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**Speech of the Hon'ble Sreejukta
Biswanath Das, Chief Minister, Orissa,
in introducing the Budget Estimates
of the Province of Orissa for the year
1939-40.**

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SIR,

I GLORIFY God for having conferred on me the privilege of presenting the third Budget of the Province of Orissa before the Legislative Assembly. On an occasion as this, it falls on the Finance Member to give an account of the revenue and expenditure of the province with a running summary of its programme for the coming year and a review of the work done during the preceding year. A Legislature, with powers and functions limited and defined, under a constitution such as the Government of India Act of 1935, need not waste much of its time in discussing the principles of taxation either in the past or in the present. With this limited scope one finds it difficult to make an approach to the well-recognized principle of taxation laid down by Bhisma—the great politician of ancient India over 5,000 years ago, which has become the main basis of the principle of taxation in all free countries. In Mahabharatha (Santiparva) Bhisma advises Yudhisthira to follow the well-recognized principle enunciated in the episode of the flower tree and the flower trimmer by describing the care that should be taken to preserve the tree from destruction so that it may become a perennial source of living to the trimmer through the sale of the flowers only after they blossom fully. That brings home the underlying principle that it is the bounden duty of every State to improve the taxable capacity of the people and resort to taxation only after satisfying the primary needs of the citizens. Even now this is the basic principle that governs taxation in all countries including Great Britain. But alas! that a principle enunciated and worked in ancient and medieval times should not have been found possible of application for us in India of to-day. This is due to the limitations which

have already been referred to and the concomitant defect of having restricted powers in the provinces and irresponsibility at the Centre. This difficulty is aggravated by the fact that all sources of revenue which are flexible and elastic remain with the Centre while sources of revenue which are generally constant and inelastic have been assigned to provinces though the tremendous responsibility of developing the nation-building departments devolves on us—the Provinces. These are some of the difficulties common to all Provinces in India. Orissa, on the other hand, has been the object of a century-long neglect having within her two-thirds of the Province stamped as partially-excluded area. Such a province as ours was created on the bed-rock of necessity and is called upon to keep pace with her sister provinces established long long before. Necessarily therefore we are given a start in life with finances limited, areas to be developed and with wants unlimited.

Rev. C. F. Andrews, whose intense love for Orissa is so well known, in course of his address to the students of the Ravenshaw College in January last, laid stress on three activities which are essential to put life into Orissa. They are, he asserted :—

- (1) The unity of the province of Orissa with those of States.
- (2) The flood problem.
- (3) Our opium evil.

Let me therefore in the first place state all that has been done in this direction so strongly emphasized by that saintly character.

Orissa States.—Soon after our assumption of office we approached the Resident, Eastern States, to extend his helping hand in bringing about co-operation between the Orissa States and our nation-building activities with a view to greater utility, efficiency and economy and mutual benefit of both. Disappointment never disheartened us. We took the next step and opened free all our institutions to the State subjects notwithstanding the fact that we contribute heavily to receive similar facilities from similar institutions in other provinces. There is to-day absolutely no restriction for State subjects for securing appointments in the Secretariat or in the offices of the Heads of Departments. A request from the Rulers is generally conceded if it is not intended to suppress civil liberties of State subjects. The mass consciousness awakened by the Congress activities under

the aegis of Mahatma Gandhi and the freedom and responsibility of a popular Government constituted in the Province of Orissa had its repercussions in the States and resulted in a great upheaval and the awakening of mass consciousness which was hitherto unknown. State Rulers being accustomed to a different method of administration could neither stem the tide nor go with it. This resulted in an unrest so well known to all of us friends here. The Government of India Act, 1935, affords no scope whatsoever for any interference on the part of the Provincial Governments in the affairs of States. Still we have acted in the spirit of a good neighbour, appealing to the State Rulers through the Resident and his lieutenant, the Political Agent, to adjust themselves to the needs of the times by granting their subjects a share in administration, and also giving necessary guarantee of rights to property and civil liberty to them. We have not failed to communicate our wishes to His Excellency the Crown Representative, the earnest desire of the people of this Province as good and brotherly neighbours of the States to ensure at least full property rights and civil liberties with a forum to enforce such rights, leaving the other demands of the State subjects for representative institutions to be settled between the subjects and the Rulers themselves. I would be failing in my duty if I do not inform the people in this Province that we have communicated to His Excellency the Crown Representative their intense feeling in this respect. Needless to mention here that continued unrest in Orissan States combined with the presence of thousands of refugees in Orissa and specially in Angul has not only seriously affected the people of the Province but has put the Provincial Government into very great anxiety, inconvenience and expenses.

Prohibition.—Rev. C. F. Andrews has very prominently brought to our views the opium evil in Orissa. We have however taken a more ambitious and comprehensive scheme which includes all intoxicants. The Ministry has taken a definite step by declaring prohibition as its goal. Earnest attempts are being made to implement this declaration by an anxiety all our own. Our estimated revenue for the budget year bears ample testimony to our efforts in this behalf. The annual income under excise was Rs. 32.78 lakhs in 1936-37. Our excise programme, details of which are given below, is expected to reduce this revenue by Rs. 9½ lakhs, which is 30 per cent of the entire excise revenue. We decided to start prohibition in Balasore district. The first step in this direction

was taken by resorting to restricted and regulated sale of opium under strict State control, in the district from October 1938 where all shops were closed and 14 shops only were opened on the borders of the district.

Unlike Assam we began our work with the help, co-operation and sympathy of the Congress and also of other public organisations. Popular confidence was soon restored as our attempts did neither involve abolition of the total sale of opium nor the raising of the sale price to add to our finances, but were confined to restricted sale to old and disabled addicts trying each time to persuade them by all possible means of propaganda and also trying to cure them with the help of medical officers of both sexes, appointed for the purpose. This resulted in restoring confidence and securing co-operation of the public. The official reports show that addicts who were in the early stage of this evil habit are now giving up opium in large numbers. Again, quite a good number is actually under treatment. Out of the estimated addicts of 32 thousand, over twenty-two thousand have already been registered.

Certain other excise reforms combined with restricted sale of opium during the current year is expected to result in a reduction of Rs. 2 lakhs in revenue during the current year, i.e., 1938-39. The full effect of our excise reforms in all directions during the year 1939-40 reduces the revenue by a further Rs. 7½ lakhs or by Rs. 9½ lakhs compared with our usual income under the head. Added to this loss of revenue, honourable friends will have to realize that we have provided in 1939-40 to spend in Balasore on propaganda Rs. 11,248 besides increased preventive staff which costs us Rs. 44,342 and Rs. 22,840 for treatment of addicts. Prohibition therefore in the first year of its start, by loss of revenue and increase of expenditure, is expected to cost us over 33 per cent of our excise revenue.

The following are the reforms that have been effected in excise:—

- (1) Previous notification was cancelled and free tapping of date and palmyra trees for manufacture of jaggery (*gur*) are allowed without any licence.
- (2) All shops opened in 1938-39 were abolished and no new ones were allowed to come into existence thereafter.

- (3) No excise shop to be located in a prominent place in future and shops located in prominent places in 1937-38 have been shifted back with or without compensation.
- (4) Sale of intoxicants after sunset is prohibited.
- (5) Tree foot booth sales of toddy were stopped.
- (6) Sale of toddy or liquor on days of festivity was stopped as an experiment in certain districts.
- (7) The practice of carrying liquor home after purchase is discontinued.

All these are taken as definite steps to give effect to our declaration. Thus have we gone further than the desire expressed by Rev. Andrews to realize the great ideal of total prohibition that Mahatmaji has in view.

Floods and Irrigation.—Rev. Andrews has also stressed on the need for prevention of floods in Orissa. Floods recur in Orissa not because of rains within the Province, but often they are due to other extraneous circumstances—the heavy rains in Central Provinces and other areas.

In my last Budget speech I stated how a special Flood Division was created and a special Flood Officer was appointed to collect and collaborate all necessary information and to make an intelligent study of the situation. I also said how Sir Biswaswaraya through the efforts of Mahatma Gandhi agreed to undertake the examination of the question, taking the Orissa Flood Committee Report of 1928 as the basis. His views on this question were printed, published and were supplied to the Honourable Members of this House. We accepted his recommendations and appointed an Expert Flood Committee with Mr. C. C. Inglis, Director of Central Irrigation and Hydro-Dynamic Research Station, Poona, Mr. M. Rangayya, Retired Chief Engineer of Mysore, the Chief Engineer of Orissa. Our thanks are due to the Government of India for having placed at our disposal the services of Mr. Inglis free of all costs.

The Committee started its work during the current year, having met twice in Orissa, visiting different places. The special Flood Division and the special Flood Officer are kept at the disposal of the Flood Committee to put up all relevant, necessary and useful papers covering hundred or more years, to examine details under their instruction and assist them in their deliberations and to carry on further investigation under their

directions. Two of our Assistant Engineers are always kept with this Expert Committee so that they may get the benefit of the discussions and be useful to Orissa in future years. The preliminary report of this Expert Committee is being printed and will be placed before the Honourable Members for their information.

I have referred to useful work undertaken in this connection by Professor Mahalanovis. His report on the statistical analysis of the rainfall in the catchment areas of the rivers in Orissa has not yet reached its completion. The Budget provides a sum of Rs. 5,000 for printing the book and an additional staff has also been sanctioned to complete the work early. From the beginning we thought that attempts for mere prevention of floods were bound to be expensive and might not cure the evil. Therefore, we decided that definite steps should be taken to harness our rivulets and river courses to divert the water for purposes of irrigation, so that the flood problem could be finally solved as a result of this combined effort.

With this end in view a Special Irrigation Project Section was first started to promote irrigation works in 1938. The popularity and usefulness of this section was very soon recognized with the result that it was converted into a Special Irrigation Division from February 1939 at an annual expenditure of Rs. 36,000. We are glad to announce that the Special Flood Committee fully approves this idea and desires that this useful work should be continued. This Division will work directly under the Chief Engineer with two subdivisions, one at Ganjam and the other at Angul for Angul and Sambalpur areas. Their primary function will be to make a preliminary investigation of bunding up rivers and conservation of water at different places so that the rain water and the perennial sources which flow without any restriction into these rivers and thence into the sea may be conserved and diverted for purposes of irrigation. Such a course as this is expected to prevent floods and improve the wealth of the country by irrigating and adding to the fertility of an agricultural country like Orissa.

A preliminary survey of fifteen irrigation works were undertaken, of which four from Angul, four from Sambalpur and one from Ganjam are considered to be practicable and paying by our Engineers. Detailed estimate and examination of these works are, therefore, being undertaken and the estimates are awaited. The special officers will tour round the districts in the Province to examine the possibilities of bunding up of our rivers and rivulets to utilize them for purposes of irrigation.

The question of damming the Ib river in Sambalpur and the Boda river in Ganjam district is under investigation. Added to this the improvement of Orissa Canals and the Rushikulya System was also undertaken. A Tank Restoration subdivision is kept under the Project Division and is working, at present, in Ganjam and thereafter will work in Khurda and other Khasmahal areas of the Province. The activity of this subdivision is directed to connect all the irrigation tanks within the basin of rivulets and river courses so that these tanks may get abundant supply of river water and also get themselves filled during the second monsoon in November to supply tank water even for dry crops.

There are at present difficulties in the way of providing irrigation works for zamindari raiyats. The law as it stands to-day recognizes the landholder as the proprietor of the rights in water admitting at the same time the riparian rights of the proprietary raiyat. Time has come when the Government should have power to control the waterworks and the river courses in zamindaris, if and when required, for the greater benefit of the people in general or for any localities and areas in particular. With this end in view we propose to introduce an Irrigation Bill to enable Government to assume control of such works for the benefit of the people giving necessary protection to the existing riparian rights enjoyed by the raiyats. Government will thus be in a position to improve irrigation works and control water of all the rivers within the Province for the greatest good of the greatest number even in the proprietary estates.

Last year we announced a reduction of water-cess in North Orissa, which has brought down the revenue by Rs. 1,31,000. The agriculturists do not seem to have been able to utilize the benefits conferred on them by this reduction as also by the improvements of the Orissa Canal System. Our attempts, since the assumption of office, have been to reduce the running charges of these irrigation works in Rushikulya System. This has become an accomplished fact through the good management of the Executive Engineer, Ganjam, under the able guidance of the Chief Engineer. The running charges have been reduced from Rs. 98,000 in 1934-35 to Rs. 73,000 in 1938-39 and Rs. 69,000 in 1939-40 by bringing it down to its barest minimum and effecting all possible economies.

We have also increased the capacity of the Reservoir at Russelkonda and propose to provide water for increased area and

