

SPEECH

OF

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Finance Minister

**On the Budget Estimates for 1960-61
of the Government of Bombay
in the Legislative Assembly
on Friday, the 18th March 1960**



BOMBAY

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Sir,

I rise to present the Budget Estimates for the State for the year 1960-61. As two States will come into being very shortly this budget is being presented to obtain a "Vote on Account" to carry on the administration and the development programme till the final shape of the budgets of the two States is decided by their respective Legislatures.

2. The year about to end has been one of all-round progress and achievement for the State. The Plan outlay by the end of the current year is estimated at over 70 per cent. of the total outlay of Rs. 350 crores for the entire Plan period. The following table gives the actual outlay for 1956-57, 1957-58, 1958-59, the estimated outlay for the current year and the provision proposed for the next year:—

Progress of
the Plan.

Statement showing progress of Plan Expenditure.

(In crores of Rupees.)

Heads of Development.	Total 2nd Five Year Plan Allocation.	Expenditure in 1956-57.	Expenditure in 1957-58.	Expenditure in 1958-59.	Revised Estimates, 1959-60.	Budget Estimates, 1960-61.	Total for Five Years.	Percentage of outlay in Column 8 to Plan provision in Column 2.
1	2	3	4	5	6	7	8	9
1. Agriculture & Community Development.	86.73	9.22	13.55	22.44	23.28	29.27	97.74	112.7
2. Irrigation & Power	136.59	20.07	19.52	22.37	26.49	35.34	123.79	90.6
3. Industry & Mining	13.14	1.63	1.38	1.83	2.44	2.19	9.47	72.1
4. Transport & Communications ..	29.19	6.80	5.91	7.68	8.41	8.75	37.53	128.6
5. Education	22.88	2.06	3.00	4.34	5.65	7.44	22.49	98.3
6. Health	27.41	3.31	4.09	4.69	4.64	6.62	23.35	85.2
7. Housing	17.34	2.93	2.55	5.58	5.11	7.38	23.53	135.7
8. Other Social Services	8.22	0.48	0.71	1.36	2.20	3.42	8.17	99.4
9. Scientific & Industrial Research, Language, Literature, Arts, Culture and all other activities.	8.78	0.43	0.50	0.71	1.05	1.05	3.74	42.6
Total ..	350.28	46.93	51.21	70.96	79.25	101.46	349.81	99.9

It will be seen that the tempo of our Plan expenditure has been rising from year to year and it is hoped that we shall be fulfilling our financial target of Rs. 350 crores for Plan expenditure.

It will also be seen that the targets under "Agriculture and Community Development", "Transport and Communications" and "Housing" will be substantially exceeded.

For the information of the House, I am giving the Plan provision for 1960-61 for Gujarat and Maharashtra regions under different sectors of development :—

Statement showing Plan outlay for 1960-61 for Gujarat and Maharashtra.

				(In crores of Rs.)	
Serial No.	Head of Development.	Gujarat.	Maharashtra.		
1.	Agriculture and Community Development	10.45	18.82		
2.	Irrigation and Power ...	12.04	23.30		
3.	Industry and Mining ...	0.76	1.43		
4.	Transport and Communications	3.17	5.58		
5.	Education	3.01	4.43		
6.	Health	2.26	4.36		
7.	Housing	1.46	5.92		
8.	Other Social Services ...	1.24	2.18		
9.	Scientific and Industrial Research, etc.	0.30	0.75		
	Grand Total ..	34.69	66.77		

Budget
Estimates,
1960-61.

3. I will now turn to the main task before me. The Budget Estimates for 1960-61 show a revenue surplus of Rs. 7 lakhs, without any change in the existing taxation, as follows:—

		(Rs. in crores.)
Revenue Receipts	...	150.06
Revenue Expenditure...	...	149.99
		.07
Revenue Surplus07

The items on the receipt side include Rs. 31.09 crores being the State's share in Union Excise Duties, Income-Tax, Estate Duty and Taxes on Railway Fares, Rs. 36.5 crores under Sales Tax, Rs. 12.35 crores under Land Revenue, Rs. 10.93 crores under Other Taxes and Duties, Rs. 6.74 crores under Forest, Rs. 6.75 crores under Taxes on Vehicles and Rs. 6.5 crores under Stamps.

The expenditure estimates include Rs. 26.58 crores for Education, Rs. 11.65 crores for Medical and Public Health, Rs. 5.13 crores for Agriculture and Animal Husbandry, Rs. 17.24 crores for debt charges, Rs. 9.38 crores for General Administration and Rs. 14.27 crores for Police.

The Capital expenditure excluding the outlay on State trading schemes, comes to Rs. 47.55 crores. Items in the capital section include Rs. 20.70 crores for irrigation works, Rs. 7.5 crores for Koyna Hydro-Electric Project and Rs. 9.76 crores for roads and buildings. In addition, the budget provides for an amount of Rs. 6.04 crores for expenditure on roads to be met from the State Road Fund.

The budget also provides for an amount of Rs. 30·87 crores for the grant of loans and advances, which includes an amount of Rs. 10·43 crores for loans to the State Electricity Board, Rs. 3·77 crores for loans to Housing Boards for various housing schemes, and Rs. 2·54 crores for Community Development Projects.

I will be separately moving for a "Vote on Account" of Rs. 92·11 crores for covering expenditure for a part of the next year. This figure which is roughly about 31 per cent. of the total demand of Rs. 298 crores for the full year as mentioned in the Schedule of Demands printed in the Green Book, includes an amount of Rs. 44·38 crores on revenue account, Rs. 38·17 crores for capital expenditure outside revenue account and Rs. 9·56 crores under loans and advances.

The amount of Rs. 92·11 crores is intended to cover the expenditure for 1 month of the existing composite State and for a period of 4 months thereafter for the residuary Bombay State.

4. This is the last budget of the composite State Conclusion. that I have the honour to present to this Honourable House. I would, therefore, like to take this opportunity of publicly expressing my sense of gratitude to the successive Finance Secretaries and their colleagues and co-workers in the Finance Department, including the Sales Tax Department, for the loyal co-operation that they have extended to me during the course of the last eight years of office, which has enabled Government to have surpluses each successive year excepting in the very first year of my office in 1952-53. This being the last occasion when I would be presenting the annual Budget Estimates in this hall, I would have ordinarily liked to present a resume of the financial progress and the achievements of this State so made possible, during my tenure of office as Finance Minister, but since I am

only asking for a "Vote on Account", this does not seem to me to be necessary to do so. Suffice it to say that the actual revenue receipts and expenditure of the former Bombay State for the year 1952-53 for which I had first submitted my Budget proposals, amounted to Rs. 62.50 crores and Rs. 68.44 crores, respectively, while for the year 1957-58, when the present Bombay State was fully established, the revenue receipts amounted to Rs. 128.35 crores and expenditure to Rs. 115.08 crores. For the year 1960-61 for which I am submitting Budget Estimates today the revenue receipts are estimated at Rs. 150.06 crores and the revenue expenditure at Rs. 149.99 crores. As regards capital expenditure, excluding the outlay on trading schemes, it amounted to Rs. 11.38 crores in 1952-53. In the statement that I am submitting today, a provision has been made for Rs. 47.55 crores for capital expenditure for the year 1960-61. The successive increases in annual receipts and expenditure naturally meant raising fresh sources of revenue, be it in the form of modifying the sales tax law or enhancing the taxation on motor vehicles or increasing the sales tax on petrol or levying a tax on passengers' fares or raising the court fees and stamp duty etc. All these became possible, thanks to the support which this Honourable House gave to these and other measures adopted to raise the revenue, as well as to the support which the people of the State gave to these various measures. The result has been that when I first took over the portfolio of the Finance Department in April 1952, the balances available as on 31st March 1952 amounted to Rs. 30.49 crores while they are estimated to amount to about Rs. 90 crores as on 31st March 1960.

Before I conclude, I would like to thank you, Sir, for the courtesy that I have invariably received from the Chair. I am likewise particularly thankful to the Chief Minister and my other colleagues for their help,

co-operation and forbearance in the performance of my duty. I also thank all sections of the House for the co-operation that I have received during my tenure as Finance Minister extending over a period of eight years. I would particularly like to thank the members of the Estimates Committee and the Public Accounts Committee for their valuable assistance. Though we are parting, I am sure that we will always continue to live as good friends and neighbours, helping each other to our mutual benefit and contributing, in no small measure, to the greater glory of India.

With these words, Sir, I present the Budget Estimates for the year 1960-61.
