹40,000
4. Miscellaneous: ₹30,000
5. Sweeping (Sweepers): ₹20,000
6. Administration: ₹10,000
7. Miscellaneous: ₹5,000
8. Total: ₹200,000

Note: The above figures are approximate and may vary slightly.
21st February, 1964

Presentation of the Annual Financial Statement (Budget) for the year 1964-65

...
Preamble of the Annual Financial Statement (Budget) for the year 1964-65

21st February, 1964

Statement

1964-65

29
Mr Speaker — The House will meet again on 26th morning at 8-30 pm.

(The House then adjourned till Half past Eight of the clock on Wednesday, the 26th February, 1964)
21st February, 1964

APPENDIX

Speech of Sri K. Brahmaminda Reddi, Finance Minister, presenting the Budget for 1964-65 to the Andhra Pradesh Legislature on the 21st February, 1961

Sir,

I have pleasure in placing before the House the Budget Estimates for the financial year 1964–65.

It is usual to preface the remarks on the Budget by a description of the economic trends in the preceding year. As the Hon'ble Members are aware, the year 1963 was a rather difficult one. Consequent on the Chinese aggression on our northern frontiers, the Government of India declared their policy that all the resources of the Nation should be mobilised to meet the challenge of the aggressor by building our defences, and also by intensifying and increasing the tempo of essential developmental activities contemplated in the Third Five-Year Plan. In fulfilment of this aim, the Union Government had to resort to additional taxation through fresh measures and by increasing the rates of existing taxes, as also the introduction of such measures as Gold Control and Compulsory Deposits and the State Governments had to follow suit. Later on, to mitigate the severity of these measures and to remove the possibility of any adverse effect on production, the Government of India sanctioned liberalisation and modification of some of these measures. A mid-term appraisal of the Plan was also undertaken by the Planning Commission as it was felt that the Third Plan had not made the headway and achieved the targets during the last 2 1/2 years that were originally expected of it. This appraisal revealed that agricultural production all over the country needs to be stepped up and several measures including intensification of the programme for Package Plans have been recommended. The stress now is on impact programmes which would yield immediate results. Minor Irrigation and larger use of fertilisers are therefore, receiving greater attention. The immediate aim is to reach self-sufficiency in food as this has a double advantage—first, in conserving foreign exchange which is required for the import of food-grains to the extent of the deficiency in home production and, secondly, in helping to fight out the inflationary pressures in the economy.

The economic condition in this State has generally been satisfactory. As in previous years, a separate pamphlet on this subject has been supplied to the Hon'ble Members. Briefly stated, as in the other parts
of the country, a slight fall in the production of food-grains is apprehended according to provisional figures. But production of principal commercial crops, such as, oil-seeds, cotton, sugar cane and tobacco showed a substantial increase during the year. The production of important industries like asbestos, paper, cotton yarn, cement, glass vasa-pani, coal and cigarettes was also higher compared to the preceding year. The Annual average consumer price index numbers for 1963 registered a small rise when compared to the previous year. The labour situation in the State during 1963 was not as satisfactory as it was in 1962. The employment situation, however, showed slight improvement and the number of persons provided with employment during 1963 aggregated 28,533 as against 26,079 in 1962, thus representing an increase of 9.4%. There was also a significant improvement in the number of employers using the Exchanges during 1963 as also in the notification of vacancies, which rose from 838 and 35,841 in 1962 to 998 and 38,608 respectively, in 1963.

I shall now deal with the accounts 1962-63, Revised Estimates 1963-64 and Budget Estimates 1964-65.

**Accounts 1962-63** — The Accounts of Revenue Receipts and Expenditure for the year 1962-63 reveal a surplus of Rs 454.04 lakhs, which is mainly due to the non-payment of arrears of interest on loans received from the Government of India for Nagarjunasagar Project. The Capital Outlay for the year was Rs 34.15 crores and the year closed with a cash balance of Rs 2.46 crores.

**Revised Estimates 1963-64** — The Revised Estimates of Receipts for 1963-64 show an improvement of Rs 1,069.27 lakhs as compared with the Budget Estimates which is mainly attributable to larger receipts under Income Tax (Rs 166.80 lakhs), Land Revenue (Rs 133.48 lakhs), State Excise Duties (Rs 156.27 lakhs) Taxes on Motor Vehicles (Rs 118.53 lakhs), Sales Tax (Rs 266.00 lakhs), Other Taxes and Duties (Rs. 57.24 lakhs), Interest (Rs 38.92 lakhs), Medical (Rs 21.36 lakhs), Community Development, etc., (Rs 20.50 lakhs), Pension Contributions (Rs 60.38 lakhs), Union Excise Duties (Rs 65.74 lakhs) and Grants-in-aid from Centre (Rs 42.05 lakhs). The increases have partly been offset by decreases under Stamps (Rs 23.91 lakhs), Miscellaneous Social and Development Organisations (Rs 23.86 lakhs) and other Heads. Credit has been taken for Rs 15.00 lakhs expected to be received from Neera Shops and Rs 120.00 lakhs under Sales Tax following Government's decision on the recommendations of Dr. Lokanathan, which were implemented during the course of the year, and Rs 110.00 lakhs towards additional income from changes in Motor Vehicles Taxation introduced from the beginning of the year.
On the Expenditure side, there has been a net increase of Rs 848.65 lakhs, occurring mainly under interest on loans received from the Government of India, and also on account of the supplementary grants sanctioned during the course of the year.

The Revised Estimates thus reveal a surplus of Rs 230.62 lakhs on Revenue Account.

After providing for a Capital Outlay of Rs 37.51 crores and net receipts of Rs 84.60 crores under Loans, Deposits etc., the year is now expected to close with a cash balance of Rs 1.84 crores.

Details of variations between the Budget Estimates and the Revised Estimates 1963-64 will be found in Finance Secretary’s Memorandum on the Budget.

Budget Estimates 1964-65 — The Estimates of Revenue and Expenditure for 1964-65 provide for a total Revenue of Rs 136.00 crores and Expenditure of Rs 135.85 crores, indicating a nominal surplus of Rs 15.00 lakhs. On the Receipts side, an improvement of Rs 695.35 lakhs is expected over the current year’s Revised Estimates. Increases are expected to occur mainly under State Excise Duties (Rs 97.47 lakhs), Sales Tax (Rs 120.00 lakhs), Stamps (Rs 26.32 lakhs), State’s Share of Union Excise Duties (Rs 38.47 lakhs) and Grants-in-aid from Central Government (Rs 428.83 lakhs), which will be partly offset by decreases under certain other heads. The increases under State Excise Duties and Sales Tax reflect the full effect of new taxation measures introduced during the course of the year 1963-64.

Besides making full provision for normal maintenance of existing services the Budget provides increased grants over the current year’s Budget Estimates for maintenance of State Highways (Rs 44 lakhs), Zilla Parishad Roads (Rs 33 lakhs), Medicines and Diet to patients in hospitals (Rs 35 lakhs) and Primary Health Centres (Rs 10 lakhs). In addition, a provision of Rs 24.00 lakhs has been made for implementing the recommendations of the Two-Man Committee. The provision for grants to the various Akademi and the Sports Council has been raised from Rs 5.0 lakhs to Rs 7.0 lakhs. A sum of Rs 20.0 lakhs has been included for house-sites for Scheduled Castes.

Additional provisions aggregating Rs 16.06 lakhs have been included in the next year’s Budget towards boarding grants, scholarships, midday meals and building grants for Scheduled Castes, Tribes and other Backward Classes.

It is also proposed that the Government-managed Orphanages may be allowed per capita boarding grants at the same rate as in the case of Harijan hostels, etc., and...
for the purpose a provision of Rs 5 0 lakhs has been included in the Budget

Capital Outlay — The Budget provides for a total capital outlay of Rs 34 90 crores in 1964-65

I shall mention some of the principal items here —

Inigation

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount (Rs lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nagarjunasagar Project</td>
<td>1,000</td>
</tr>
<tr>
<td>2</td>
<td>Tungabhadra High Level Canal</td>
<td>185</td>
</tr>
<tr>
<td>3</td>
<td>Tungabhadra Low Level Canal</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Rajohbanda Diversion Scheme</td>
<td>25</td>
</tr>
<tr>
<td>5</td>
<td>Pochampad Project</td>
<td>103</td>
</tr>
<tr>
<td>6</td>
<td>Swarna Project</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>Kanupuru Canal</td>
<td>15</td>
</tr>
</tbody>
</table>

Power

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount (Rs lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Upper Sileru Hydro Electric Scheme</td>
<td>200</td>
</tr>
<tr>
<td>9</td>
<td>Belimela Dam</td>
<td>50</td>
</tr>
<tr>
<td>10</td>
<td>Srisailam Hydro Electric Scheme</td>
<td>300</td>
</tr>
</tbody>
</table>

Industries

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount (Rs lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Andhra Paper Mills</td>
<td>16</td>
</tr>
<tr>
<td>12</td>
<td>Andhra Pradesh Industrial Development Corporation</td>
<td>50</td>
</tr>
<tr>
<td>13</td>
<td>Contribution to the Share Capital of Cooperative Credit Institutions</td>
<td>65</td>
</tr>
</tbody>
</table>

Miscellaneous

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount (Rs lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Road Transport Corporation</td>
<td>72</td>
</tr>
<tr>
<td>15</td>
<td>Construction of District and Taluq Hospital Buildings</td>
<td>25</td>
</tr>
</tbody>
</table>

Loans and Advances — A credit of Rs 8 91 crores has been taken in the Revised Estimates 1963-64 for the recovery of loans and other dues (including fertilizer loans) from cultivators, etc. In the Budget Estimates 1964-65 credit has been taken for a recovery of Rs 16 89 crores under taccavi and other loans (including arrears and fertilizer loans)
On the disbursement side the following are some of the important provisions made in the Budget for next year —

\[ \text{Rs in lakhs} \]

1. Loans to Municipalities 165
2. Loans to cultivators under Land Improvement and Agriculturists' Loans Act 55
3. Loans to Co-operative Societies and Sugar Factories for purchase of fertilizers 1,990
4. Loans to Co-operative Societies and Land Mortgage Banks 65
5. Loans under Community Development Programme 140
6. Loans under New Well Subsidy Scheme 125
7. Loans to Andhra Pradesh State Electricity Board 1,156
8. Loan Assistance to Panchayat Samithis under Pilot Project for utilization of Rural Man-power 75
9. Advances to Panchayat Samithis for Taccavi Loans 75

Ways and Means — As mentioned earlier, the year 1963-64 opened with a cash balance of Rs 246 crores. As a result of introduction of new taxation measures and better collection of arrears and current demands under various heads, coupled with necessary control over the flow of expenditure, it has been possible to keep the account with the Reserve Bank of India under proper check and the year is expected to close with a balance of Rs 184 crores. This includes a sum of Rs 134 crores which is locked up with the Westminster Bank, London, and is not readily available for immediate use. The receipts and disbursement envisaged in the Budget for 1-64-65 will result in a net disbursement of Rs 513 crores thereby reducing the cash balance to (—) Rs 329 crores at the end of March 1965.

There was a slight change in the borrowing arrangements in the current year as the Government of India decided to issue a Central loan to be shared with all the States instead of allowing States to float individual loans. Andhra Pradesh received Rs 110 crores from out of the Central Pool. The Government of India have not yet taken a final decision whether they would follow the same procedure next year or would allow the State Governments to issue separate open market loans. In the meanwhile, credit has been taken for a fresh market loan of Rs 110 crores in the next year's Budget. This will be in addition to the market borrowings of the Electricity Board and the Road Transport Corporation which will be exclusively utilised for their own expansion programmes.

Plan Outlay — Provision for the State Plan Schemes has been raised from Rs 49.87 crores in the Budget Estimates 1963-64, to Rs. 58.15 crores in the Revised Estimates 1963-64. In addition, the
State Plan provides Rs 563 crores in the Revised Estimates for Power Schemes to be met by the Andhra Pradesh State Electricity Board from out of its borrowings and internal resources like Depreciation Fund. The revised plan for 1963-64 thus stands at 6378 crores.

Additional allotments have been made mainly under the following heads over the original Plan ceilings —

<table>
<thead>
<tr>
<th>Head</th>
<th>Rs in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Production</td>
<td>41</td>
</tr>
<tr>
<td>Minor Irrigation</td>
<td>283</td>
</tr>
<tr>
<td>Major and Medium Irrigation</td>
<td>148</td>
</tr>
<tr>
<td>Power</td>
<td>284</td>
</tr>
<tr>
<td>Handlooms</td>
<td>20</td>
</tr>
<tr>
<td>Education</td>
<td>50</td>
</tr>
</tbody>
</table>

Central assistance for Plan Schemes in 1963-64 is expected to be of the order of Rs 3590 crores in addition. Government of India have recently agreed to give accelerated assistance of Rs 13 crores for Power Schemes and Rs 50 lakhs for the N agarjunasagar Project.

The above figures exclude Centre’s share of the outlay on Centrally sponsored schemes amounting to Rs 375 crores.

As the Hon’ble Members are aware, the 1st Five-Year Plan of the State originally envisaged a total outlay of Rs 305 crores which was subsequently raised to Rs 31220 crores in order to provide more funds for Minor Irrigation and Soil Conservation Schemes. We expect to be able to spend about Rs 16022 crores in the first three years, leaving a balance of Rs 14648 crores, available for expenditure in 1964-65 and 1965-66. For 1964-65 we had drawn up a plan of Rs 7254 crores which is the minimum necessary for ensuring the achievement of expenditure targets under the Plan. The Planning Commission, however, have advised that in view of the large gap between the Plan outlays proposed by all the States as well as the Central Ministries for 1964-65 and the resources in sight, it is necessary to reduce the outlay next year and have accordingly pruned the size of our plan to Rs 6935 crores. As a result of this, the total outlay at the end of 1964-65 would be limited to Rs 23557 crores, leaving a balance of Rs 7713 crores to be spent in the last year of the Plan. The position has been carefully reviewed and it has been decided to go ahead with the Plan as originally fixed as it would be very difficult to step up the tempo of expenditure to the extent of Rs 7713 crores during the final year of the Plan. Provision has accordingly been made in the Budget for Rs 7254 crores. Central assistance for the next year’s Plan, according to present indications, will be limited to Rs 4305 crores and the balance of Rs 2949 crores will have to be raised by the State through the usual methods of open market borrowings, better collections of existing taxes and economies in current expenditure, etc.

The above figures do not include Centre’s share towards Centrally Sponsored Schemes estimated at Rs 652 crores.
21st February, 1964

The position of resources for financing the State Plan Outlay for 1964-65 is as follows —

(Rs in Crores)

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Contribution from Revenue</td>
<td>13.55</td>
</tr>
<tr>
<td>2</td>
<td>Central Grants for Plan Schemes</td>
<td>8.50</td>
</tr>
<tr>
<td>3</td>
<td>Total Resources on Revenue Account</td>
<td>22.05</td>
</tr>
<tr>
<td>4</td>
<td>Plan Outlay on Revenue Account</td>
<td>21.90</td>
</tr>
<tr>
<td>5</td>
<td>Surplus on Revenue Account (3—4)</td>
<td>0.15</td>
</tr>
<tr>
<td>6</td>
<td>Open Market Loans (net)</td>
<td>8.91</td>
</tr>
<tr>
<td>7</td>
<td>Share in Small Savings</td>
<td>2.00</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous Capital Receipts over Non-Plan Disbursements</td>
<td>(—) 4.73</td>
</tr>
<tr>
<td>9</td>
<td>Total Capital Receipts in the State field (6+7+8)</td>
<td>6.18</td>
</tr>
<tr>
<td>10</td>
<td>Central Loan Assistance</td>
<td>34.55</td>
</tr>
<tr>
<td>11</td>
<td>Total Resources on Capital Account</td>
<td>40.73</td>
</tr>
<tr>
<td>12</td>
<td>Plan Outlay on Capital Account including Loans and Advances</td>
<td>46.01</td>
</tr>
<tr>
<td>13</td>
<td>Gap in Resources on Capital Account (12—11)</td>
<td>5.28</td>
</tr>
<tr>
<td>14</td>
<td>Surplus on Revenue Account</td>
<td>0.15</td>
</tr>
<tr>
<td>15</td>
<td>Net gap in Resources</td>
<td>5.13</td>
</tr>
<tr>
<td>16</td>
<td>Opening Balance</td>
<td>(+) 1.84</td>
</tr>
<tr>
<td>17</td>
<td>Closing Balance</td>
<td>(—) 3.29</td>
</tr>
</tbody>
</table>

A separate booklet has been distributed to the Hon'ble Members explaining the progress of the Plan. I shall here mention only a few salient features.

_Agriculture_ — Agriculture has been given a high priority after the declaration of National Emergency. As already stated, the aim is to reach self-sufficiency in food with a view to conserving foreign exchange for other essential purposes and also to keep the inflationary pressures under check. It has also been stated that agricultural production registered a slight fall in respect of food-grains only according to provisional figures but the condition of other crops especially commercial crops was satisfactory. Paddy nurseries were affected by pests and diseases and also by blast, gallfly, and stemborer in some districts in Anantapur district, ragi and Rabi jowar were affected by ear head-bug and 50% of tobacco crop was affected in Krishna district. Groundnut was also attacked by red hairy caterpillar in Sriakulam and Nalgonda and by Aphids in Anantapur district. The standing crops in Cuddapah and Nalgonda suffered due to want of rains while they were affected in Nizamabad and Adilabad district due to excessive rains. In Krishna district, the standing crops in tanka lands in Divi taluk were damaged due to floods in Krishna river during the month of September 1963. 20,000 acres of paddy in East Godavari and 50,000 acres in Krishna district were affected due to cyclonic gal, which prevailed from 2C-10-1963 to 26-10-1963. Barring the above, the
condition of the standing crops during 1963 was generally satisfactory in most of the districts in the State.

The progress of agriculture has been given in detail in a separate pamphlet showing the mid-term review of the Plan. However, some of the items and measures taken by the State Government are briefly stated below:

**Improved Seed.** — It is gratifying to note that nearly 70% of the rice area is covered with the improved varieties as against 15% in the country. By the end of the Third Plan, it is proposed to saturate the entire rice area with improved seeds. In this direction, efforts are made through State Seed Farms to multiply the foundation seed and ultimately supply them to cultivators through registered seed growers and departmental depots. Experiments are also being made on a pilot basis in each district to transfer the responsibility for seed multiplication programme to private enterprises by providing incentives at a lumpsum grant of Rs. 4 per bag of good seed distributed to farmers.

**Plant Protection.** — Among the pests, the rice stemborer has been a major pest in the coastal districts and has been receiving special attention of the Department of Agriculture. Large scale spraying operations have been conducted with ground equipment as well as with the aid of aircraft. It is also proposed to establish a Research Station at Tenali for evolving improved varieties of rice which would resist this pest. Aerial operations are steadily gaining ground and popularity among the cultivators. Government are examining the question of purchasing a helicopter at a cost of a cut Rs. 5 to 10 lakhs to provide dependable service to the farmers especially during epidemics.

**Package Programme.** — The intensive Agricultural District Programme launched in the Godavari District in 1962-63 is now under implementation in all the 25 Blocks of the district with 10.9% coverage of selected crops. It will be further intensified during 1964-65 by inclusion therin of a soil testing laboratory, agricultural workshop, and water use management. A modified package scheme is also being implemented in 10 other districts covering 15 Blocks of the State in 1964-65 to step up production of rice, jowar, ragi, maize, sugar-cane, groundnut, cotton, and vegetables covering 40% of the area.

**Intensive Dry Farming Scheme.** — For increasing the output of crops like jowar, bajra, and other millets, pulses, cotton, and groundnut in the regions having scarcity rainfall, intensive dry farming has also been undertaken in Adilabad and Nantapu District and it is proposed to extend it to two more districts of Algodon and Godapah, and also to other blocks not covered by the modified Package Programme.

**Agricultural University.** — The Agricultural University Bill has been passed during the last Session of the Legislature. A complete scheme has been drawn up in consultation with the Government of India which is expected to cost nearly Rs. 15 crores and will be eligible for Central assistance.

A Special Officer has also been appointed for expediting the preliminaries connected with the establishment of the University, which is expected to start functioning from 1964-65 academic year.

**Fruit Export Corporation** — In order to earn foreign exchange and also to provide export market for Indian fruits such as Bananas, the Government of India have agreed to set up a Fruit Export Corporation and have suggested to the State Governments to subscribe to its share capital. Andhra Pradesh is going to subscribe Rs 2½ lakhs of which Rs 1 lakh will be provided by the State Government and the balance will be provided by the Co-operative Institutions, etc.

**Co operation** — The Co-operative movement continued to make steady progress. During the year 1963-64, the Hyderabad Co-operative Apex Bank Limited, and the Andhra State Co-operative Bank Limited, Vijayawada, have been amalgamated into one Bank called the Andhra Pradesh State Co-operative Bank Limited, Hyderabad. This will ensure uniform loaning policies in both the Andhra and Telangana regions of the State. In fact the amalgamated Bank has already decided to issue loans on personal security to the extent of Rs 500 in each case to land owners without insisting on security, as also to tenants who were hitherto getting loans as they had no lands to mortgage.

The State being essentially agricultural, progress in the field of credit has been marked. Short and medium-term loans provided to agriculturists through village co-operative societies have been steadily rising and as against loans amounting to Rs 18.74 crores granted during the year 1962-63, it is estimated that credit to the extent of Rs 25 crores, Rs 35 crores, and Rs 45 crores respectively, will be provided during 1963-64, 1964-65 and 1965-66.

Long-term loans during 1962-63 were provided by the Andhra Pradesh Co-operative Central Land Mortgage Bank Limited, to the extent of Rs 3.13 crores. During 1963-64, 1964-65 and 1965-66 long-term loans to the tune of Rs 4.30 crores, Rs 5.15 crores, Rs 6.00 crores respectively, are expected to be provided. In addition to these normal loaning operations, the Andhra Pradesh Co-operative Central Land Mortgage Bank has prepared schemes for the provision of long-term finance to the farmers under the Kurnool—Cuddapah Canal, the Kasaan and the Ilagaramsar Projects. It is expected that these schemes will come into operation during 1963-64. Besides these schemes, the Bank is also in a position to provide Loans to proprietors of long-term agricultural projects.

The programme of having one Land Mortgage Bank for each taluk is also expected to be fully implemented during the Budget year.

Co-operative Farming is a field which calls for special attention. So far 91 Co-operative Farming Societies (33 joint Farming Societies and 58 Collective Farming Societies) have been registered. Of these, 28 Societies have commenced agricultural operations. Rs 3.30 lakhs in the Annual Plan for 1964-65 and Rs 6.60 lakhs in the Annual Plan for 1954-65, have been provided towards the cost of the State Government. During 1961-65 it is proposed to organise 77 Societies in pilot areas and 71 Societies in non-pilot areas.

Special attention is being paid to the welfare of weaker sections of the community through co-operative societies specially organised for them. For this purpose a sum of Rs 13.47 lakhs has been provided.
In the annual plan for 1964-65 for assistance to Societies of Rickshaw-pullers, Washermen, Taxi-drivers and Fishermen and Forest Coupe Societies

A special provision of Rs 5 lakhs has also been made for advancing loans to Tappers’ Co-operative Societies

Andhra Scheduled Tribes Co-operative Finance and Development Corporation — A Corporation consisting of both officials and non-officials was started in 1955-57 with its headquarters at Visakhapatnam to protect the tribals from exploitation by private parties who used to purchase the minor forest produce from the tribals at very low rates and sell to the tribals their domestic requirements at abnormal rates. The Government have invested Rs 20 lakhs as share capital. 15 Primary Marketing Societies have been set up at different places and are affiliated to the Corporation. Their main functions are to purchase and supply at fair prices the domestic requirements of the tribals and to purchase the entire minor forest produce and their surplus agricultural produce and to grant assistance in the form of (a) share capital loan (b) emergency loan and (c) surety loan. Government have issued orders for the extension of the activities of the Corporation to the Telangana area during the year 1963-64 at a cost of Rs 50,000.

Progress of Consumer Co-operative Stores — The Consumers Co-operatives continued to make progress during 1963-64. So far, 15 Central Co-operative Stores have been organised and efforts are being made to consolidate these stores. Besides these Central Stores, 21 Government Employee stores have also been organised by the State Government. These Consumers Stores are intended not only to help Government servants with fixed incomes to secure consumer goods at fair prices but also to hold the price line. Although, there have been teething troubles in the operation of both the Central and State sponsored schemes, their managerial and operational defects are being got over through special efforts. Efforts are also being made to link the Consumer Co-operative Societies with the Marketing Societies. The Andhra Co-operative Marketing Federation has undertaken to make bulk purchases from producers of essential commodities like rice, pulses, chillies and salt so that they may be supplied to the Consumers Stores at competitive rates. A special scheme is being drawn up so that the Federation may make these bulk purchases through District Marketing Societies and to supply them to the nearest Consumers Stores, thereby reduce the transport charges and thus make the articles available to the members at fair prices.

The facilities offered by these stores are now proposed to be extended to employees of Local Bodies also and a provision of Rs 10-50 lakhs has been made next year for assistance to these Bodies for making necessary trade deposits on behalf of their employees.

Deposits of Local Bodies — The Municipalities and other Local Bodies are, under the existing rules, required to keep their funds with the State Treasuries which do not normally earn any interest. A question has been frequently raised whether these Local Bodies should be permitted to withdraw their funds from the State Treasuries and re-invest them in securities or with banks in order to earn some interest. The
amount involved happens to be very large and its sudden withdrawal from the treasuries is likely to cause serious dislocation of Government finances. The release of these funds can, therefore, be thought of over a period of years and according to a properly phased programme. Finance Department will work out the details in consultation with the concerned Departments and the Municipalities and Local Bodies will be permitted to withdraw their funds according to the programme and re-invest the same with Co-operative Banks which will also have the advantage of enabling the Co-operative Banks to borrow and disburse more funds for Rur I development.

CIVIL SUPPLIES DEPARTMENT

Rice Procurement Scheme — With a view to building up buffer stocks of rice in the country and meeting consumption needs in the current year, the Government of India decided to continue procurement of rice during the year 1964. In pursuance of the above decision, the State Government have undertaken to procure at least 2.5 lakh tons of rice during the year 1964 at the controlled rates fixed by the Government of India under the Rice (Andhra Pradesh) Price Control Order, 1963.

Industrial development — During the year, good progress has been made by the Heavy Electricals Project and the Synthetic Drugs Project. Civil Works are under construction and a considerable portion of the staff required has been recruited and is under training. As a result of the effort made by the State Government to have more Central Industrial Projects located in our State, Government of India have decided to locate the Defence Electronics Factory and a unit of the Hindustan Machine Tools in our State. A major portion of the land required for these two units has already been acquired and handed over to these units, free of cost by the State Government. A proposal for establishing a factory for making coal mining equipment in our State is under the Central Government’s consideration.

Honourable Members are aware of the efforts that are being made by the State Government to get a steel plant located at Vizag. Visakhapatnam offers a suitable location for the project. For meeting the water requirements of the Steel plant, the Raviwada Reservoir Scheme has been investigated and the project report sent to the appropriate authorities. A similar report on the Meghadri Gedda scheme is under preparation and would be sent to them soon. The location of this large project in our State is expected to stimulate the growth of a large number of ancillary small-scale industries throughout the State.

There has been progress in some of the major projects licensed in the private sector. The State Government have been following the progress made by each of these units licensed and have been extending the necessary facilities to speed up the implementation. So the spinning mills which were licensed in the recent past are expected to be established now. During the year, 21 licences were secured for locating industries in the State, among which are licences for the manufacture of power looms, welding electrodes and seamless tubes. One new forge unit and one cement plant have also been given draft licences.
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The Corporations set up by the State Government some time back to sponsor industries have also had an eventful year. The Andhra Pradesh Industrial Development Corporation has recently concluded foreign collaboration agreement with a Japanese firm for a Ball Bearings Project. The Corporation has also extended several financial facilities to the new industries coming up in the State. During last year, they have underwritten shares to the extent of Rs. 62.2 lakhs in 6 companies and have guaranteed deferred payment to the extent of Rs. 463 lakhs.

The Small scale Industrial Development Corporation has had another year of service to the small-scale industries. They have so far given loans to the extent of Rs. 2,07,814 to small-scale industries and have invested an amount of Rs. 5,71,131 towards equity participation in five industrial concerns. They have also been managing raw-material depots which supply the essential raw material to various small-scale industries.

The Mining Corporation has had another year of profits. They have made a profit of Rs. 5.7 lakhs during the year 1962-63 and declared a dividend of 6 per cent. The Corporation processes iron ore in Kurnool and Anantapur Districts and prospecting of manganese and graphite deposits in the State. The Mining Corporation is also going to set up a cement factory at Bonakallu in Khammam District. Substantial progress has been made in setting up a unit for manufacture of mica, insulating bricks, lime calcination plant and a clay washing plant.

The State Finance Corporation during the year 1962-63 has issued loans to the extent of Rs. 8.03 crores. It is expected that by the end of this year, 1963-64, their total outstandings would be about Rs. 2.5 crores.

The expansion programme of Andhra Paper Mills, which contemplates the setting up of a new mill with a capacity of 60 tons, is being implemented. The bulk of the machinery has been received and civil works are in progress. Meanwhile, Government have been exploring the possibilities of securing participation of private capital in this project on suitable terms so that the funds so saved could be utilised for other industrial enterprises. Several suggestions have been received in this connection and are under consideration of the Government.

The progress of the two fertilizer projects to be set up in the private sector at Kothagudem and Vizianagaram has been rather slow. It is expected that the parties concerned would take necessary steps to speed up the progress during the coming year. The State Government have also agreed to extend guarantees to the Industrial Development Corporation for underwriting the capital issue of the Coromandel Fertilisers Ltd at Visakhapatnam upto Rs. 75 lakhs.

Some of the Co-operative Sugar Factories set up recently have not been making enough progress mainly on account of the difficulty of obtaining cane. However, conditions have improved and three or four sugar factories are crushing to the full extent of their installed capacity now. There have been several applications from the ryots in various
districts for locating new Co-operative Sugar Factories in their areas. The State Government have so far recommended to Government of India six applications.

With a view to ensuring adequate yarn supplies at reasonable prices to Handloom Weavers, State Government have already set up three Co-operative Spinning Mills, which are working well now. One of them had incurred losses last year, as a result of the action taken by the Government, the Mill is now making profits. Government have decided in principle to establish six more Co-operative Spinning Mills in Nellore, East Godavari, Chittoor, Cuddapah, Anandabat and Krishna District.

It has also been decided to provide necessary funds, as and when required, for subscribing to the share capital of the Spinning Mills and Sugar Factories in the co-operative sector which may be set up next year.

In the light of this survey, hon. Members would appreciate that there has been a marked increase in industrial activity in the State and that this trend is likely to continue.

In order to advise the State Government on matters relating to the establishment and promotion of large-scale industries, the Government constituted an Advisory Committee with the Chief Minister as Chairman, on which some prominent members of the House are represented. The Committee suggested that the Government might consider the desirability of disposing of their holdings in industries in which they do not have a controlling interest. The intention is that the amount so realised might be utilised for the promotion of new industries in the State. As a first step in this direction, the Government have decided to sell away their investments in industries located outside the State and to make the funds available to the Industrial Development Corporation for promotion of specific projects. The Government are also considering the question of disposing of their minority holdings in undertakings in the State, e.g., the Azam Jahi Mills.

It has repeatedly been represented to the Government that the high power tariff in the State is one of the factors militating against the growth of industry. It has, therefore, been decided to offer concessional power rates to new industries established in the State for an initial period of about three years. It is also proposed to acquire substantial areas of land in different parts of the State and to develop them by the provision of roads, water supply and power with a view to allotting sites in those areas to new industries. Government hope that these measures will result in accelerating the pace of the State’s industrial growth.

Rural Industries Projects — The three Rural Industries Projects in the State at Nalgonda, Narsaraopet and Ananthapur which are being established with a view to bringing the benefits of planning within the reach of the rural folk have been inaugurated in April 1963. After completing a rapid survey of the potentialities of the project areas, certain schemes have been formulated and approved by the Government for implementation in the projects area, of which mention may be
made of the following — (1) Scheme for establishment of one General Engineering Workshop, (2) Scheme for the training of artisans in improved Technology, (3) Scheme for supply of improved tools and equipment to village artisans and (4) Scheme for the establishment of a Dye House and Design Extension Centre in each of the Projects.

As it is the intention to implement the Rural Industries Projects primarily through non-official agency to develop local leadership, adequate administrative and financial powers have been delegated to the State Level Advisory Committee and Project Implementation Committees, which have since been redesignated as State Rural Industries Projects Committee and Rural Industries Project Committee, to ensure smooth and speedy implementation of the Schemes in the Projects.

**Development of Film Industry** — With a view to developing the film industry at Hyderabad as a part of the general Industrial development of the State and encouraging production of Telugu films which, for lack of facilities here, are now being produced outside the State, the Government have decided to offer facilities to the industry for production of films in the State for establishment of studios by acquiring land for the construction of studios and also financial assistance by way of loans which would be free of interest for first two years. Annual cash awards are also to be given to the future, documentary, children and education films. Necessary funds will be provided for this purpose during the course of the next year.

**Irrigation** — The execution of the Major, Medium and Minor Irrigation Projects is in good progress. On the Minor Irrigation programme, tempo has been built up on a high scale investigation and execution has been accelerated. The Government of India, Ministry of Food and Agriculture have also been requested to consider the question of raising the ceiling for treating a scheme as Minor Irrigation scheme from Rs 10 lakhs to Rs 15 lakhs. If this is agreed to by the Government of India, the minor irrigation programme will receive further impetus. The programme is so planned that the benefits are spread over all the districts in the State. One important feature is the filip given to public participation through Panchayat Samithis, Village Panchayats and Ayacutdas who are given special facilities for participation in the execution of works in their area.

**Nagarjuna Sagar Project** — In the Second Plan as well as the Third Plan of Andhra Pradesh, we were unable to allocate adequate funds for development heads like Education, Health, Communications, Welfare of Backward Classes, etc., due to the fact that a sizeable portion of the total Plan Outlay had to be earmarked for the Nagarjuna Sagar Project. We shall be spending nearly Rs 90 crores on this project by the end of the Third Plan and may have to provide another Rs 50 crores during the Fourth Plan in order to complete the first phase. Some of the other States also seem to be facing a similar situation on account of large Irrigation and Power projects which they have started. Another serious drawback about these large projects is that they take several years to complete and even then without adequate returns. Therefore, the State Government have to make large provisions during the period of their construction not only for payment of
loans but also for the interest charges which are quite heavy. This is naturally putting considerable strain on the resources of the States both on Revenue and Capital accounts. Our Chief Minister, therefore urged, at the last meeting of the National Development Council held in December, that relief should be provided to the State Governments by the Centre by taking over the responsibility of financing such projects outside the States' Plans. Other Chief Ministers lent their valuable support to this view. The matter is receiving sympathetic consideration of the Government of India.

Pending final settlement of this issue, the Government of India have been requested to postpone the recovery of interest on the Central loans for Nagarjunasagar Project.

Power —The Government transferred to the Andhra Pradesh State Electricity Board with effect from 1-4-1963 all the projects except those having an inter-State aspect or connected with river-water dispute. Among the continuing schemes which are Government works, all the six units under Machkund Hydro Electric Scheme were installed before the end of the Second Plan and are generating power. The contour channel has recently been commissioned thereby increasing the generating capacity by about 20 M W. The Tungabhadra-Nellore Hydro Thermal Scheme comprise the installation of 8 Hydro sets of 9 M W each, 4 sets at the Dam Power House and 4 sets at the Canal Power House (Hampi) and 30 M W Thermal set at Nellore. Of the Hydro sets of 9 M W each, 4 had already been installed during the Second Plan period and work on the remaining 4 is now in an advanced stage of progress. Two of the above 4 units will be commissioned during 1963-64 and the remaining 2 early in 1964-65. Civil Works relating to the Upper Sileru Hydro Electric Scheme are progressing according to schedule and order for plant and machinery has been placed under Swiss Credit. An amount of Rs. 150 lakhs is provided in the Revised Estimate 1963-64 for the Balamber Dam which is a joint scheme of Andhra Pradesh and Orissa Governments executed by the Balamber Control Board.

Among the continuing schemes pertaining to the State Electricity Board, the Tungabhadra Nellore Hydro Thermal Scheme envisages the installation of 3 M W set at Nellore which is expected to go into service by June 1964. The 132 K V Hampi Gooty-Cuddapah line has since been commissioned.

The Telangana Hydro Thermal scheme is making good progress and the major portion of the work in respect of Hussamsagar Boiler is completed and the boiler is expected to be commissioned by March 1964. The Ramagundam Boiler foundation works were completed and the erection work was commenced in December, 1963. Among the new schemes, work on the Kinnerasani Project is going as per schedule. The preliminary civil works pertaining to Kothagudem Thermal Station have been completed and a letter of indent order was placed on M/s Mitsui, Japan for manufacture, erection and commissioning of the boilers and ancillary equipment. As regards the Turbo Generators a letter of indent order was placed on M/s Hitachi Ltd., Tokyo, Japan for manufacture, erection and commissioning of the Generators Equipment for the installation of 60 M. W set at Ramagundam is being.
procured under Bulk Purchase by the Central Water and Power Commission. Two 10 M W Gas Turbo sets are to be installed at Erragadda to relieve the power shortage in the twin cities of Hyderabad and Secunderabad and one of the two was commissioned on 26-1-1964.

Rural Electrification — During the first two years of the Third Plan the total number of villages electrified was 1077 (844 in Andhra region and 233 in Telangana). 36 more villages (45 in Andhra and 21 in Telangana) were electrified up to the end of December, 1963.

Development of Minor Ports — Government have constituted the Andhra Pradesh Minor Port Development Board consisting of both officials and non-officials for advising the Government on the development of minor ports in the State. Recently, Government have approved the proposals of the State Port Officer Karimnagar for the purchase of three dredgers for the ports of Masuliputnam, Karimnagar and Krishnapatnam at an estimated cost of Rs 19.50 lakhs, the expenditure being met from the State Budget pending sanction of loan assistance from the Government of India.

Other Development activities — Apart from Agriculture and Industry, the other development needs like Education, Health Services, Communications, etc., have been receiving adequate attention both under the Plan and the non-Plan heads. The Education Budget, for instance, has grown from Rs 7.56 crores in 1960-61 (Accounts) to Rs 25.93 crores in 1964-65, which includes an additional grant of Rs 10 crore under the head Grants-in-aid to Zilla Parishads and Panchayat Samiti for Primary and Secondary Education.

Similarly expenditure on Medical and Health Services which amounted to Rs 7.56 crores in 1960-61 (Accounts) is being stepped up to Rs 10.18 crores in 1964-65.

The provision for maintenance of communications under Government and Zilla Paishaus has been raised to Rs 3.38 crores against Rs 3.38 crores in the actuals for 1964-65. This is an addition to the construction grant for roads which is fixed at Rs 4.03 crores in the next year’s Budget.

Hon’ble members are aware that the bridge at Rangapur over Krishna river had been opened for traffic. Bhadrachalam, Vasishta and Godavari bridges would be completed during the course of the year. After discussions with our Public Works Minister had with the concerned at the Centre, Government have decided to place at the disposal of the Railway Ministry one crore of rupees as our share for the construction of 18 ft. bridge over Godavari at Rajahmundry town.

Agriculture, Animal Husbandry and Co-operation put together will receive an allocation of Rs 10.1 crores in 1964-65 as against Rs 6.28 crores at the end of the Second Plan. This is in addition to the efforts made for increasing agricultural production through Community Development Programmes for which Rs 6.33 crores have been provided.

The expenditure on amelioration of Scheduled Tribes, Castes, etc., in 1960-61 amounted to Rs 3.64 crores against which the provision in the next year’s Budget stands at Rs 4.20 crores.
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Other development heads have also received similar attention and the Budget for next year provides for substantial increases over the previous figures.

The development programme for next year also includes the following special grants —

1. It is proposed to establish a Central Jail in the Rayalaseema area. The estimates of buildings and other requirements are being worked out. In the meanwhile, a token provision of Rs 1 lakh has been made in the Budget which will be utilised for the acquisition of site and other preliminary expenses. Additional funds will be provided during the course of the year depending on the progress of work.

2. In keeping with the established policy of Government, it is proposed to open 5 or 6 new Fire Stations during the year and a sum of Rs 5 lakhs has been provided for this purpose.

3. In order to strengthen the field staff which is necessary for adequate protection of the valuable forests, particularly in the Telangana area, it is proposed to spend Rs 5 lakhs additionally for reorganising and strengthening the establishment and necessary provision has been included in the next year's Budget.

4. Another Rs 5 lakhs have been provided as assistance to Municipalities for development works, such as roads, etc., in their areas.

5. There is also a proposal to provide facilities for training in Textile Technology by starting an independent institute of Textile Technology or by instituting Textile Diploma Course at one or more of the Polytechnics in Andhra Pradesh State. The economics and other relevant details of both the alternatives are being worked out and a decision will be taken by Government after examining the details. Meanwhile, a provision of Rs 5 lakhs is being included in the Budget for this purpose.

Social Security Measures — For some time past, the question of providing social security to the economically backward sections of the community has been engaging the attention of Government. This matter also came up for discussion at the State Finance Ministers' Conference held in New Delhi in November 1963. The State Government recently announced the following social security schemes, the expenditure on which annually will exceed a crore of rupees.

Old Age Pensions — Hitherto a limited amount of about Rs 3 to 4 lakhs was being provided in the Budget on this scheme for granting pensions to persons who are 65 years of age and above and who are in a destitute condition. Government have decided to increase the provision to Rs 25 lakhs from the Budget for next year and also lowered the age limit from 65 to 61 years in the case of physically handicapped destitutes. With a view to expeditious disposal of applications for Old Age Pensions, powers for sanctioning these pensions have been delegated to the Collectors. Government have also given full discretion to the Collectors to relax any provision of the Old Age Pension Rules in deserving cases.
Educational Concessions - Girl students studying up to 8th Standard in the Andhra region are now enjoying exemption from payment of school fees. This concession has been extended to the girl students in the Telangana region also from the current academic year 1963-64. Similarly, girl students studying in the 9th to 12th classes in government schools as well as schools under Local Bodies and Private Management have been exempted from the payment of tuition fees from the academic year 1964-65 irrespective of caste, community, creed or the financial status of their parents. The grant of these concessions will result in additional expenditure of Rs 20 lakhs next year.

Government have also decided to extend the concession of paying half fee to the students of all sections of the community irrespective of caste or creed whose parents is below Rs 1,500 per year. So far, only students belonging to the backward communities were eligible for this concession. This is likely to cost about Rs 40 lakhs.

Government have also decided to increase the provision for the grant of merit scholarships to Higher Secondary classes by Rs 10 lakhs. This will enable the Education Department to grant a larger number of scholarships approximating 10,000 in the 9th to 12th classes.

The provision for scholarships in the Technical Colleges and Polytechnics will be increased to Rs 5 lakhs per annum.

Provision for grant of loans to students in Engineering Colleges and Polytechnics, Medical, Agricultural and Veterinary Colleges will be increased by Rs 2 lakhs for the first two categories every year for a period of 5 years, and by Rs 1 lakh each for the next 4 years in the case of the latter two categories.

Provision for concessional loans in 1964-65 has been increased from Rs 55 lakhs to Rs 75 lakhs. It has also been laid down that in the case of small peasants owning two acres of wet land or five acres of dry land or less, the loan shall be granted free of interest but the maximum of such interest-free loan shall not exceed Rs 200 in any individual case. About Rs 50 lakhs are expected to be advanced in this manner.

Provision for opening maternity centres has been increased from Rs 0.75 lakh to Rs 3 lakhs next year so that 20 such centres may be opened at the rate of one in each district.

A sum of Rs 10,000 will be made available to the Commissioner of Labour for supplying artificial limbs to physically handicapped workers coming under the purview of the Workmen's Compensation Act.

Rehabilitation of Goldsmiths — The State Government have constituted an Advisory Committee under the Chairmanship of the Minister (Labour and Transport) for considering various measures for rehabilitation of goldsmiths. The measures taken so far include giving priority treatment for the absorption of unemployed goldsmiths in the State through Employment Exchanges, grant of free education facilities up to 12th standard and, in addition, a book allowance of Rs 20 per annum to children of goldsmiths whose annual income is
below Rs 1,800 and sanction of a sum of Rs 2.5 lakhs as grants and loans for starting small-scale industries in the twin cities of Hyderabad and Secunderabad. The Government of India have granted a loan of Rs 20 lakhs out of which the State Government have sanctioned Rs 10 lakhs for the grant of loans and Rs 4 lakhs for supply of sewing machines to goldsmiths on loan basis. Out of the balance of Rs 6 lakhs, the following schemes are proposed to be started —

(1) Cast Iron Foundry at Vijayanagaram
(2) All Steel Agricultural Plant in West Godavari District
(3) Tin Balcksmithy Unit at Cuddapa
(4) Survey Instruments at Warangal
(5) Fancy Articles, Jewellers and Silver Filigree Works at Kanimmagar

Recently the Government of India have agreed to grant a further loan of Rs 10 lakhs for the rehabilitation of goldsmiths.

Liberalisation of Family Pension Rules — The Government of India have with effect from 1-1-1964 introduced a Revised Family Pension Scheme for the Central Government employees. The Family Pension granted under this scheme is tenable for the lifetime of the widow unless she remarries. In case of death of the widow, the minor children are also eligible for the Family Pension till they attain the age of 18 years. A third feature of this pension scheme is that its quantum does not depend on the length of service and amount of service pension of the deceased but has been connected to the pay drawn by the employee and fixed at a certain percentage of the same according to the various pay ranges. The Family Pension can be granted to the survivors of an employee who puts in a regular minimum service of one year. The State Government have adopted the above scheme for the State employees which will be an important measure of social security to the dependents of deceased Government servants especially those who die in harness without having had the opportunity to make adequate provision for their families.

The Government have also decided to fix the minimum amount of service pension at Rs 15 p.m. for all pensioners retiring after 1-1-1964 and extend the benefit to existing pensioners also in case pension plus dearness allowance works out to be less than Rs 15 p.m. These concessions are likely to result in an additional expenditure of Rs 20 lakhs.

Flood and Famine Relief Measures — In October 1963, there were heavy rains in the Districts of Visakhapatnam, East Godavari, West Godavari, Krishna and Guntur and considerable damage was caused by floods in the Budameru, Thamneru, Yarrakalava and other rivers and drains. Government immediately came to the succour of the victims and spent large amounts to give them immediate relief by way of supply of food, clothing, etc.
Several roads and irrigation sources in the above districts were damaged by floods and the following amounts have so far been sanctioned for repairs to minor irrigation sources —

Rs

Nellore District 1,50,000
Visakhapatnam District 6,00,000

Proposals for repairs to roads and irrigation sources in the Districts of Guntur, West Godavari and East Godavari have been received and they are under consideration. In addition to the amounts spent from the State Exchequer, a sum of Rs 15,000 was sanctioned from the Prime Minister’s National Relief Fund for the relief of flood victims in the five districts affected by heavy rains of October 1963.

The following amounts have been sanctioned towards special loans for the reclamation of sand-cast lands —

Rs

Guntur District 2,20,000
Kushna District 1,00,00

A proposal for sanction of special loans for supply of bull-dozers for the reclamation of sand-cast lands in Visakhapatnam District is under consideration of Government.

Liberalisation of Rules regarding grant of remission of Land revenue — There were two sets of rules governing the grant of remissions of land revenue in the Telangana and Andhra regions. In pursuance of the general policy of Government to bring about unification of laws and rules in the two areas, a uniform set of rules regarding the grant of remission has been sanctioned by the Government extending the more liberal provisions of the Andhra rules on the subject to the Telangana area. Some of the provisions of the rules obtaining in Andhra area have been further liberalised and made applicable to both the regions.

Development of Fisheries — Two Apex Fisheries Central Co-operative Societies are functioning, one in Andhra and the other in Telangana area, with the object of promoting development of fish industries on modern lines. They enter into contract with any Society or individual for the purchase and sale of fish and fish products, undertake manufacture of fish by-products and fishing implements and provide subsidiary work to fishermen. Government have sanctioned Rs 3 lakhs as working capital loan to the two Societies, besides giving subsidy towards cost of departmental staff, etc.

The mechanisation of fishing and establishment of fishing harbour at Kakinada is the principal programme in the Plan for the development of marine fisheries. This scheme has made sufficient headway and Government have already sanctioned Rs 4,70 lakhs for improvement to the quay wall in the existing Military docks and for providing water facilities at Kakinada harbour.
The off-shore Fishing Station of Government of India has already conducted experimental operation off Visakhapatnam and found good fishing grounds apart from those at the mouths of rivers Mahanadi, Godavari and Krishna. The question of establishing a Deep Sea Fishing Corporation either with foreign collaboration or with the local resources in the public sector or by extending financial assistance to private enterprises is under consideration of Government of India. The Corporation is likely to procure 3,000 tons of additional fish which is expected to earn foreign exchange to the tune of Rs 15 lakhs and provide better employment opportunities to the fishermen class.

Rural Drinking Water Supply — The Government of India have decided that all villages in the country should be provided with adequate drinking water supply facilities by the end of the current Plan. The entire provision of Rs 35 crores under the Local Development Works Programme was, therefore, earmarked by the Government of India exclusively for Drinking Water Supply Schemes. This State is eligible for about Rs 4.5 crores based on the population for the period of Third Five-Year Plan. The Government of India have allotted Rs 115 crores during the first three years and it is expected that an amount of at least Rs 10 crores would be allotted to this State during 1964-65. Therefore, an amount of Rs 1 crore is proposed in the Budget for 1964-65 under the Programme. During 1962-63, out of Rs 41 crores allotted, Rs 40.21 crores was actually spent.

The Government of India have stated that it is not possible to provide separate amount to sanction costly Protected Water Supply Schemes and suggested that the provisions under Local Development Works Programme and under the Health sector might be utilised for this purpose. During the year 1963-64, an amount of Rs 1.5 lakhs under Local Development Works Programme and Rs 1.17 lakhs under Equalisation Grant has been set apart for Protected Water Supply Schemes and 206 schemes at an estimated cost of Rs 9510 lakhs covering a grant of Rs 61.57 lakhs were sanctioned and grants were released to an extent of Rs 20 lakhs. An amount of Rs 17.81 lakhs was sanctioned as loan, out of which Rs 6.45 lakhs were released during 1963-64. A minimum amount of Rs 1.5 lakhs is required during 1964-65 for completing the spilt over Protected Water Supply Schemes sanctioned during the year 1963-64. This amount is proposed to be met from the provisions under the Local Development Works Programme and Equalisation Grant.

Housing — Housing is as important as any other social security measure in a Welfare State. A provision of Rs 8.51 lakhs has been made in the revised Third Five-Year Plan with a view to constructing at least 6,000 dwelling units of various types. During the first three years, as many as 4,950 units would have been constructed at a cost of Rs 14892 lakhs. Of the balance amount, Rs 51.21 lakhs is proposed to be spent next year in constructing 506 more houses. So far 2,771 plots have been developed for the purpose of constructing low cost houses.
The Schemes under implementation fall under different categories such as —

(a) Subsidised Industrial Housing,

(b) Low Income Group Housing,

(c) Village Housing,

(d) Slum Clearance,

(e) Sweepers' Housing,

(f) Middle Income Group Housing,

(g) Rental Housing,

(h) Land Acquisition and Development for Housing.

The last three schemes are financed outside the Plan from the funds made available by the Life Insurance Corporation of India. So far, the Life Insurance Corporation has allotted Rs. 436.46 lakhs. Of this amount, the provision for the current year is Rs. 16 lakhs. It is hoped that the Life Insurance Corporation would provide more funds in the remaining two years of the Third Five-Year Plan and thereby assist the State Housing Board in accelerating its progress under various schemes.

Government have also taken sufficient steps to provide housing for the police. Since the formation of Andhra Pradesh, a sum of Rs. 258.83 lakhs has been spent on Police Housing. This scheme is financed out of loans advanced by the Government of India. It is proposed to request the Ministry of Home Affairs to provide at least Rs. 10 crores every year from next year for providing more houses to the Police under this scheme.

A separate paper explaining the Housing Schemes in detail has been circulated to the Hon'ble Members.

Road Transport Corporation — The Road Transport Corporation has been making steady progress. Its capital at the end now stands at Rs. 10.04 crores as against Rs. 8.88 crores at the end of last year. This includes Rs. 3.33 crores found by the Corporation from its internal resources. During the year, the Corporation has increased its fleet strength from 1700 to 1950 in order to cater to a route mileage of 7098 as against 6107 last year. The number of passengers carried by the Corporation buses has risen from 13,54 lakhs last year to 15,30 lakhs in the current year. A regional workshop is being established at Vijayawada to attend to the needs of Krishna, West Godavari and Guntur Divisions. In order to help long-distance passengers, some long-distance routes have been opened and the Corporation has also introduced night Express services connecting some important points in the State. The fleet of houses operating in the metropolis is also being improved by gradually replacing the old buses by new ones. The Corporation has been reconstituted recently with a larger element of non-officials on its Board.

Two-Man Committee — It will be recalled that the Government had set up last year a committee consisting of the Finance and Planning Secretaries to go into the question of anomalies which were stated to
have crept into the pay structures evolved in 1958 and 1961. The Report of the Committee together with Government's Order thereon will be placed on the table of the House. The recommendations of the Committee would ultimately involve an additional commitment of Rs. 37 lakhs per annum. The immediate effect on the Budget is, however, expected to be about Rs. 24 lakhs for which necessary provision has been made under appropriate heads. I am glad to mention that the Committee has made a sincere effort to remove the disparities and anomalies as far as this could be done without creating fresh problems.

Compensatory Allowance — It has also been decided to extend the existing concession regarding payment of Compensatory Allowance now limited to the large cities and municipal towns to the employees working at Taluk headquarters towns also at the rates, etc., applicable to municipal towns. This is estimated to cost about Rs. 10 lakhs per annum.

Increase in Dearness Allowance — The question of providing relief to the low paid Government employees in the shape of temporary increase in the rates of Dearness Allowance has been engaging the attention of Government for quite some time. There have been persistent requests from the N G O's as also Hon'ble members may recall the statement of the Hon'ble Chief Minister on the floor of the Assembly at its last sitting that he was prepared to consider the matter. Though the limited financial resources available with the State do not permit the Government to take on the commitment without detriment to other development activities, still the Government took a sympathetic view and decided to allow an increase of Rs. five in the case of employees drawing salaries upto Rs. 150 and of Rs. six in the case of employees drawing between Rs. 151 and Rs. 300.

This will take effect from the 1st of April 1964 and will involve an immediate commitment of Rs. 1.84 crores per annum which together with extra expenditure of Rs. 10 lakhs on Compensatory Allowance (excluding Rs. 24 lakhs expenditure under Two-man Committee recommendations) will convert the surplus of Rs. 15 lakhs into a deficit of Rs. 1.79 crores on Revenue Account with a corresponding increase in the negative cash balance.

Conclusion — As the Hon'ble Members are aware, the year which has ended was full of problems. Due to various reasons there were signs of stagnation in the national economy and a mid-term appraisal was made by the Planning Commission to investigate into the causes of this phenomenon and as to why the targets fixed under the Plan could not be reached as expected. It must be borne in mind that the problems we are facing are not peculiar to us but are common to all developing economies and are attendant upon the investment of large capital to build up new industries and other Nation building activities. Various measures have been taken by the Central Government for stepping up agricultural production and for giving relief to industries and for encouraging capital formation. Corresponding action has been taken by the State Government as well in all these directions. In spite of the limitation on resources, the State Government has maintained the tempo of developmental activities over
the years as we have just seen and are spending large sums on Social Services and aid to backward classes of the community. It is gratifying to note that the State has been making significant progress in all directions and going from strength to strength every year. This has been made possible by the joint efforts and close co-operation of officials and non-officials and the enthusiasm evinced by the common man in the development and progress of the State. I am fully confident that the same spirit of co-operation and mutual good-will will continue to prevail in the years ahead. An all-out effort has to be made now to increase production in all sectors of the economy which is the prime need of the hour. Though the Central and State Governments have adopted several measures for checking the trend of rising prices, in the ultimate analysis, it is increase in production which is the most potent factor in the control of prices. We have to realise that the Chinese threat to our northern borders is still there and the need for vigilance continues. The nation has to keep itself in a state of preparedness as we have to deal with a country which is both ruthless and treacherous. This is no time for fissiparous tendencies and, now, as never before the need for National Solidarity is paramount. We have all to put our shoulders to the wheel and make an all-out effort to overcome the disconcerting trends in the economy which have developed of late. The task ahead is no doubt difficult but given the will it should not be difficult to overcome the obstacles, whatever be their magnitude. The Nation has already pledged itself to the goal of a socialistic pattern of society and to keep our holy frontiers inviolate. Let us all renew the pledge for the ensuing year and contribute our mite to the development of a healthy secular India. May God give us the will and the strength to work for that goal.