

## WEST BENGAL BUDGET, 1971-72

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : I beg to present a statement of the estimated receipts and expenditure of the State of West Bengal for the year 1971-72.

*Statement on the Budget of the State of West Bengal for 1971-72*

Sir,

When the State's Budget was presented to this House on the 27th March, 1971 for obtaining a Vote on Account for four months, it was hoped that it would be possible for an elected Ministry to assume office in West Bengal. The House is aware that President's Rule was lifted from West Bengal and a Ministry took office on the 2nd April, 1971; but a situation arose which resulted in the issue of Proclamation by the President under Article 356 of the Constitution on the 29th June, 1971. Under this Proclamation, the powers of the State Legislature are now exercisable by or under the authority of the Parliament.

2. In the Statement on the Budget on 27th March, 1971 it was indicated that a fuller review of the budgetary estimates would be undertaken when the final Budget was presented later in the year. On account of the unforeseen course of events in West Bengal a detailed review could not, however, be made. The revised Annual Financial Statement now being laid before Parliament incorporates only such changes as were considered essential. A brief summary of the main changes along with a detailed explanation thereof has been given in the Supplement which is being circulated along with Budget papers.

3. The revised Budget, after taking into account the dues payable to the Centre and other changes, now reveals and overall deficit of Rs. 19.34 crores as against the earlier estimate of Rs. 28.60 crores. I am not happy about leaving a deficit of this size uncovered but in the special circumstances prevailing in West Bengal it appears to be unavoidable. The State has been inundated by refugees from East Bengal and the influx is still continuing. Although the expenditure on account of evacuees is being borne by the Government of India,

the huge influx has inevitably affected the economy and the administration of the State. It is, however, proposed to undertake a detailed appraisal of the resources position of the State in consultation with the Planning Commission during the course of the year in order to see whether, and to what extent, the gap in the Budget estimates can be narrowed down.

4. Briefly, the position is that the revenue receipts in the current year now stand at Rs. 366.15 crores and the expenditure met from revenue at Rs. 384.92 crores. The Budget Estimates include a provision of Rs. 50 crores for evacuees and there is a corresponding receipt of Rs. 50 crores of Central assistance in the shape of grants.

5. Net receipts under permanent debt including market borrowings are now placed at Rs. 10.05 crores and the loans from the Central Government are estimated at Rs. 76.79 crores. This includes a provision of Rs. 10 crores by way of a special accommodation loan from the Centre which would be subject to review in the course of the year.

6. Repayment of Central loans now stands at Rs. 50.60 crores. Advances by the State Government are estimated at Rs. 26.71 crores. Expenditure on capital account is now estimated at Rs. 37.61 crores.

7. After careful consideration of the circumstances prevailing in the State at the moment the Annual Plan outlay has been increased from Rs. 65.13 crores to Rs. 66.63 crores for which the Central assistance will be Rs. 44.20 crores.

8. A provision of Rs. 10.81 crores has been made in the current year for Centrally sponsored schemes which are fully financed by the Central Government.

9. Hon'ble Members are aware that a statutory authority known as the Calcutta Metropolitan Development Authority was set up last year to implement the development schemes in Calcutta Metropolitan Area. 1970-71 the Authority received Rs. 19.83 crores from various sources, including the Central and the State Government, but the entire amount could not be spent primarily on account of the fact that works could be started only during the later part of the year and some time was also taken in setting up the organisations and complet-

[Shri K. R. Ganesh]

ing other preliminaries. During 1971-72 the outlay on development programmes in the Calcutta Metropolitan Area is likely to be of the order of about Rs. 50 crores. This includes Rs. 5 crores for Bustee Improvement which would be financed entirely by Central grants and Rs. 9.54 crores earmarked for such schemes in the State Annual Plan. In addition, the Calcutta Metropolitan Development Authority would also get resources from market borrowings, loan assistance from the Government of India and as its share in the income from octroi.

10. The Central and State Plans are all steps towards increasing investment in the key sectors of the economy. West Bengal already possesses a large industrial base and has adequate potential for further industrialisation. Though the law and order situation should improve for reviving the investment climate, it is also true that economic regeneration of West Bengal resulting in expansion of employment opportunities will have impact on the situation. A new Industrial Reconstruction Corporation with headquarters at Calcutta has been set up. This Corporation is expected to play an active role in reviving sick and closed industries. Haldia is going to be a major Port and an oil refinery is being established by the Central Government at Haldia. The rural employment programmes initiated in the Central Budget of 1970-71 have also been taken up for implementation in West Bengal. New employment oriented schemes fully financed by the Centre are also being started in the State. I fervently hope that Hon'ble Members belonging to all sections of the House will extend their cooperation in bringing back a climate of peace and security in West Bengal and regenerating its economy.

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16.08 hrs.

# DEMANDS FOR GRANTS, 1971-72—Contd.

## MINISTRY OF EXTERNAL AFFAIRS—Contd.

SHRI UNNIKRISHNAN (Badagara) :

Sir, at the outset, I want to tell Prof. Hiren Mukerjee that the trust with destiny to which Mrs. Indira Gandhi had been summoned will be fulfilled, as also the commitments we

have given to our people. I am glad that this House has got an opportunity to discuss our foreign policy at a crucial and critical juncture of our existence and that of this sub-continent and the world. The face of this sub-continent today has changed considerably with a dictator. Committing a massive genocide never heard of or seen in the pages of history. But this kind of genocide, as my hon. friend, Shri Amrit Nahata, who spoke before me has said, is bound to meet with the doom that the previous attempts at genocides have in history. History has seen the fate of several such tin-pot dictators, and the fate of Yahya Khan cannot be and need not be different.

I beg to submit Sir, that an entirely new element has crept into the situation and that is the attempt at detente that the military industrial complex ruling the United States is trying with Peking warlords. I see in this some positive kind of gain in the sense that we have always been trying towards this end for years together. I submit that this is of tremendous consequence to the future of this sub-continent. It may be too early to say whether the existing patterns of multi-alignments in international relations might get dissolved and new Bi-alignments would take shape; of this one cannot be certain, but I want to say that this is not just normalisation of relations between the two countries; it is an attempt at re-shaping the entire international relations on the basis of a new power equation. We have reasons to be concerned about this and I hope our diplomacy will be alerted to grapple with the meaning and significance of this development.

Apart from the prospects of personal fortunes of President Nixon, the military industrial complex that is behind the presidency has reasons to acquire this new posture. Only today I was reading that Senator Wilburt Mills has said that domestic considerations will weigh more in the next United States' presidential contest, and he emphasized that the real problems were of inflation in the American economy and the growing unemployment figures. It is known to all that United States has been defeated by the great heroic people of the Vietnam, and there is a great ferment of the younger generation in the United States and the non-conformist youth of U.S.A. are refusing to be subdued by the complex that is ruling the United States and President Nixon can