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## **PRESENTATION OF THE BUDGET, 1943-44**

The Hon'ble the SPEAKER: Now, the next item is the presentation of the Budget.

The Hon'ble Pandit GODAVARIS MISRA: Sir, twelve months have rolled by since I read my last Budget speech on the floor of this Assembly. The provisions of the Government of India Act require us to go through an annual function on a particular day allotted to the presentation of the Budget Estimates for the coming year. It is a formality which has normally to be gone through. Hence I rise to present to the Assembly the Budget Estimates of the Government of Orissa for the year 1943-44, printed copies of which together with copies of an Explanatory Memorandum and of the detailed budgets of the Civil Works and Irrigation Departments have already been supplied to the hon'ble members in advance. This has lightened my task to some extent. The Explanatory Memorandum explains the financial position and also contains in Appendix B a list of the new schedules and projects included in the Budget. All these new schedules and projects are, however, not entirely new. Some of them are continuation of schemes and projects which have not yet been taken up on a permanent basis. There are nevertheless a few which are entirely new. Since the several features of the Budget have

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been explained in a nutshell in the Explanatory Memorandum, I do not propose to enter into a repetition of the same in my speech this morning. This is particularly necessary under the present condition of the shortage of paper.

2. That the circumstances in which the Budget is being presented are of an extraordinary nature is known to everyone. In course of the year which has elapsed between the presentations of the last Budget and this one, the turn of events has been far more striking than it was expected. Burma which remained with India for so long a time as to have created the impression that it was an inseparable part of this country has been occupied by the enemy, though this occupation is likely, after all, to be a temporary one. Some places in India have been subjected to air-raid. Even our own sea-coast has not been entirely free from enemy action. No doubt, war has not come upon our little Province, but the possibilities of raids are being constantly apprehended. This has, and is bound to have, its indelible effect upon the Budget. For a time our people became panic-stricken, so much so that Cuttack was not regarded as a place worth living at from the point of view of safety to life. Time had, however, its sobering influence and there is apparently hardly any panic now anywhere. But increase in prices has taken the place of panic. The price control agencies have not been fully able to combat against it. Food has become scarce. Our wheat-eating population have been suffering. Government have done their best to obtain supplies of wheat from time to time, but have not succeeded to their satisfaction. I sympathise at the difficulties of our wheat-eating people. I have more than once expressed the view that their needs for wheat are greater than those of the genuine children of the soil whose staple food is rice. But rice too has created a problem of its own. Inflated rates of the price of rice obtaining in the neighbouring provinces have been reflected on the price at which the poor consumer in this Province has to buy his small morsel of food from day to day. An attempt was made during the current year under the "Grow More Food" campaign of the Central Government to produce more rice and more of other food-stuffs. The attempt was not as successful as outlined in the scheme, mainly for want of funds. The Central Government, whose scheme we carried out, refused any contribution. Out of the provincial revenues, however, an amount of Rs. 60,535 was spent. A full estimate of the actual result has not been obtained yet. All that is known now is that an extra area of nearly 10,000 acres was brought under cultivation. Computing at the most moderate rate, the outturn must have been far in excess of the amount invested.

Rai Bahadur MANDHATA GORACHAND PATNAIK: It is doubtful.

The Hon'ble Pandit GODAVARIS MISRA: The food-stuff thus added was, however, a mere drop in the ocean and cannot have gone any appreciable way to relieve the situation.

3. The political situation in the country remains to-day almost where it remained twelve months ago. On the other hand, it seems to have become more clouded. The deadlock is continuing. The offer made by Sir Stafford Cripps in last April fell flat upon the foremost political party in the country and was rejected. The thinking sections of the people are of the opinion that it was not in the interest of the country to have rejected it. Independence is undoubtedly the goal of India. The sooner it is attained the better it undoubtedly is for our people. But India is not the only country which has to fight for its independence. Other countries in the face of the world have liberated themselves from the bondage of foreigners. The method adopted by them has been tested and found to be effective. India cannot logically form an exception and take a new path. When the entire world is engrossed in warfare, it has not been right for the forward political party in India to stay out of it. In the wake of warfare, a vast amount of destruction, no doubt, follows. But in the midst of that destruction lies the seed of future construction. If India had really stayed out of the war, it would have altogether missed the avenues for future construction.

The policy of non-violence applied under the present abnormal conditions, has not been in the best interests of the country. Nor can its result be taken to have been welcome to the bulk of the people within the fold of the Congress. The whole country, nay almost the whole world feels concerned at the present fast of Mahatma Gandhi. A fast should not have been resorted to at this age of the Mahatma. I wish that he may emerge safely out of this trial. Fasting is, probably, inevitable consequences of a principle of non-violence applied to political struggles for freedom.

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Mahatma Gandhi, his present official connection with the Congress notwithstanding, has been guiding that great institution. No one thought that his leadership would leave room for activities of such a nature as manifested itself all over this country for a few weeks immediately after the last meeting of the All-India Congress Committee held on the 8th of August 1942. The situation was, however, ably handled and almost normal conditions regained.

The background is clear. Things appear in true perspective before it. During the last twelve months the normal constitution has been revived in one of the provinces, namely, Assam. So far as the other provinces are concerned, a return to the normal constitution is no doubt being desired. But under the force of circumstances it cannot be achieved. The inference drawn by some, including even no less an authority than the Secretary of State for India, is that people in this country prefer administration under section 93 of the Government of India Act of 1935. But this inference is not correct. It can only prove that the extent of power conferred under the provisions of that Act is not satisfactory.

4. A provincial budget is not an abstract thing. It is related to the environments and is largely influenced and moulded by them. It has got two sides, namely, the receipt and expenditure. It is the expenditure side with which the public are more concerned. But expenditure is dependent upon the receipts. That our receipts as well as expenditure have been affected by the environments can be seen at a glance by looking into the figures. Besides the general environments, there have been particular features which have had their effect on the Budget. Four districts in our Province of six, were affected by two cyclones, one occurring immediately a month after the other. They caused not only loss of human lives and cattle, but also considerable damage to crops and houses. The suffering of the people in the cyclone-affected areas has become untold. Then, there is the other problem created by the Burma evacuees and also our labouring population who have returned from Calcutta and its neighbourhood. This labouring population was not only maintaining itself in other places, but sent regular remittances of money to maintain relatives and dependants in our villages. It is no exaggeration to say that a part of our revenues were collected out of those remittances. What effect these two factors will have upon our Budget is not known yet. But the estimated receipts have taken notice of them. The expenditure in the Budget has also got to be increased on account of measures which Government have taken, and have got to take, both in the cyclone-affected areas and in connection with the problem of the Burma evacuees.

5. We have consequently a deficit Budget before us. Every effort was made to reduce expenditure to the minimum. Consequently, items, however necessary and urgent from the purely administrative point of view, have not been included in it only because financial considerations stood on the way. The idea from the beginning was anyhow to make both ends meet. There has, notwithstanding, been a deficit which became unavoidable. This deficit worked out at Rs. 3.81 lakhs. Subsequent to the printing of the Budget and other necessary papers information was received from the Government of India that on account of our share of income-tax we should get Rs. 80,000 more than that provided in the Revised Budget for 1942-43 and Rs. 1,20,000 more than that provided in the Budget for 1943-44. The deficit will thus be reduced to Rs. 1.81 lakhs. This or even the larger figure of Rs. 3.81 lakhs is no doubt a small deficit. But its influence on the Budget is tremendous. It is not this Province alone which has met with a deficit. Some other provinces have similar deficit budgets. One province in its desire to reduce the deficit has already resorted to fresh taxation, the incidence of which will mostly fall on the better off sections of the people. But in this Province there is hardly room for any fresh taxation, unless it falls on the general mass of the people who, it must be said, are in the position of the camel of the proverb, the last straw on whose back should be placed with caution. In the interests of the masses, avenues have, however, to be looked for, for either fresh or increased rates of taxation.

#### BUDGET ESTIMATES, 1942-43

6. It will, I think, be of some interest to the hon'ble members, if I go into the budgetary position for the current and previous years. In the Revised Estimates for the year 1941-42, presented to this Assembly in February 1942, it was mentioned that the Government had recognised the policy of taxation as in the case of Samadipur.

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turned out to be Rs. 14.69 lakhs, bringing about an improvement of Rs. 5.94 lakhs. Outside the revenue account the deficit of Rs. 12.06 lakhs forecast in the Revised Estimates turned out to be a surplus of Rs. 20.75 lakhs. The combined effect of these two items of improvement was to raise the closing balance of 1941-42 from Rs. 15.58 lakhs to Rs. 39.01 lakhs. The year 1942-43 therefore actually opened with a balance of Rs. 39.01 lakhs against Rs. 12.28 lakhs estimated at this time last year. This balance of Rs. 39.01 lakhs, however, included Rs. 21.18 lakhs, the latter being the balance in the Government account which is the cumulative result of surpluses and deficits carried forward from year to year.

#### REVISED ESTIMATES, 1942-43

7. In the Revised Estimate revenue is estimated at Rs. 2,18.92 lakhs and expenditure on revenue account at Rs. 2,25.65 lakhs. The year's revenue deficit is therefore expected to be Rs. 6.73 lakhs. The balance in the Government account which was Rs. 21.18 lakhs at the beginning of the year is therefore likely to fall by Rs. 6.73 lakhs at the close of the year. Outside the revenue account, the net transactions under debt and deposit sections are expected to result in a deficit of Rs. 6.09 lakhs. The current year's transactions under both revenue and capital sections taken together have therefore the combined effect of reducing the total balance by Rs. 12.82 lakhs. This, in other words, means that the year 1942-43 which opened with a cash balance of Rs. 39.01 lakhs is expected to close with a balance of Rs. 26.19 lakhs. There has thus been a depletion in the resources but it has been unavoidable. The only thing worth noting is that further depletion has been averted.

It will be noticed that the revenue position as disclosed by the Revised Estimate shows an improvement of Rs. 21.85 lakhs on the Budget Estimates. This is explained by an additional revenue of Rs. 4 lakhs under Income-tax which has been taken into account which will, as already pointed out, be further augmented by an additional receipt of Rs. 80,000. There will be an increase of Rs. 4.50 lakhs under Land Revenue. This is due mainly to realisation of arrears of land revenue. There will be improvement also in the Excise revenue to the extent of Rs. 3 lakhs and in the Forest revenue to that of Rs. 6.50 lakhs brought about by larger sale of timber to the War Board. Due to more works taken up on communications financed from the Central Road Fund, an extra receipt of Rs. 1.50 lakhs is expected under Civil Works. Against the total increase of Rs. 21.85 lakhs under Revenue, expenditure charged to revenue is likely to go up by Rs. 28.70 lakhs. The various items under which this additional expenditure will be incurred has been shown in the Explanatory Memorandum and I do not propose to tire the patience of hon'ble members with repetitions of the same in this speech.

#### BUDGET, 1943-44

8. (1) *Receipts*—The total revenue is put at Rs. 2,12.21 lakhs against Rs. 2,18.92 lakhs in the Revised Estimate. Thus there is a drop of Rs. 6.71 lakhs. This is the net result of a rise under certain heads like Stamps and Industries and a fall under certain other heads such as Land Revenue, Forest and Civil Works. All this has been explained in the Explanatory Memorandum. It may, however, be mentioned here that to counteract against the drop in the Forest revenue there will be a corresponding reduction on the expenditure side. The recovery from the War Board for supply of timber will no longer pass through provincial accounts. In this connection I may be permitted to repeat that a total additional receipt under the provincial share of income-tax to the extent of Rs. 2 lakhs for the current and next year will be received which is not shown in the Budget. To that extent therefore the net fall in the revenue from the Revised Estimate will become reduced.

(2) *Expenditure*—The Budget provides for expenditure on revenue account which is put at Rs. 2,16.07 lakhs against Rs. 2,25.65 lakhs in the Revised Estimate for 1942-43. In other words, expenditure for the next year is estimated at Rs. 9.58 lakhs less than that of the current year. Substantial variations occur under Forest, Civil Works, Stationery and Printing and Extraordinary Charges. Under all these heads there is a total decrease of Rs. 13.27 lakhs, whereas under Civil Defence there is an increase of Rs. 3.25 lakhs. The estimate of revenue for the next year being Rs. 2,12.21 lakhs and that of expenditure charged to revenue Rs. 2,16.07 lakhs, there follows a revenue deficit of Rs. 3.81 lakhs. Rs. 2 lakhs out of this deficit will however

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(3) Outside the revenue account, the Budget anticipates a receipt of Rs. 5,02.56 lakhs and an expenditure of Rs. 4,97.61 lakhs, which gives a surplus of Rs. 4.95 lakhs. This surplus is due to the fact that the Budget allows for less investment in Treasury Bills. The combined effect of this surplus and the revenue deficit of Rs. 3.81 lakhs coupled with the surplus of Rs. 4.95 lakhs under Debt, Deposit and Remittances heads produces a net addition of Rs. 1.14 lakhs to the balance so that the estimated opening cash balance of Rs. 26.19 lakhs at the beginning of the year will be raised to Rs. 27.33 lakhs at the end. It may be repeated that this does not take into account the additional receipt of Rs. 2 lakhs under Income-tax. Taking this additional receipt into account, the year 1943-44 is expected to close with a balance of Rs. 29.33 lakhs.

The statement of an analysis of the balances will show that the closing balance of the Province including both cash and investments is expected to stand at Rs. 1,05.29 lakhs at the end of the year. This balance includes certain balances aggregating Rs. 37.66 lakhs which are earmarked for specific purposes. One of these balances is the balance in the fund for Capital buildings in Orissa which will stand at Rs. 35.92 lakhs at the end of the next year. This balance is earmarked. Therefore the unearmarked balance in the Province is expected to be Rs. 67.63 lakhs, against which the net liability of the Province on account of debt, deposit and advance transactions will stand at Rs. 56.99 lakhs. The net balance therefore is the difference between these two, which is Rs. 10.64 lakhs. This represents the balance in the Government account. Thus there will be a further fall in this balance at the end of the year 1943-44.

(4) Appendix B of the Explanatory Memorandum gives a list of important items of new expenditure provided in the Budget. The total on this account comes to Rs. 12.04 lakhs of which Rs. 2.88 lakhs is recurring and the balance of Rs. 9.16 is non-recurring. A moiety of this expenditure is on the beneficent, that is, nation-building departments. The total of this moiety both under non-recurring and recurring comes to Rs. 9.10 lakhs and it is distributed over such heads as Education, Medical, Public Health, Agriculture, Veterinary, Co-operation and Industries. The non-recurring expenditure provided under Industries which is Rs. 6.15 lakhs, it should be said, is on account of the war supplies.

I think I should refrain from placing before hon'ble members an elaborate catalogue of the various new schemes under the departments referred to in the previous paragraph. Suffice it to say that under Education the important items are an additional boarding grant to non-Government Indian orphanages of South Orissa, the creation of a special scholarship for study of Geology, increased accommodation in the B.Sc. classes of the Ravenshaw College in Physics, Chemistry and Botany, the reorganisation of the educational system in the Ganjam Agency, building grant to Berhampur Municipality for the construction of additional rooms in the Municipal Oriya Middle School and provision of higher education at several places for girls, about which I shall speak more in detail later.

Similarly under Medical and Public Health, mention may be made of the continuance of the anti-leprosy scheme, grants for opening of dispensaries at Bhandari-pokhari and Simulia in Balasore district and at Tarasingi in the Ganjam district and the construction of a new ward in the Cuttack General Hospital. Besides these items, provision has been made for grants to local bodies for minor public health projects and for the creation of posts of a lady doctor at the headquarters hospital at Koraput and *dais* in several dispensaries.

In the Agricultural Department the partial introduction of the scheme of reorganisation is responsible for the continuance for a further period of one year of posts of agricultural supervisors which were created in 1941-42 as an experimental measure. The subsidised farms started in 1938 are being continued for the purpose of demonstration. Three Oriya students are under training in Agricultural Colleges at Allahabad and Coimbatore. The Imperial Council of Agricultural Research was so far financing in full the scheme of Agricultural Marketing in this Province. But the burden will be shifted to the shoulders of the Provincial Government by successive annual reductions in the grants. The Budget therefore provides the provincial share of expenditure on this scheme. There is also another scheme which will be partly financed by the Imperial Council of Agricultural Research.

Under Veterinary too, there are certain useful schemes. Some of these will be

