

Handwritten mark

**Speech of the Hon'ble Pandit
Godavaris Misra, Finance Minister,
Orissa, in introducing the Revised
Budget Estimates of the Province of
Orissa for the year 1941-42.**

**Speech of the Hon'ble Pandit Godavaris Misra, Finance
Minister, Orissa, in introducing the Revised Estimates
for the year 1941-42 to the Orissa
Legislative Assembly.**

SIR,

I rise to present to the Assembly the Revised Budget of the Province of Orissa for the year 1941-42, which together with an Explanatory Memorandum, is already in the hands of Hon'ble Members having been posted to them on the 2nd February 1942. As it is not usual to present a Revised Budget to the Assembly in the middle of the financial year, I shall explain why this course has been adopted on the present occasion. A Budget for the whole of the year 1941-42 had been prepared and sanctioned by the Governor in exercise of the powers assumed under the Proclamation issued under section 93 of the Government of India Act. If the Proclamation under section 93 of the Government of India Act had continued, this Budget sanctioned by His Excellency with supplementary estimates to the extent necessary would have remained in force for the whole year. But Government were advised that with the revocation of the Proclamation under section 93 of the Government of India Act, the Budget sanctioned by the Governor ceased to have force and the balance of the grants which remained unspent on the date of revocation, i.e., on the 23rd November 1941, could not be available for further expenditure. The unspent balance lapsed so to speak and fresh grants have to be voted by the Assembly for expenditure from the 24th November 1941 to the end of the current financial year. Thus the statutory position made it incumbent on the Ministry to compile a Revised Budget to obtain supply of funds from the Legislature for the unexpired portion of the financial year subsequent to the date of revocation of the Proclamation, and having regard to the shortness of the time at our disposal it has been only possible for us to present a Revised Budget to-day before the House. I will explain briefly the form of the Revised Budget we have adopted to make it acceptable to the Assembly.

2. The method that has been adopted is to make the Revised Estimates of the expenditure for the whole of the current financial year on the basis of the latest available information. These estimates will be found in column 2 of the Revised Budget. In column 3 has been shown the expenditure incurred up to 23rd November 1941. The figures in this column include expenditure up to end of October 1941 as recorded in

the books of the Accounts Office *plus* in the case of pay heads and contributions or grants, expenditure incurred in November 1941 and in the case of other heads, 23/30 of actual expenditure for the month of November. But since accounts are compiled for complete months and appropriation audit is conducted only against the sums provided for the whole year, the figures shown as expenditure up to 23rd November 1941 are based on rough calculations in some cases and will not be utilised for purpose of appropriation audit. The Assembly will be requested to discuss (and in the case of votable expenditure, to vote) such sums (which cannot be accurately specified) as, together with the sums spent up to 23rd November 1941, would make up the Revised estimated expenditure of the whole year. The result will then be that the total sum provided for the whole year will be equal to the Revised Estimates for the whole year and appropriation audit will be conducted against those total Revised Estimates. I believe, I am now clear why the total Revised Estimate is placed before the House though the House is really only concerned with the portion of the expenditure occurring since 24th November 1941 inclusive. I must explain one further point. Ordinarily, the Budget placed before the Assembly contains details of primary units, but in the Revised Budget presented by me to-day only summaries by sub-heads have been given. The details could not be given because accounts of expenditure are not kept by the Comptroller by detailed heads and therefore expenditure incurred up to 23rd November and estimate of expenditure required from 24th November by these detailed heads could not be worked out. Details of the Revised Estimate will, however, appear in the Annual Budget of 1942-43 which will be presented to the Assembly in March next.

3. Before presenting the Revised Budget of 1941-42 I shall endeavour to explain in brief to the House how the Government of Orissa fared during the course of the last financial year, i.e., 1940-41. The year opened with a balance of Rs. 15.90 lakhs. Actual revenue was Rs. 1,99.00 lakhs and expenditure charged to revenue was Rs. 1,87.84 lakhs. There was thus a revenue surplus of Rs. 11.16 lakhs. The transactions under debt, deposit and remittance heads showed a net disbursement of Rs. 11.48 lakhs, i.e., disbursements exceeded receipts by Rs. 11.48 lakhs owing mainly to large investments in treasury bills. The net result was that the year actually closed with a balance of Rs. 15.58 lakhs and this was the actual opening balance of the current year.

Now coming to the current year, according to the original estimate, this year was to start with an opening balance of

Rs. 4.25 lakhs only, but as stated above the year actually opened with a balance of Rs. 15.58 lakhs. The improvement in the opening balance was brought about by an increase in the revenue receipts and a decrease in expenditure on revenue account. The opening balance of Rs. 15.58 lakhs included Rs. 6.49 lakhs on account of Government account, that is the revenue surplus carried forward from year to year.

4. In the Revised Estimate, revenue is estimated at Rs. 2,05.61 lakhs and expenditure on revenue account at Rs. 1,96.86 lakhs. The year's revenue surplus is therefore expected to be Rs. 8.75 lakhs. This will raise the balance in the Government account from Rs. 6.49 lakhs at the beginning of the year to Rs. 15.24 lakhs at the close of the year.

5. I shall now explain in brief our prospects of revenue under important heads. The original estimate of revenue was Rs. 1,92.74 lakhs. The Revised Estimate which is Rs. 2,05.61 lakhs is better by Rs. 12.87 lakhs. Receipts from taxes on income which are assigned by the Central Government are expected to be Rs. 6.04 lakhs more than was originally budgeted for. Land revenue is likely to yield Rs. 2.51 lakhs more mainly due to realisation of arrears of land revenue and recovery of survey and settlement charges in respect of certain estates in Ganjam. Excise revenue is expected to be more by Rs. 1½ lakhs mainly on account of increased rates of duty on all excisable articles in Ganjam and Koraput. Improvement in Forest revenue is expected to be Rs. 1.54 lakhs due to the larger sale of timber and fuel and supply of timber to the War Board and exceptionally good prices obtained for auction of coupes.

6. Then comes expenditure on revenue account. As already stated above the estimate of expenditure on revenue account has been put at Rs. 1,96.86 lakhs against Rs. 1,90.59 lakhs in the originally sanctioned estimate. Expenditure during the year will therefore be Rs. 6.27 lakhs more than originally budgeted for. Increased expenditure of Rs. 1.35 lakhs has been allowed under 'Land Revenue' mainly due to settlement operations in the Koraput Agency. Expenditure in the Forest Department will be Rs. 0.54 lakhs more solely on account of supply of timbers, etc., to the War Board for which necessary recovery will be made from the Government of India, which has been provided for on the receipt side. Expenditure under 'General Administration' will be more by Rs. 0.68 lakhs mainly under 'Legislative Assembly' and 'Civil Secretariat'. Due to the rise in the jail population and increased rates of dietary articles expenditure in Jails is likely to be increased by Rs. 0.67 lakhs. Civil Works expenditure is expected to rise by Rs. 1.22 lakhs. Separate arrangements have been made in the Orissa

Government Press for the printing and supply of forms which was hitherto being obtained from Bihar on payment. Expenditure under 'Stationery and Printing' is likely to be Rs. 0.66 lakhs more partly on the above account and partly for final adjustments with Bihar in connection with the supply of forms. Nearly half a lakh has been provided under "Miscellaneous" on account of air raid precautions.

7. *Orissa Famine Relief Fund.*—The Famine Relief Fund was constituted under the Orissa Famine Relief Fund Regulation, 1937. The Regulation was amended by an Act of the Legislature, viz., Act IX of 1938. The constitution of the Fund is that if the balance in the Fund at the end of any year is less than ten lakhs the Fund is credited in the next year out of the provincial revenues with a sum which together with such sums as may be spent on the objects of the Funds in that year, will not be less than Rs. 1,25,000 and not more than Rs. 1,00,000. When the Fund exceeds Rs. 10 lakhs the excess may be utilised in the execution of protective irrigation works and other works required for prevention of famine, the grant of loans to cultivators, commutation of pension and subject to certain restrictions laid down in the Act, other capital expenditure. The balance at the credit of the Fund at the beginning of the year consisted of Rs. 1,24,221 in cash and Rs. 9,89,203 invested in Government of India securities. The transactions of the current year consist of a receipt of Rs. 31,910 on account of interest receipt and an expenditure of Rs. 5,000 on account of gratuitous relief so that at the end of the year we will have a balance of Rs. 11,40,334 including Rs. 1,51,131 in cash and Rs. 9,89,203 in Government securities. Happily there was no serious flood in the current year and consequently expenditure on gratuitous relief was not heavy and was met from the excess balance in the Fund.

8. The Fund created for buildings needed for the new Province had a balance of Rs. 34.69 lakhs at the beginning of the year. The effect of the current year's transaction is a net addition of Rs. 2.22 lakhs, so that at the end of the year the Fund's balances would stand at Rs. 36.91 lakhs.

9. I now proceed to mention certain important schemes dealt with in the Revised Estimate.

10. *Survey and Settlement operations.*—Under the provisional settlement programme it was intended to take up the survey and settlement of the Agency tracts in the Ganjam district next after the settlement of the plains area of that district which was first taken up. Later on it was decided that the survey and settlement of the whole of the

Koraput district should be taken up next in order, by opening six camps in Nowrangpur taluk in addition to theodolite traverse operations by the Bihar survey party in 5 per cent of all villages in the taluk. A total provision of Rs. 1,49,000 has been included in the Revised Budget for the settlement operations. The cost of the settlement is roughly estimated to be Rs. 25 lakhs which will be spread over a period of 10 to 12 years.

11. *Prohibition Scheme.*—The budget for the year as originally authorised assumed that the experiment of opium prohibition should be continued during the current year though at a reduced cost and a total provision of Rs. 45,398, viz., Rs. 35,248 for preventive Excise staff and Rs. 10,150 for curative medical staff was made in the Budget originally sanctioned and this sum has been allowed to stand in the Revised.

12. In the Forest Department an extra Rs. 43,000 will be expended this year for supply of timber to the War Board and the cost will be recovered in full.

13. In the Irrigation Department, it was necessary to undertake repairs to certain canals and embankments as protective measures on the recommendation of the Orissa Flood Advisory Committee. Important among them are protection of the embankment at Danpur (cost Rs. 14,700), special repairs to the Baitarani Right Embankment (cost Rs. 10,000) and reconstruction of the abandoned Khandaria and Dhanua right embankment (cost Rs. 10,000). Besides a provision of Rs. 1.18 lakhs has been allowed in the Revised Budget for maintenance and repairs to Orissa Canals and embankments in the Orissa Circle.

The Project Division which was constituted to examine minor irrigation schemes has not made considerable progress in its investigation and the division was, therefore, abolished from September last though the subdivisions under it still exist. The Tank Restoration Subdivision at Berhampur has been tagged on to the Ganjam Division to enable the investigation of tanks in the Ghumsur Taluk to be continued. The progress made so far shows that the investigation of tanks will be completed by the end of August 1943. The Project Subdivision at Angul, which was created to look after the Patrapara Scheme, has been tagged on to the Sambalpur Division and the life of the above subdivision has been extended up to 31st March 1944.

The creation of a temporary division for drainage and flood control work was sanctioned from 1st April 1938 and the temporary division is being continued, its activity being confined to collection of data, and investigation of other works recommended by the Flood Advisory Committee. The Committee

has not yet finished its labours but effect is being given to some of its more important recommendations as opportunity arises and funds permit.

14. Expenditure from the Government of India's grant for economic development and improvement of rural areas has been slow in the past. A sum of Rs. 2,74,388 was received from the Governments of Madras and Bihar up to end of 1938-39 on account of Orissa's proportionate share in the unspent balances of the grants made by the Central Government before 1st April 1936. Subsequently the Government of India sanctioned grants of Rs. 1,27,000 in 1939-40 and Rs. 1,00,000 in 1940-41 for rural development against their promised grant of Rs. 4 lakhs for Orissa. Against the total sum of Rs. 5,01,388 received so far expenditure on rural water-supply and communications has been as shown below:—

				Rs.
1936-37	...	...	...	1,01,543
1937-38	...	...	...	84,997
1938-39	...	...	...	53,594
1939-40	...	...	...	1,35,845
1940-41	...	...	...	65,857
				<hr/> 4,41,836 <hr/>

Expenditure on several other items, e.g., cattle-breeding operation and expenditure on an Agriculture Farm in the Khond area at G. Udayagiri was also authorised by the Government of India out of the above grant. Total expenditure up to end of 1940-41 on these schemes was Rs. 23,640. The total expenditure incurred up to 31st March 1941 on the various schemes mentioned above therefore stood at TRs. 4,65 against a grant of TRs. 5,01 received. There was therefore a balance of TRs. 36 at the end of 1940-41. As stated above Orissa having received Rs. 2,27,000 out of the promised grant of Rs. 4 lakhs, has yet to receive the balance of Rs. 1,63,000. A provision of Rs. 91,000 has been made in the Revised Estimate and the Government of India will be approached for necessary grants. At the end of the year there should therefore be a balance of about Rs. 1,08,000 held by the Government of India for expenditure in Orissa.

15. The War brought about a need for expanding the Police force and the Police expansion scheme was sanctioned in 1939 to provide guards for buildings against sabotage, for watching the coast and other purposes. An increase in the force was, therefore, made in 1939 and provision for this has been continued in the Revised Budget which provides Rs. 66,000

