

**Speech of the Hon'ble Sreejukta
 Biswanath Das, Chief Minister, Orissa,
 in introducing the Budget Estimates
 of the Province of Orissa for the year
 1937-38.**

*no speech for 1936-37 as the
 Budget for that year was
 passed before the formation of
 Province by the parent Govt.
 of Bihar in Orissa places of
 central Province. His was the
 new ministry took office
 on the 18th July 1937.*

*✓ This was laid before the Advisory Council
 + authorized by Governor on 14th June 1936.
 P. Das*

Speech of the Hon'ble Sreejukta Biswanath
Das, Chief Minister, Orissa, in introducing
the Budget Estimates for the year
1937-38.

SIR,

WHEN I stand to-day on the floor of the first elected Assembly of this our newly-created Province of Orissa, to introduce its first Budget for the year 1937-38, my vision is shadowed by the present gloomy picture of my motherland Utkal. Whichever aspect I desire to visualize I find that despondency and disappointment are writ large on all sides and I feel, Sir, my responsibility becomes all the greater on that account when I am called upon to present the first Budget.

We, the sons and daughters of Utkal, were so long vivisected under different neighbouring administrations and were gradually losing our identity. It pains my mind and lacerates my heart to think that during the last one century and a quarter, we have lost in the outlying tracts lakhs of our brethren who were under force of circumstances either merged in other sister communities or perpetually vivisected to suffer untold miseries as neglected minorities. Our great men and patriots such as late Srijiut Madhusudan Das, Maharaja Ramchandra Bhanj, Pandit Gopabandhu Das and others of sacred memories were alive to this gradual national extinction and therefore so wisely started agitation for amalgamation and then administrative separation of Utkal as an autonomous province of our own. We were the last to lose our independence and surrender our political destiny to the hands of the British Rulers but we have probably been the first to have completely broken down politically and economically. So when after a long century and over, partial justice was now done and our torn limbs were brought to be linked together and our tattered bones to be re-set, even then we could not have all our limbs to make our body full and formed and we are now still a truncated province with Singhbhum, Phuljhar,

Jalantara and other areas lying outside and our brethren there and ourselves here suffering the bitter pangs of separation. Had there been no such political and administrative vivisections or had there been a full restoration of all the natural and necessary limbs to our province, I am sure, our strength as a nation would have been greater and our economic resources and financial strength would have been secure and stable and I would perhaps have been in a happier position of presenting an optimistic Budget to-day. But, Sir, the political destiny of our country has not been in our hands. We are under the domination of an outside authority and the reins of our administration are still in the hands of those that live far away from us and hence the difficulty and deprivation.

We know, Sir, that we have met here under peculiar circumstances. We have been fighting under the banner of the great Indian National Congress to have our full freedom better known as Swaraj. We have stood shoulder to shoulder with all our Indian brethren in all our struggle and strife. Our great leader Mahatma Gandhi has led us in our struggle and we have never lagged behind in our response to the sacred call of the nation, in matter of service and sacrifice towards the cause of freedom. As we know, Sir, when we were in the thick of fight this new constitutional change came over us and before we could hold the reins and put a stop to its progress it became an accomplished fact. The new Government of India Act of 1935 has been thrust on us against our will and in spite of our strongest opposition. When this measure became an Act of Parliament and was set to be enforced in its provincial part the Indian National Congress changed its tactics and took to a dual parliamentary programme of combat and construction in order that this imported constitution may go and we may have the constitution of our own through a constituent assembly to be formed by ourselves. Then only we will have real Swaraj and our real growth.

The legislature, however, is now responsible to a wider electorate and the provincial administration, in spite of the reserve powers and special responsibilities, would be responsible through its popular Ministry and legislature to the large number of electors of the country.

We know under what circumstances we were called upon to accept office. When the first quarter of the year was past, and the Budget of the second half of the year was practically framed, we stepped in. We assumed charge of office on the 18th July and

it was not, therefore, possible for us within the short time at our disposal to give it such attention as we would have given under ordinary circumstances. The present Budget is not wholly ours. After scrutinizing the various budget heads we came to the conclusion that new schemes adumbrated by the previous Government had to be suspended for further and closer examination so as to adapt them to suit the best needs of the Province in a cheaper and efficient way. Most of these schemes are financed partly by the Government of India and the Imperial Council of Agricultural Research, and partly by this Government.

2. *Difficulties of Budgetting.*—Before giving an idea of the finances of the Province, let me state in brief the several initial difficulties one has to surmount in framing the Budget for this new Province. In the first instance, the budgets of last year and this year have been prepared under circumstances of exceptional difficulties. When the Budget for the last year was originally prepared, the Province of Orissa had not yet come into existence. It got additional areas (consisting of not even the whole of the districts, but of parts of districts) transferred from Madras and Central Provinces. It is natural, therefore, that the estimates of the last year in respect of these parts of the districts could not be accurate. In certain cases, the estimates of last year and even the figures of the number of officers shown in the Budget are, in particular cases, incorrect. In budgetting for the present year, we are not in the same fortunate position as other Provinces which have got the actuals of the past years to go upon. Added to these, the actuals of the revised finals of March 1937 have not even been on hand. At the time of framing the Budget the then Government had not with them statements of the actuals of the last year. Even if they had, those figures would not, in all cases, have been an absolute reliable guide for the expenditure of the present year. The Province had not settled down to normal conditions in early part of last year. In the cases of officers at the headquarters and the Secretariat, last year's expenditure included pay bills only of 11 months, i.e. from the 1st of April 1936 as the pay of March 1937 was not paid until April 1937. There is again another factor which makes it difficult for proper estimation. Officers from Madras who were serving in the newly-created Province had the option of migration and this option was exercised by them at their discretion. In cases of migration, this Government had to contribute the pay, pensionary charges and the travelling allowance of such officers enough to upset the budget provision under the respective heads.

Orissa has to depend on Bihar for her High Court, Medical and Engineering Colleges and such other institutions on payment of heavy proportionate contribution. The demand for this contribution was so high that the Government of Orissa have only paid 70 per cent of their actual demand leaving the rest to be decided either by mutual agreement on further enquiry and correspondence or to be decided by the Government of India. All these add to the difficulties of estimating our expenditure which is often higher than the amounts budgetted. These circumstances necessarily call for sympathy for the Finance Department for unsatisfactory or inaccurate estimations.

3. *Receipts and charges.*—Before giving a statement of income and expenditure, I may briefly explain that on the introduction of the new constitution certain changes have been effected in budgetting and accounting. Up to 31st March 1936 Government of India were in fact the banker of the local Government and held all our balances of deposits including those of local bodies also. Consequent upon the Niemeyer settlement and also as a necessary corollary to the introduction of a system of provincial autonomy, the provincial Governments became responsible for their monies and are further required to maintain their accounts with the Reserve Bank of India. We are here treated like ordinary customers and have to maintain always a minimum balance of Rs. 5 lakhs for which the Bank has to perform ordinary banking transactions free of charge. I quote here figures of the provincial Budgets given at page 18 of the Niemeyer Report :—

			Population (new boundaries) (in millions)	1936-37 (Estimates as presented) (In lakhs of rupees)		
				Revenue.	Expenditure.	
Madras	...	...	44.0	15.90	15.90	...
Bombay	...	...	18.0	12.01	12.08	+1
Bengal	...	...	50.1	11.49	11.91	-42
United Provinces	...	...	48.4	11.71	12.45	-74
Punjab	...	...	23.6	10.80	10.78	+2
Bihar	...	...	32.4	4.70	4.82	-12
Central Provinces	...	...	15.3	4.81	4.90	-9
Assam	...	...	8.6	2.37	3.00	-63
N.-W. F. Province	...	...	2.4	1.70*	1.80	-10
Orissa	...	...	8.3	1.63*	1.63	...
Sind	...	...	3.9	3.13*	3.13	...

* Including subvention from Government of India.

The above table shows that we, of all provinces in India, have the minimum revenue and expenditure including the subvention. After wiping off the interest charges on our two protective canal systems amounting to Rs. 10.11 lakhs, Central Government gave us a recurring grant of Rs. 40 lakhs annually for our normal expenditure. An Order in Council was passed in terms of the Niemeyer Report and we have got this year Rs. 47 lakhs which is shown in our estimates. This sum includes Rs. 4 lakhs to make up the full contribution of the Central Government towards our Famine Relief Fund of Rs. 10 lakhs and Rs. 3 lakhs towards the building grant as a part of the sum of Rs. 42½ lakhs recommended by the Hubback Committee for capital site construction and towards which the Central Government have already contributed Rs. 27½ lakhs.

Our revised budget for 1936-37 shows a closing balance of Rs. 3,55,000. Close scrutiny of this so-called plus balance shows that it is in fact a minus balance by Rs. 4,000. This balance of Rs. 3.55 lakhs includes the following sums of money which were contributed by the Central Government for specific purposes :—

Rs. 1.99 lakhs by the Central Road Fund.

„ 1.44 „ by the Central Rural Development Fund.

„ .08 „ by the Central Government for the development of handloom industry.

„ .08 „ by the grant from Sugar Excise Fund.

Rs. 3.59 lakhs.

There are again a number of items against which payments have to be made both to Madras and Bihar Governments for the last year. On payment of the said charges our minus balance of last year will swell into a far higher sum which it is difficult to anticipate at present. It will, therefore, be a misnomer to say that the year 1936-37 closed with a plus balance. The closing balance of the previous year is the opening balance of the current year. During this year the income has been estimated at Rs. 1,89.57 lakhs and Rs. 1,84.37 lakhs expenditure though Sir Otto has worked out our budget of income and expenditure at Rs. 163 lakhs. The difference of Rs. 26 lakhs is explained in the following manner :—

- (a) Interest charges previously payable to the Central Government on protective irrigation works amounts to Rs. 10.11 lakhs.

This sum was wiped off as a result of the Niemeyer recommendations but we are asked to show them in our estimates. If this book account is excluded, our income and expenditure fall short by Rs. 10·11 lakhs.

- (b) We have also to remember that Rs. 47 lakhs shown as income in our estimates include Rs. 7 lakhs (Rs. 4 lakhs balance of Famine Relief Fund plus Rs. 3 lakhs building grant).

This further reduces our original estimate of expenditure and income by Rs. 17 lakhs.

- (c) Rs. 7 lakhs and odd include the special grant we have received this year from the Central Road Fund, the money we have drawn from the capital construction grant for building district and subdivisional headquarters; grants from the Imperial Council of Agricultural Research for this year; Sugar cess, etc., from the Central Government.

These figures bring home the fact that there is little or nothing left for the provincial Government to undertake any new scheme. Time has now come when Orissa must find officials who will be ready and willing to work on smaller scales of pay without loss of efficiency. It is difficult for one to work a small machinery with heavy and costly tools. All these call for greater freedom for Ministers to frame scales of pay for their officers keeping always in their view the poverty and the consequent low taxable capacity of the people.

4. *Income and Expenditure*.—It is to be borne in mind that there is possibility of a fall under the head Land Revenue owing to recent unprecedented floods. A part of the Income-tax under section 138 of the Government of India Act has been declared to be distributed among the provinces under conditions which are not possible to be fulfilled immediately. There is, therefore, no hope at present to get 2 per cent of the proceeds of the income-tax which has been decided to be our share from the Central Revenues.

5. *Subvention*.—I have already stated that the Government of India are giving a recurring sum of Rs. 40 lakhs as subvention for our ordinary administrative purposes. On an analysis, it will be seen that it covers two items, namely, first the deficit that this province has to face as a result of the transfer of wide extended partially-excluded areas and secondly a part of the

overhead charges of the province. Thus, Orissa got far less central aid than smaller provinces like Sind and North-West Frontier Provinces. Even in the matter of contribution for the construction of the capital, Orissa was not given a fair treatment. She got only 42½ lakhs which is altogether inadequate for the purpose. I will be failing in my duty if I do not state here that the amounts that we had in deposit with the Government of India on the 31st March 1937 in the account of local bodies, of revenue or judicial deposits or of provident fund accounts, etc., lapsed to the Government of India and we did not receive anything in cash for these amounts.

6. *Unfairness in distribution of assets.*—Before the actual separation of the outlying tracts of Orissa from Madras, Central Provinces and Bihar, the Government of Bihar and Orissa acted as the agent of the Government of Orissa. The distribution of assets that has been effected by the Government of India does not seem to me to be fair. We received nothing from the huge opening balances, accumulations of Famine Relief Fund, rolling stock in P. W. D. workshops as also from the departments of industries and allied departments of the Governments of Madras, and of Bihar and Orissa. We have seen how the Central Government have liberally contributed for the inauguration of the new capital, High Court, University, and a number of other institutions in Bihar while Orissa was given a separate existence with a hand-to-mouth living with the right to claim admission of her students in the above institutions on proportionate contribution although the institutions were constructed, equipped and maintained out of the joint revenues of Bihar and Orissa. We have thus to pay heavy contributions for such admissions having no money left to start like institutions of our own. It is, therefore, necessary that the whole question should be re-opened and justice be done.

7. *Opening and Closing Balances.*—It has already been shown in paragraph 3 under the head of Receipts and Charges that the closing balance of 1936-37 though shown as Rs. 3.55 lakhs is, in fact, a deficit balance by Rs. 4,000. The opening balance is shown as Rs. 12.55 lakhs. This does not represent the surplus money that we have on hand out of the savings under normal expenditure during the year 1936-37. On an analysis it will be seen that it includes three different items

which have nothing to do with the normal revenues of this Province:—

	Rs.
(1) Closing balance of last year, i.e., for 1936-37.	3.55 lakhs.
(2) Grant by the Government of India on the 1st April 1937 to be kept in Reserve Bank as the minimum balance necessary to enable Orissa to carry on its bank transactions.	5.00 "
(3) Cash balance in the treasuries of the six districts on the 1st April 1937 to enable the Government to carry on its transactions.	4.00 "
Total	... 12.55 lakhs.

The sum of Rs. 12.55 lakhs includes items which are not meant for normal expenditure.

8. *Famine Relief Fund*.—The Central Government were responsible for the famine relief work in India before 1919. Under the Montford Reforms, this responsibility devolved upon the provinces under the Devolution Rules. Provincial Famine Relief funds were created under this rule with fixed annual contributions from their own revenues to be made to this fund. A similar fund has been created now for Orissa under the Famine Relief Fund Regulation of 1937 and we have to contribute annually 1.25 lakhs of rupees towards this fund if it falls below Rs. 10 lakhs. We got no share of the huge accumulated balances of the Famine Relief Fund of Madras and Bihar and Orissa. We were given only Rs. 10 lakhs by the Government of India for this fund. Northern Orissa, as we have already seen, is often subject to the havoc of severe floods while Southern Orissa is open to periodic famines. The Government of Madras in one year had to spend Rs. 38 lakhs for relief of famine in a portion of Ganjam district in 1918. Sind has got a Famine Relief Fund of Rs. 12 lakhs with less than half the population of Orissa and protected by the huge reservoir like Sukur Barrage. It is difficult to conceive how Orissa can manage with this small amount of Rs. 10 lakhs unless permanent remedies are devised to prevent floods in Orissa.

9. *Distress caused by flood*.—We are in the grips of an unprecedented flood which has caused severe havoc in the districts of Puri, Cuttack and Sambalpur causing breaches to

roads and embankments, casting sand on huge acreage of land and rendering thousands of people utterly destitute and homeless. The floods in 1896 had 67 breaches while the recent floods have caused 80 breaches both big and small, in roads and embankments. The total loss of lives of cattle and property and crops have not been fully ascertained. The wonder of it is while there was very little rain in Orissa severe rain in Central Provinces have brought about this unprecedented calamity which has upset the Budget and has compelled us to call for public contribution for relief and also to fall upon our small Famine Relief Fund. Necessary doles and relief measures are being undertaken by the Government with the full co-operation of the Congress Committees and also other non-official relief parties who have been working under the guidance of the Congress volunteers. Free grant of timber in certain areas has been ordered to be given as also contribution of money for house construction. District Officers have been instructed to give takavi loans and to make free distribution of seeds as far as possible. Government are examining the extent to which remission and suspension of revenues and rent will be found necessary in those affected areas. Such relief measures, however good they might be, could not relieve distress and anxieties of the people unless the flood problem, as recommended by the Orissa Flood Committee, is faced once for all and solved. It is impossible to face the flood problem without incurring enormous expenditure. The Bihar and Orissa Government have done very little to give effect to the report of the Flood Committee for nine long years but we cannot afford to remain so inactive. For, to ignore it, is to invite death to the nation. Even a moderate estimate of the money required to give effect to the recommendations of the Orissa Flood Committee is about Rs. 50 lakhs. We, therefore, propose to approach the Government of India for their aid.

For the present it is proposed to take the following measures immediately as a necessary preliminary to permanent measures :—

- (a) Setting up a machinery for quicker transmission of news from the affected parts to the various headquarters during high floods.
- (b) Appointment of a special officer to investigate into the question of raising special crops in the affected areas which is calculated to resist floods and thus minimize the miseries thereof.

- (c) Appointment of a special officer to go into the question of floods and prepare a full and exhaustive report on floods.
- (d) To appoint an expert committee to give effect to the recommendations of the Orissa Flood Committee and also to introduce such legislation as may be found necessary.

10. *Excluded areas.*—Orissa has got over 20,000 square miles of her area partially excluded from normal administration with a population of 2,670,000. This works out more than 60 per cent of the entire area of the province. No other province has such a vast extent of country of partially-excluded areas. The responsibility of improving this extensive area is not supplemented by any central subvention. The needs of these areas are like those of a growing child. More than two-thirds of the area was under the Government of Madras which had a remission of provincial contribution for these areas during the Montford Reforms under the Meston Award. Strictly speaking, the cost of administration and development of these undeveloped areas ought to be a charge on the Central finance. Simon Commission, after examining the heavy expenses that the Government of India were incurring in the provinces of Ajmer and Coorg and Merwara kept directly under it, recommended that these excluded and partially-excluded areas hereafter be administered by the provincial Governments in the interest of cheap and efficient administration. Education, medical relief, public health and communication are the greatest wants of these areas. There is also ample scope for industrial and agricultural development in them. Some special scholarships have been proposed to be given with a view to encourage education among the hill-tribes, and other backward communities and Harijans. We have issued instructions to heads of departments to give preference to these communities while recruiting menials and officials in the partially-excluded areas. In the name of development of these excluded areas we are entitled to claim at least proportionately half the money that Government have been contributing for the minor administrations kept directly under their charge.

11. *Irrigation.*—Time has come when the water-courses of the province should be harnessed to the best advantage of the people. The State should have full control over the water-courses either with a view to prevent floods or to co-ordinate irrigation resources and activities. Necessary legislation will

have to be taken in this behalf without much loss of time. Government propose also to have a special project section to examine the possibilities of extension of irrigation and in particular, the possibilities of diverting the waters of the Mahanadi river through Daspalla State to the Bora river in the Ganjam Agency and utilize it for the purpose of irrigation in the Ganjam district. This, I expect, will mitigate, to a great extent, rigours of flood in this Province. Added to this, the possibilities of other productive irrigation works throughout the Province will also be ascertained. Then again the practicability of constituting irrigation panchayats will be taken up to rouse a deep sense of corporate responsibility among the people. The Minister is also considering the question of high rates of water-cess in the Orissa Canal system—a subject which has considerably agitated the public mind.

12. *Agriculture and forests.*—It is an admitted fact that our Province is far behind all other province in point of industrialisation. Necessarily, people have to depend on lands. Pressure of population and the problem of unemployment have brought about undue competition. These facts afforded opportunities to landholders to fix high rates of rent which are most uneconomic and detrimental both to the interest of the landholder and the peasants. The Ministry is concerting measures to remove those inequities and disabilities. We have on hand three amending Bills—two on the Madras Estates Land Act, and one on Orissa Tenancy Act. This will be taken immediately pending investigation of the possibilities of a uniform tenancy law throughout the Province.

Remission of land revenue.—The ryotwari holders of land in South Orissa have been adversely affected by the fall in prices. The Government of Madras followed a policy of remission of rents to mitigate the hardships. Our Government have decided to follow the same policy for this year and are instructing their officials to give a remission of $1\frac{1}{2}$ annas in the rupee. They have also considered the question of the peasants' difficulty to pay rents before the harvesting season. We have, therefore, decided to change the dates of Kist-Bandy so as to begin the collection of rent in January instead of the 10th December every year.

Action is being taken to start small demonstration farms in higher elementary schools and middle English schools. Kamdars are endeavouring to introduce improved methods of cultivation and to help these schools in demonstrating not

only commercial crops but also rotation and variety of crops. It is further proposed to take up propaganda work with free distribution of literature to impress these methods on the peasantry and to induce them to adopt scientific methods of cultivation.

[*Forest.*—Forest is the hand-maid of agriculture, and its progress is enhanced by co-ordinating the activities of the forest. Though there are huge areas of undeveloped tracts, we have very small extent of Government forests. The Ministry is considering the question of making the forest remunerative as also the possibility or otherwise of reducing grazing fees and increasing a number of free forest permits.]

13. *Education.*—The primary, middle and secondary education of the province have to be reorganized to develop the highest and the best in the nation. We must consider these to be various steps leading to that great hall of learning and knowledge ordinarily styled as University. I do realize the necessity for a University of our own—a University free from external domination and calculated to develop the fullest freedom of thought and culture. We are now under two different Universities, namely, the Andhra and the Patna Universities, differing in form, in curriculum and also with different ideals. It is difficult to continue longer under two such Universities. We have decided to depute three gentlemen of merit in our Province to go and study the conditions in certain Universities in India like Bolepur, Chidambaram and Gurukula to evolve a scheme that would suit the needs of the people in Orissa.

We have decided to deprovincialize the zilla schools and decentralize education as a whole. A committee will very soon be appointed to advise Government not only on the question of deprovincialization of zilla schools but on the reorganization of the whole secondary education. The savings that will be effected from the contemplated system of deprovincialization of zilla schools will be utilized in putting secondary education on a sound and satisfactory basis.

It is our earnest desire to encourage higher education among the students of the Harijans, hill-tribes and backward communities. We propose to give additional scholarships and stipends to deserving students from among these communities. We are determined to provide schools in villages with a population of 500 and more and with this end in view have instructed

the Director of Public Instruction to collect all necessary information. It is to be admitted that any practical programme of free and compulsory primary education within our limited resources is not possible this year.

14. *Co-operative societies.*—We are under two administrative systems, namely, Madras and Bihar and Orissa and our societies and banks are controlled by them. The financial conditions of the two banks in South Orissa are not unsatisfactory, while those of the banks and societies in North Orissa are deplorable. They are till to-day under the provincial Co-operative Bank of Bihar. Their accounts were audited by the Bihar Banking Federation. They are under the control of the Registrar of Co-operative Societies, Bihar, for which we are asked to pay a contribution of Rs. 2,000 a month. The stage has now reached when the Central Co-operative Bank for Orissa becomes a necessity. Before starting a bank we wanted to take stock of the whole situation and know exactly the conditions of these banks and societies as also their assets and liabilities. With this end in view Government have decided to conduct an enquiry and have secured the services of Dewan Bahadur Devasikhamony Mudaliar, retired Registrar of the Co-operative Societies, Madras, and have requested the Government of Bihar also to depute an officer to join the enquiry. The Bank of Bihar claims to have lent to Orissa banks a sum of about Rs. 9 lakhs. My Ministry does not want to make any distinction between the money deposited in Orissa Central Banks by private individuals and the money advanced by the Provincial Bank of Bihar to our Central Banks. Pending report of this committee and having regard to the fact stated above, I have ordered suspension of the reorganization scheme of co-operative credit societies and the clearing off the dues of the Co-operative Bank of Bihar. Since the Co-operative Banks in North Orissa are not able to discharge their liabilities we thought it unwise to borrow money from Madras guaranteed by the Provincial Government to pay off the dues of the Provincial Bank of Bihar which may ultimately involve this Government into a heavy financial responsibility. In these days of economic depression we are not callous to the acute distress prevailing in the rural areas for want of cheap credit facilities. To relieve this situation it has been decided to introduce a Bill to inaugurate Land Mortgage Banks to secure loans at the cheapest possible rates of interest payable by easy instalments spreading over a number of years.

15. *Development of Cottage Industries and Khadi.*—This is one of the effective means of solving the unemployment

problem of our country. We are anxious to frame a scheme with minimum expense and have, therefore, addressed Sjt. Kumarappa, Head of the All-India Village Industry Association, to come and advise us in the matter. It is to be regretted that the pounding of rice in this Province is being substituted by mill-made rice. Government are anxious to introduce improved pounding machine (Dhenki) so that it may survive competition of mills. To concert measures for marketing the produce of cottage industries, we are appointing a marketing officer.

We have also issued definite instructions to the heads of departments to purchase Swadeshi goods and Khadi for the use of Government. We will not hesitate to grant financial or other aids within the means of this Government to indigenous industries. This will receive the earnest attention of the Government as soon as the scheme of reorganization of co-operative societies is effected.

16. *Excise*.—Unlike Madras and Bombay, Orissa has a small income from excise. Opium is one of our besetting sins. It is more common than the drink evil. Leases for the sale of drugs and liquor have already been given for the current year. It is not possible at this stage to interfere with their business without payment of heavy compensation. Before introducing prohibition we have to reckon with the Orissa States which surround British Orissa on three sides. They have their own system of excise and their rules and regulations. Hitherto, they were purchasing opium through the Provincial Governments but now they are making their purchases direct from the Central Government. Any scheme of prohibition will necessarily involve not only the loss of existing revenue but also will entail a heavy expenditure to maintain an adequate preventive staff far more than what we have at present. Besides, Provincial Governments need the co-operation of the Government of India to stop the import of foreign liquor. In this connection, we will be better benefited by taking a lead from the Governments of Madras and Bombay. But at present we shall concentrate our energy to fight against this opium evil.

17. *Harijans*—I have already made mention of the measures that are being taken to uplift the Harijans and the hill-tribes. It is our earnest desire that these classes, kept backward and depressed, should have their due place in society and make their best contribution to the highest well-being of the country. I need not make a special mention here again as to what financial and economic provision we have made in the

present Budget for the Harijans by way of stipends, scholarships and grant to hostels and boardings. In the matter of appointment we have also taken steps to provide them with posts in different departments. We have also made provision for them in the matter of water-supply, etc. The Joint Select Committee has very rightly remarked that Orissa is the only Province which is free from communal trouble. It is the policy of my Ministry to give due protection to the minorities of the province, be they Christians, Moslems and other minor communities. We always realize that they are flesh of our flesh, bone of our bone and blood of our blood and equally share with us the joys and woes of the Province.

18. *Improvement of National Wealth.*—While recurrence of floods and famines saps the vitality of the masses, absentee landlordism and rack-renting combined with the usurious rates of interest of the money-lenders have brought about the ruination of the peasants in this Province. To remove the appalling poverty of the masses and their utter helplessness is an uphill task for any Government. We have decided to face these difficulties by legislation and by reconstruction. I have already given an indication of the legislative programme that the Ministry would take up during the current session.

The salt industry which was the mainstay of the country till the close of the 19th century has to be revised so as to enable the people of Orissa to find an additional and cheap source of living. Full effect will also be given to Gandhi-Irwin Pact for private manufacture of salt for family consumption. The labours of the late lamented Pandit Gopabandhu Das and the suggestions contained in his famous speech in Bihar and Orissa Legislative Council in 1918 will be utilized to revive the salt industry of this Province. It has to be realized that mere remission of taxes will not help the peasantry unless they are freed from the clutches of the money-lenders on the one hand and the oppression of the zamindars on the other to create confidence in their minds that the fruits of their labour are reassured to them. Such a course of action will create a living interest in their land and make them turn "sand into gold".

Conclusion.—If a budget is in any way an indication of the programme of national reconstruction for the year, I have endeavoured to indicate at some length the general lines of our policy and have given a somewhat detailed account of the programme of work that we have kept before us. Reforms in other departments of our Governments such as freedom and

enlargement of activities of local bodies, satisfactory jail reforms, control of religious and charitable endowments are also receiving our earnest attention.

We also desire to encourage Ayurveda being a system of medicine at once cheap and popular. The rate at which leprosy is increasing in the land is disquieting. It needs immediate attention and we shall spare no pains to check its growth by all possible methods.

All these activities call for financial commitments. It is very hard to tax the people at a time when there is a cry all over the country to lighten the burden of taxation. We recognize the inequitable distribution of wealth and the consequent grinding poverty of the people. The immediate relief that we thought necessary is to relieve the tenant from the burden of the most uneconomic rate of rent and also the levy of fees and illegal cesses. We have not, therefore, come forward with any proposal of fresh taxation for the current year such as income-tax on landed incomes—a tax that would mainly hit the landed aristocracy. Let us hope that they will respond and reciprocate these feelings and co-operate with us in giving just relief to the tenants so as to create in them a sense of security and contentment.

Congress has accepted office neither for emoluments nor for power. Its one desire is to work its constructive programme to uplift the economic conditions of the masses. The well-being of the masses is our immediate objective. Council entry and office acceptances are only additional means to win the fight for freedom. We hope that the officials, both Indian and European, will realize this and adjust themselves to the changed conditions and outlook in India and take their due place as efficient and useful servants of the people.

I wish to record my feelings of high appreciation for the co-operation I have received from the staff, the Secretaries and specially the Finance Secretary with whose activities I am closely associated as the Minister in charge of the Finance Department.

Let us pray to God to give us strength and wisdom to act and remain true to the vision we have in view.

With these remarks, I present the Budget for the year 1937-38.

OGP (Fin) 84—125+1—29-8-1937.

