Biju's Industrial Venture in Sixties

Dr. Tusar Kanta Pattnaik

"Produce more power from water and coal, take it to village, set up suitable industries at every stage, the village, the group of villages and the region and organize technical schools not in isolation but as integral parts of the industrial fabrics on the one hand and the educational stream on the other. A higher rate of productivity per capita in industry as well as agriculture is our aim. For, it is only through higher productivity and larger production that our people can reach their goal."

Biju Patnaik

Orissa with its past glory and vast resources of minerals, forests, agriculture, power potential and manpower offers an ideal base for industrialisation. It has got extensive resources of high grade iron ore, manganese, chromite, limestone, bauxite etc. It's forest resources rank fourth in the country, which constitute 42% of the total geographical area of our state and offers rich materials for its industries. But unfortunately due to long periods of neglect, most of these industrial raw materials hardly saw any use prior to independence. Before independence owing to the exploitative economic policies of the colonial government, the industrial activities in the state was merely extractive by nature. The extracted rich minerals were getting transported to the industrial and port cities of Kolkata, Mumbai and Chennai for the final shipment to Britain. Until independence, Orissa made a little progress industrially except for a paper mill, sugar factory, a glass factory, a textile mill and two collieries.

The Industrial scene was dominated mostly by non-factory cottage type production. Large and medium scale industries were hardly half dozen in number. However, large scale industrialisation in Orissa started during the five-year plan, after the development of infrastructure like communication, power, irrigation, transport and education.

Arrival of Biju Patnaik (1961-63)

When Biju Patnaik took over reins of state administration during sixties every thing was propitious for him. Anything can be accomplished because of the golden as well as deadly combination of the trio—the dynamic leadership of Biju Babu at political level, B. Sivaraman, one of the most brilliant administrators of the country as the Chief Secretary and the world famous engineer, Dr. A.N. Khosla as Governor. The state administrative machinery was made fully equipped for the purpose. Above all Biju Babu was then in
complete confidence of the Prime Minister Pandit Nehru.

After becoming Chief Minister in 1961 he made it clear in no uncertain term that his government had to embark upon an adventure in the path of industrial development of Orissa. As he categorically said "in every phase of development we have started late, very late indeed, compared to major states like West Bengal, Tamilnadu, Punjab, Maharastra etc. We have started a couple of decades later. So our maladies in trying to complete with the states are multiple'. Yet he realised that industrial development is conceived in Orissa mainly for three reasons (a) Industrial development provide some scope to divert some surplus population from agriculture to nonfarm occupation. That means that industrial development will give rise to a number of other economic activities, which increase employment opportunity. (b) Agricultural development badly needs the help of industries. Agriculture infrastructure cannot develop without industry. (c) Industrial development provides scope for improvement of technology. Technology plays an important role in accelerating the process of development and increasing income level of the state. Agriculture cannot also increase its productivity without improvement in technology.

Being an optimist, he championed the idea of building an industrially strong Orissa. Through his myriad epoch making endeavour in the field of industrial development in Orissa, he has carved a niche for himself in the psyche of Orissan people. During his short tenure as Chief Minister during the sixties the third plan outlay was increased from Rs.260 crores to Rs.320 crores. Above all gigantic complex of the Paradeep Port, 91 kms long Express highway and Daitary Iron-ore project were completed during the record time of three years. Some of the monumental feats accomplished by Biju for which he is fondly remembered by posterity are -

(a) Establishment of Paradeep Port:

In taking Orissa state to prosperity, one of the major bottlenecks was lack of a sea outlet for the produce of its hinterland rich in natural resources. Infact Orissa with her 250 miles long coastline and with a proud maritime past had been for a long time trying to establish a modern port in addition to the already existing smaller ports at Chandabali and Gopalpur. The choice of the site Paradeep was dictated by its centrality to hinterland and stability of the coast over years, its proximity to the Tomka-Daitari mines and ease of fitting into the inland navigation system of the state. Paradeep-complex comprises large scale mining of iron ore at Tomka-Daitari, building a ninety mile long express way from mines to the Paradeep port, constructing a deep sea harbour at Paradeep and the installation of a mechanised ore-handling plant to shipload 2500 tons an hour. On the basis of exporting 2 million tons of ore per annum, ignoring other cargo traffic at the port, the Paradeep-complex will be economically sound. The project was under consideration for over a decade when Hirakud Dam Project was started in 1946-1947. Finally the State Government worked out a massive plan with Paradeep as a major deep-sea port in the Eastern Zone with 90 mile long distance of Express Highway passing over the entire flooded delta area and connecting the 100 miles to iron ore deposits at Daitari-Sukinda. Nevertheless, the decision was taken with the blessings of the then Prime Minister Nehru, who said "willed by the people, I commend you to this yet another National Adventure." The support of Finance
Minister of India, Shri Morarji Desai was also worth mentioned. The said plan was expanded and the work was taken up in right earnest.

Mr. Biju Patnaik fixed a tight time schedule for completing this huge task within three years. Messers Rendel, Palmer and Tritten of London were appointed as consulting engineers of the project. Biju wanted nothing to stand on the way of its construction and even his own government had to bear the brunt of the initial investment of several crores of rupees for the first ever port at Paradeep. Mr. Patnaik vehemently castigated those who cast aspersions on the efficiency of his government to deliver the goods in accomplishing the stupendous job, which according to him is the lever of Orissa's future prosperity. As he said "I know, in my own administration, there are a number of officers who yet do not believe that the Port of Paradeep is going to be. They ask-where from the money will come ? Where are the Engineers ? Where are the Mining Specialists ? Where is the equipment and above all, what is it all about ? It is not that these things are unknown to me I remember very well, the look of utter disbelief when I first mooted this project before my most senior officials, sometime back. I am sure, when they got out of my door they must have said amongst themselves, 'Good God : we have got a mad man as our Chief Minister. But, as time goes on, as you preserve and pursue, we made across all the problems and reach our targets, as we are going to reach all now. You will be glad to know that the entire project of Paradeep has been formally sanctioned by the central cabinet. The Planning Commission has cleared it wholesale. The Japanese government are also sending out a team to tie up financially, economically and technically with the whole project and allied projects of the industries and factories. Only the other day, we have signed a protocol and an agreement with the Japanese government and the Ministry of International Trade of Government of India outling the entire development of the Paradeep project, the mines and various other development of Orissa's natural resources. It has taken us and some of our senior officials who have faith in me to work very hard to get at this result. It has not been easy. The greatest inconvenience for me to reach this result was the great lack of faith in the top men of our nation in the capacity of Orissa's administration, to deliver the goods. Dr. A.N. Khosla, the then Governor of Orissa had described the project as the life blood of Orissa. The Governor also commended the vision, initiative and dynamism of Biju Patnaik. In his showering ecomium on Mr. Patnaik he said "Biju Patnaik revived the Paradeep Port Project and the express highway to feed the Paradeep Port. With his characteristic drive and tenacity of purpose he secured approval of the central government for including the Paradeep Port and Express Highway projects in the Third Five Year Plan. These will be completed before the end of the plan and stand as a monument to his unshakeable faith in the destiny of Orissa and his great imaginations, drive and determination" Khanna commission was also highly impressed by the dynamism of Mr. Patnaik, and was categorical in remarking that "The idea of Paradeep Port had been holding field for a number of years and had been approved by a number of foreign expert missions. The things however, did not go beyond the domain of a paper scheme. But it was Mr. Patnaik who resuscitate the idea and translate it into a reality." Truly, the Paradeep Port which was the brainchild of Biju Patnaik became "the pride of Orissa and the gateway to its prosperity." Pradeep was a splendid
achievement and an ornament in the Third Five Year Plan, which gave a fillip to the commercial exploitation of Orissa's vast wealth of mineral deposits with a life time dream of setting up a modern port fructified, Biju spent rest of his time establishing many other institutions, systems and factories, which were conspicuous by their absence in Orissa. The feverish pitch of industrial activity was pronouncedly seen during the brief tenure of Biju's government in the early sixties. Some of notable among those are, A MIG factory at Sunabeda, thermal power plants at Talcher, Express Highway connecting mines with port, Balimela Hydroelectric Project and few other industrial establishments.

(b) Express Highway:

The Daitari Paradeep Expressway, which is the indispensable ancillary project of the port project was also constructed simultaneously and in the same swift manner as the port work was undertaken. Apart from making transport to Paradeep cheaper, it made it possible to go into the interior areas hitherto inaccessible. It was because of this highway that Orissa Government was able to tackle the devastating cyclone in Rajnagar area. It helped also the growth of small and medium factories all around that area alongside the road.

(c) MIG Engine Factory:

Another memorable achievement of Biju Pattnaik in the field of Orissa's industrialization is the establishment of the MIG engine factory of Sunabeda in the tribal district of Koraput. The establishment of this factory at Sunabeda was virtually the outcome of a battle-royal which Biju fought with Nehru that if the Mig Factory was not established in Orissa he was going to resign his Chief Ministership. It was no small thing to stand up and fight Nehru to extract a central project. But Biju could do it with his imposing and convincing personality. Koraput got a Mig Factory at Sunabeda, which provided job opportunities to many Oriyas and also urbanized an underdeveloped area in Koraput district apart from helping the nation in defence preparedness.

(d) Formation of Industrial Development Corporation:

It was in the year 1962 that the Industrial Development Corporation was formed under personal initiative of Mr. Biju Patnaik to promote industrial climate in the State of Orissa. The state though renowned for its natural resources was yet to be explored in the Industrial field. Even infrastructure was not developed and the economy of the state was based only on agriculture. In order to keep the economy up, there was a need of revolutionary switch from agriculture to industry and the corporation took the stupendous challenge. Incorporated with an authorized capital of Rs.50.00 crore, the corporation was forging ahead considerably towards industrialization for the state.

The corporation no doubt represents the spirit of modern Orissa and is shaping industrial complex of the state through its different units.

Biju's sincere effort for the establishment of Industrial Development Corporation no doubt aimed to curb unnecessary red-tee and formalities. The corporation had taken up installation of a cement plant at Hirakud, a Rerolling Mill, a Cable plant, a low-carbon Ferrochrome plant, a chrome vanadium plant, a calcium carbide plant and large scale tile factories. The corporation was also promoting industries in the private sector by giving financial assistance by way of equity capital investment. IDCOL works both as promoter and
direct instrument for industrial development in Orissa.

(e) Establishment of Planning Board

Biju Patnaik was a hard-boiled economist and practical planner. He soon realized that for accelerating economic growth, it became necessary to concentrate effort on the implementation of the Five Year Plans which envisages a progressive rise in agricultural and industrial production, in irrigation and power output, in transport facilities, in provision of better health services and educational facilities particularly in the fields of science and technology, post-graduate work and research. Accordingly, after ruminating a lot, he had decided to setup a Planning Board to deal adequately with the problems of planning in various sectors of the economy and the implementation of these plans in keeping with the policies and programmes set by Planning Commission. Through Planning Board, State's natural resources were harnessed by administration within a record time, which was only a nucleus of deliberation, power and supervision. The Board was set up on 15th June 1962. Its utility was subsequently realized by other states, and now, most others have almost accepted it. Infact, Biju said to have done an original work in setting up Planning Board at state level.

The Board prepares a 15-year development plan, including a programme of necessary studies and surveys for the collection of economic, social and technical data essential for such planning. Visualizing the pivotal role of Planning Board, which is of inevitable necessity, Biju said "This Planning Board will primarily apply itself to the hard core of our industrial development to harness our natural resources, to convert our manpower into technologist, scientists, mathematicians and precise mathematical terms for the next 15 years. The targets, the capacities of our people, the achievements that the system would generate would be early laid down in the major fields of our activities and when we present the next year's budget to our Assembly it will give a clear indication of the shape of our budget in succeeding 15 years. The next year's budget of the State of Orissa will be the first budget of its 15 years plan. It would also define the manner in which our budget is likely to expand in successive years, the priority to be established, the various major projects that would be taken up and concluded within this period and how to generate an economy for this state which would lay the finances of this state on such foundations of which the nation ought to be proud."

(f) Rural Industrialisation through Panchayati Raj:

The ideal of raising the nation through village uplift was realised passionately by Biju Patnaik through the institution of the Panchayati Raj, whereby village communities were being encouraged to discover and develop their latent potential in the creative, constructive and administrative fields to re-orient their motivations and attitudes. To give Panchayati Raj a dynamic start, Chief Minister Biju Patnaik had formulated on overall scheme of rural industrialisation in Orissa in 1962. It was organized as Industrial Co-operative Societies with the state government, Panchayat Samities, gram panchayats and rural artisans as the partners. The State government initially started 48 such Panchayat Industries and took over 25 training-cum-production centers which were being maintained at that time under block programme and converted them into panchayat industries. These
Industries include tile units, light engineering units, carpentry units, small crystal sugar units etc.

In order to give the scheme a dynamic and self-generating character, a prize competition scheme had been devised under which prizes were awarded for best performance under specified short-term and long-term objectives. 17 first prizes of Rs.50,000/- each and 17 second prizes of Rs.25,000/- each to the best two gram panchayats in every district for the establishments of panchayat industries. The panchayat industries mainly unsaturated on processing agricultural produce and provided better skills and equipments to artisans. Besides, three revenue divisions of the state declared an award of one crore to the best panchayat samiti for its achievement in the field of industrial development.

No doubt these industries had been devised to create a spirit of healthy competition which will engender in each panchayat and panchayat samiti self-confidence and self-reliance and stimulate in them the urge to put in their best collective and co-operative effort in building up sound economy and all round prosperity for the panchayat and panchayat samiti. Thus, it was an innovative scheme of rural development and got due attention at the central level. It was rightly said "If Balwant Rai Meheta is the Father of Panchayat Raj, Biju Patnaik is the Father of Panchayat Industry in India".

Along with the Panchayat Samiti Prize Scheme which was announced by Biju Patnaik, a new scheme of awarding prize to mahila samiti and yubak sanghas was introduced in 1963 by Biju Patnaik. With these awards a secured foundation was laid for continued development in village level for upliftment of the rural communities in the social, economical, agricultural and industrial spheres and for integrated prosperity of the State.

The scheme continued till the end of 1966 when 116 panchayat industries could be established. But the Swatantra-Jana Congress Government unfortunately abandoned the scheme on some flimsy ground since the panchayat industry units passed through the period of economic depression and mismanagement. Many units were closed and the Swatantra-Jana Congress Government did not take any interest to revive the sick units.

Thus Biju Babu has been fondly remembered by the posterity for his prodigious achievement in the field of industrialisation, which ultimately paved the way for vibrant and prosperous Orissa.

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