

Chhambha

**Speech of the Hon'ble Sri Harekrushna
Mahtab, Prime Minister, Orissa, in
introducing the Budget Estimates of the
Province of Orissa for the year 1948-49**

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MR. SPEAKER, SIR,

THE year which we are going to pass out has been a year of epoch-making history and such a year does hardly recur in hundreds of years in the life-history of a nation. The year has seen the independence of India achieved without blood-shed under the leadership of Mahatma Gandhi—a phenomenon which has no parallel in the history of any nation in the world.

As soon as the independence has been achieved, the nation passed through severe convulsions threatening the very freedom itself and resulting in destruction of life and property on an unprecedented scale. Even after the national Governments in both India and Pakistan began to function, lawlessness did not cease to be the most urgent concern of the respective Governments. India and Pakistan had not been able to come closer and develop in a peaceful atmosphere. As events have developed, differences between the two countries, which were at one time the one and the same country, have considerably increased. Apart from the differences between India and Pakistan, in India Fascist tendencies have grown, advocating seizure of power by political murders and forcible occupation of the governmental machineries. These tendencies were not seriously taken notice of till at last Mahatma Gandhi, the Father of the Nation, was assassinated on the 30th January 1948. We have shed our tears over the incident. We have exhausted our heart in lamenting the sad end of our Great Leader. We have accused this or that party for the unfortunate incident, but have we ever analysed the root cause of the incident and all the circumstances surrounding it. In my opinion, the root cause of the incident is the serious conflict between democracy and Fascism which has started in India soon after the country has been free. Several political parties have been advocating forcible seizure of power without caring for the opinion of the people of the country. In a democratic country there is no room for political murders or forcible seizure of governmental machineries. Democracy allows only formation of Governments by representatives of the people elected under a constitution. It does not provide for establishment of Governments by force. While professing democracy, many political parties have been believing in forcible seizure of governmental machineries. This tendency has clearly manifested in India after the 15th August 1947. It has

worked its way and at last the minds of certain people worked itself up to kill even Gandhiji with the belief that his death would do considerable good to the nation. Gandhiji has all along pleaded for democracy and he has sacrificed himself at the altar of democracy. If we look forward to a little distant future and try to read the future history, we shall clearly imagine how the posterity will depict us. We will go down to history as unworthy followers of the Great Leader if we do not make a serious attempt to establish democracy in India. Democracy implies that while Government for the time being should always be ready to vacate if the popular opinion as expressed under the constitution goes against them, all measures must be taken at the same time to prevent cliques and coteries from stifling the popular opinion and restraining it from expressing itself freely and dispassionately. Law and order has therefore to be properly looked after. Those of us who are in charge of administration have to carry out these implications of democracy and expect the people to support us in our endeavour.

The next historic event of this year has been the amalgamation of the neighbouring States with the Province. As the House knows, we have been trying for it for the last several years. At last our effort has been crowned with success and we owe our respectful thanks to Sardar Vallabhbhai Patel, the Deputy Prime Minister of the Dominion Government. Out of 26 States, which are known as Orissa States, one has opted to remain out and there has been dispute with regard to two. I have nothing to say about the one which has opted out. It is for the Ruler and the people of that State to decide their course of action. As it appears, they have decided to remain out of Orissa and there the matter ends. We have nothing to do with that State. With regard to the two, about which dispute has arisen, Government of India have appointed a High Court Judge as Tribunal to decide as to which province these two States should be integrated with. We must await the result of the finding of the Tribunal. While we must do everything in our power to convince the Tribunal of the justice of our case, we must remain prepared also for the verdict which he will pass. With the addition of these States with the Province, our Province no longer remains a small one. For the time being the administration of these States will be a drain on the resources of the districts but Orissa as a whole will have plenty of opportunities to develop harmoniously and systematically. If we all pool our energy in the right direction, Orissa will become an ideal province in the whole of India in near future and let us pray and work for it.

The last incident is the opening of the great Jagannath temple to the Harijans. This is a historic event in itself and it virtually means a death blow to the demon of untouchability. The reform

effected in the temple of Jagannath is the beginning of the end of untouchability and all that it implies. Now Government has to pay due attention to the management of the temple and bring about such improvements as will make it to serve as a bright light-house of unity on the shore of a great religion, tossed with waves of disunity and disintegration.

These incidents, viz., the establishment of Independence in India, the amalgamation of the States with the Province, assassination of Gandhiji and reforms in Jagannath temple, are historic by themselves. These incidents are pointers to the unwary travellers to show them the way to the cherished goal. We should see the pointer clearly and march along the road steadily, with hope and courage, faith and determination. Let us not falter on any account. Let us not feel over-powered by onerous responsibilities. Let us meet the work ahead on its own ground and defeat it there by accomplishing it properly.

This is the sort of the year which we are passing out and with this background we must prepare for the next year. The Budget which I am placing before the House has been prepared with an eye to all the events and their implications above mentioned. In the Budget which I am placing here, more stress has been laid on development rather than on administration. I would request the House to look upon the financial position from the point of view of development which is so urgently necessary in our Province. On the last occasion I said that the Budget should be framed according to the needs of the Province. I have followed the same principle this year too and hon'ble members will not be surprised to find that the Budget is deficit in the Revenue Account to the extent of Rs. 69.60 lakhs.

Now I shall explain the Budget in some details so that hon'ble members will understand how Government expect to fare in the course of the current financial year, i.e., 1947-48. While presenting the Budget of 1947-48 to the House in March last a brief statement was made that the year 1946-47 would close and the year 1947-48 open with a balance of Rs. 33.15 lakhs in the Revenue Account and an over-all balance of Rs. 59.88 lakhs. But actually it opened with a balance of Rs. 1,06.44 lakhs in the Revenue Account and an over-all balance of Rs. 98.87 lakhs. There was thus an improvement of Rs. 73.29 lakhs in Revenue Account in the opening balance. The Budget for 1947-48 which was placed before the Assembly in March 1947 is known as the sanctioned Budget for the current year. It was estimated that the Revenue Receipt would be Rs. 6,09.55 lakhs and expenditure charged to revenue would be Rs. 7,19.68 lakhs thus indicating a revenue deficit of Rs. 1,10.13 lakhs.

Revised Estimates, 1947-48

In the Revised Estimate, revenue is estimated at Rs. 6,49.67 lakhs and expenditure charged to revenue at Rs. 6,57.03 lakhs. The year's revenue deficit is, therefore, expected to be Rs. 7.36 lakhs. The balance in the Government Account which was Rs. 1,06.44 lakhs in the beginning of the year is likely to go down to Rs. 99.08 at the close of the year against (—) Rs. 76.98 lakhs originally estimated. Outside the Revenue Account, the receipts are estimated at Rs. 20,96.53 lakhs and disbursement at Rs. 20,26.69 lakhs, thus resulting in a net surplus of Rs. 69.84 lakhs against Rs. 50.82 lakhs originally estimated. The net result is that the current year's transactions under both revenue and outside the Revenue Account taken together have the combined effect of raising the total over-all balance by Rs. 62.48 lakhs. This, in other words, means that the year which opened with an over-all balance of Rs. 98.87 lakhs is expected to close with a balance of Rs. 1,61.35 lakhs out of which, as mentioned above, the balance in the Revenue Account will be Rs. 99.08 lakhs.

The revenue position as disclosed by the Revised Estimate now prepared shows an improvement of Rs. 40.12 lakhs as shown below on the sanctioned estimates :—

	Sanctioned	Revised	Variatio
	Estimate	Estimate	
	Tns.	Tns.	Tns.
(i) Taxes on income	73,32	83,32	+10,00
(ii) Other Revenue heads including the annual subvention of 40 lakhs from the Government of India.	2,84,20	3,66,35	+82,15
(iii) Aid from the Government of India for post-war schemes—			
(a) As grant	2,00,00	2,00,00	..
(b) As loan	52,03	..	(—)52,03
Total ..	6,09,55	6,49,67	+40,12

One of our principal sources of income is the amount we get from the Government of India under the Niemeyer Award. According to the terms of that Award half the revenue from income-tax less Rs.3,00 lakhs is distributable amongst the provinces. The Province of Orissa used to get 2 per cent of the distributable revenue. But after the division of India, the Dominion Government have recently informed the Provincial Government that

Orissa's share of income-tax will increase from 2 to 3 per cent. We have taken Rs. 83.32 lakhs in the Revised and expect that owing to the increase in the percentage share of income-tax in 1947-48 will not be less than this amount. Actually I believe that we have got a good case for a considerably higher percentage than three, now that for all practical purposes, the size of our Province has increased by 75 per cent and its population by 50 per cent ; and I take the opportunity to assure the House that we shall not fail to make a strong representation on the point in the proper quarters.

The increase of Rs. 82.15 lakhs under other heads of Revenue includes Rs. 18.00 lakhs under " Excise ", Rs. 3.38 lakhs under " Forest ", Rs. 20.69 lakhs under " Police ", Rs. 3.50 lakhs under " Education ", Rs. 2.87 lakhs under " Industries " and Rs. 8.21 lakhs under " Civil Works ". Excise revenue shows signs of improvement as a result of enhancement of duty on excisable articles. When the policy of gradual prohibition which Government have decided upon is enforced, a fall in excise revenue is inevitable ; but this result has not yet been felt, as duty is being continually raised. The marked increase under Police is fortuitous, as arrear contributions from the Centre are expected to be received during the current year. The increase under other heads has been explained in the Finance Secretary's Explanatory Memorandum on the Budget.

The fall of Rs. 52.03 lakhs under " Aid from the Government of India for post-war schemes " is due to the fact that our borrowings from them during the current year have been curtailed to some extent.

Against the total increase of about Rs. 40½ lakhs under Revenue, expenditure charged to revenue is likely to go down by Rs. 62.65 lakhs, the Revised Estimates being taken at Rs. 6,57.03 lakhs against the sanctioned estimate of Rs. 7,19.68 lakhs. The heads under which short expenditure has been provided are Agriculture, Aviation, Civil Works and Electricity Schemes. The short expenditure will be counter-balanced to some extent by increased expenditure of Rs. 7.79 lakhs under " Land Revenue ", Rs. 1.00 lakhs under " Excise ", Rs. 14.00 lakhs under " Irrigation ", Rs. 2.00 lakhs under " General Administration ", Rs. 7.70 lakhs under " Police ", Rs. 7.13 lakhs under " Education ", Rs. 4.97 lakhs under " Medical ", Rs. 7.75 lakhs under " Industries and Industrial developments " and Rs. 4.62 lakhs under " Miscellaneous ". The savings are mostly due to the fact that full effect could not be given to many post-war development schemes for which lump provisions were made in the current year's Budget.

Before turning to the Budget Estimates for next year, I wish to draw the attention of the hon'ble members to an important change in the classification of expenditure. When the current year's Budget was placed before the Assembly this time last year, the salary, allowances including travelling allowance, and pension of officers appointed by the Secretary of State were treated as expenditure charged on the revenue of the Province. It was open to the Assembly to discuss the estimates on charged expenditure, but not to vote them. From the 15th August 1947 the officers appointed by the Secretary of State are no longer entitled to this protection. The salary and allowances of the officers in question have been treated as charged expenditure up to the 14th August 1947 and from that date till the end of the year and also for the whole of the year 1948-49 the provision has been treated as voted. A practical effect of this will be that large amounts for which provision was made as charged expenditure will turn out to be savings and extra amount will be required under voted expenditure. Under many of the grants supplementary demands will be required on this account.

Another point which I wish to mention is that some new major heads and also some new demands have been introduced in the course of preparation of the Revised Estimates. A new major head "43A—Capital outlay under industrial development" has been grouped with the head "43—Industries" under demand No. 19. The head "52A—Other revenue expenditure connected with electricity schemes" was grouped with the head "50—Civil Works" under demand No. 22. Both in the Revised and the Budget it has been grouped with the head "52—Interest on capital outlay on electricity schemes" and "53—Capital outlay on electricity schemes within the revenue account" and made a new demand No. 25 in the Budget Estimates. Expenditure on the Duduma Hydro-electricity Scheme and on Thermal Schemes will be recorded under these major heads.

A new head "68—Construction of Irrigation, Navigation, Embankments and Drainage works" has been introduced as demand No. 33 in the next year for expenditure in connection with the Hirakud Dam Project and another new major head "81A—Capital outlay on electricity schemes outside the revenue accounts" has been introduced as demand No. 34 to record *capital* outlay on the Duduma Electricity Scheme and the Thermal Schemes.

Another new major head "82—Capital accounts on other provincial works outside the revenue account" has also been introduced as demand No. 35 for the purchase of shares in the Joint-stock Motor Transport Company.

Budget, 1948-49

(1) *Receipts*—The total revenue is put at Rs. 6,81·55 lakhs against Rs. 6,49·57 in the Revised Estimates classified under the following three main heads :—

	Revised Estimate 1947-48	Budget Estimate 1948-49
	Trs.	Trs.
(i) Taxes on income	83,32	91,32
(ii) Other revenue heads including annual subvention of Rs. 40 lakhs.	3,66,35	3,30,23
(iii) Grant from the Government of India for post-war development schemes.	2,00,00	2,60,00
Total	6,49,67	6,81,55

Item (i) includes Rs. 8 lakhs on account of agricultural income-tax and Rs. 83·32 lakhs on account of our share of ordinary income-tax. Information received from the Government of India after the Budget was framed shows, however, that our share of income-tax is likely to be about Rs. 1,13 lakhs in the next year. The increase under item (iii) is due to the expected increased grant from the Centre for post-war development schemes for which larger provision has been made in the Budget. The variations under item (ii) are due to expected short receipt of Rs. 8 lakhs under Excise owing to the extension of prohibition programme, of Rs. 20·26 lakhs under Police as the current year's receipts under that head were fortuitous, of Rs. 3 lakhs under Education which also was a fortuitous receipt in the Revised, being the surplus balance in the hands of the defunct District Educational Council, Ganjam, of Rs. 15·22 lakhs under Agriculture, Rs. 1·50 lakhs under Industries and Rs. 2·10 lakhs under Civil Works. As against these decreases totalling Rs. 50·08 lakhs, increased revenue of Rs. 13·37 lakhs is expected from Stamps, Entertainment Tax, Tax on Sale of Motor Spirits and the General Sales Tax.

(2) *Expenditure*—The Budget provides Rs. 7,51·15 lakhs for expenditure on revenue account against Rs. 6,57·03 lakhs in the Revised Estimates for 1947-48. In other words, expenditure next year is estimated at Rs. 94·12 lakhs more than in the current year. This is due mainly to the fact that estimate for post-war development expenditure included in the Budget is Rs. 3,31·06 lakhs of which Rs. 1,81·04 lakhs for entirely new schemes against Rs. 2,12·55 lakhs included in the Revised Estimates. Appendix C to the Explanatory Memorandum gives a list of new post-war schemes included in the Budget of 1948-49.

