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

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SIR,

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



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

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

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

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

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



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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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



thus convert the Rushikulya System into an ordinary irrigation system in place of an unremunerative protective work existing for over 50 years. Since irrigation projects are met out of loans we hope to have a programme of irrigation works for future years, financed out of loans provided such works pay for their maintenance and interest charges.

Our zeal to develop lift irrigation by hydro-electric power remains unabated. Earnest attempts to generate the hydro-electric power from Bogra Water Falls in Koraput district were made by opening negotiations with a number of leading firms including the Dalmias Company and Birla Brothers. This was also investigated by the Government of Madras about 12 or 13 years ago. We propose to negotiate with the Government of Madras to induce them to take this up as a joint concern for purposes of industries, electrification and for lift irrigation for the benefit of both the provinces.

Experiments in lift irrigation by power pump to help the people in flood affected areas of Puri and Cuttack districts were undertaken. For this purpose a sum of Rs. 14,600 is already provided to continue and increase the activities started from last year. A further sum of Rs. 8,910 is also provided in the Budget for purchase of rock-boring plants as a further step in the direction of lift irrigation. Honourable Members will, therefore, see that while earnest attempts, hitherto unknown in the history of Orissa, are made to tackle the flood problem, serious efforts are also being made to harness our river courses to divert the flow of water into necessary and useful channels of irrigation which also will help the prevention of floods. Lift irrigation is calculated to benefit not only the flooded areas at present but also areas where ordinary irrigation is not possible. All this is stated to impress on the honourable friends that sincere attempts, as were rightly emphasized by Rev. Andrews, are made to avoid floods in Orissa.

[ *Land Revenue : Forest, Agriculture and Veterinary.*—The Royal Commission on Agriculture has very truly stated that forest is the handmaid of agriculture. Land revenue always depends on agriculture and its conditions. Particular attention has, therefore, been paid to these activities. ]

Soon after the assumption of office we undertook certain tenancy reforms by way of amendments to the Orissa Tenancy Act and the Madras Estates Land Act. The first has received assent of His Excellency the Governor while the second has



been reserved for consideration of His Excellency the Governor-General. Every one, I feel sure, joins with me in demanding that immediate assent be accorded to this measure, as it is long overdue.

It is most regrettable that in a small province like ours there should exist a number of tenancy laws. Rights in land have been determined and recognized under each of these tenancy laws. Government have, therefore, decided to unify the procedure, forms and returns so as to minimize defects and differences as it is not easy to harmonize the substantive law in all these areas by a stroke of pen.

We recognize the agitation in Sambalpur against the passing of the Tenancy Regulation instead of a tenancy Act in the Legislature, and we, therefore, contemplate to place the draft regulation before the Legislature for discussion.

South Orissa is subject to famine while North Orissa to floods. Permanently-settled estates have unfortunately no liability to remit taxes even in years of distress, though in temporarily-settled and Khasmahal areas, such remission is granted as a matter of course, under similar circumstances. We propose to take legislation for allowing remission of rent in permanently-settled estates under similar circumstances.

Under the old Orissa Tenancy Act powers of certification were granted to certain zamindars to pass rent decrees and to get them realized through courts of law. We found it extremely difficult and unwise to continue conditions where private owners were entrusted with judicial powers. We, therefore, cancelled all such powers from the beginning of the official year 1938-39.

Dates of Kistibandi in South Orissa were changed to suit the convenience of raiyats in 1938 and a similar change was also effected in Angul.

Resettlement operations in the taluks of Ganjam district were put off for a period of five years. Settlement operations under Chapter XI of the Madras Estates Land Act were undertaken in zamindaris in the district of Ganjam, with the hope that all the zamindari raiyats will in future pay cash rents instead of rent in kind which has been the cause of manifold anxiety to the Government. It has further been decided to carry on survey operations in certain parts of Ganjam and Koraput districts so as to have survey, record-of-rights and



money rents for all such areas in the province. All these have been undertaken without any application or deposit of money by the raiyat or landholder under Chapter XI of Estates Act. Government have advanced monies to be recovered in due course from the parties concerned.

With a view to improve livestock and animal husbandry an announcement was made last year to reduce the grazing fees by 50 per cent, and that was given effect to. The question of bringing unclassified forests as "grammya" forests under the control of the village panchayats is under examination.

[ We are examining the Madras Forest Rules in cases where the Madras Forest Act has been applied to proprietary forests and necessary action will be taken to safeguard the interest of the raiyats in such forests. We have a total area of 1,991 square miles of State forests of all classes. Forty per cent of the area is reserved to meet the local needs of the people, forty-six per cent accounts for immature or unprotected or inaccessible forests, while the remaining fourteen per cent of the area is available for commercial exploitation. The income from a source such as this has not, therefore, been as much as it ought to have been. The other reason is that we have to take our share of the Indian Forest Service which necessarily adds to the cost of the administration. ]

Agriculture being now the main industry in the Province, Government have taken steps for immediate expansion of the activities of this department. While the actuals of expenditure in 1936-37 show that a sum of Rs. 1,02,000 was spent during the year, the revised estimate for the current year is Rs. 2,37,000 and the Budget for 1939-40 is Rs. 2,32,000. Thus the expanded expenditure is more than double the amount spent in 1936-37. It has been our earnest desire to carry the benefits of research in improved methods of cultivation to the threshold of the cultivator.

With this end in view and keeping in mind the limitations of finance, we decided to have a scheme of subsidized farms which has been working slowly but surely in the direction with 31 farms in the five districts of Ganjam, Puri, Cuttack, Balasore and Sambalpur. The department is reorganized and an agricultural overseer is appointed for each subdivision with three kamdars to carry on this propaganda in villages and also to help the owners of subsidized farms in giving technical advice.



We are now working up a scheme for fruit cultivation having put over 23,000 of graft plants of seven different kinds—mangoes, lemon, batavi, etc. The prices of these have been very much reduced and made uniform in all districts to enable ordinary people to purchase them at a much cheaper rate.

An Advisory Committee is constituted to advise Government on questions concerning agriculture. In course of the year we have distributed seeds of various kinds to the cultivator in varying quantities including 47 maunds of cotton, 54 maunds of potol roots, 42 maunds of potato, maize, wheat, cabbage seeds, etc. It is gratifying to note that people are taking to these cultivations on improved lines. Improved cultivation of betel leaf (*pan*), turmeric (*haladi*), cocoanut, tobacco is being undertaken and the Imperial Council of Agricultural Research is approached for grant to carry on experiments. Experiment of cocoanut crop is made in the seacoast areas of Puri district and the Chilka coast.

We have undertaken also a survey of agricultural food-stuffs purchased by the people of this Province with a view to encourage such cultivation in this Province. Our attempts to encourage a second and third potato crop in the partially-excluded areas of Jeypore and Gaujam Agency have not been found unsuccessful, rather the results are encouraging. If this experiment succeeds we propose to give greater encouragement to the cultivation of second and third potato crops, in these Agency areas, that we may get constant supply of the same throughout the year without depending on other provinces. Dr. Badami (our agricultural expert) has already started a number of useful experiments in sugarcane, poultry-farming and several other crops including scientific cooking in a most ordinary fashion. All these are calculated to add to the prosperity of the Province, and of India in general.

Similar experiments have been made in the Veterinary Department. Our efforts succeeded in inducing the Imperial Council of Agricultural Research to encourage and also to take up research work in the indigenous system of treatment of cattle. The Imperial Council of Agricultural Research has now sanctioned funds for special officers to carry on investigation in Orissa and Travancore. On our part we have collected old literature and may have to publish them. Let me in this connection appeal to the public to help us in reviving our indigenous system of cattle treatment which will prove a great blessing to our cattle and country.



We convened two conferences to induce gosala owners to co-ordinate their activities with ours and extend their benevolent activities with a subsidy from Government. The condition precedent to this was that the gosalas should get themselves registered as public institutions. It has to be regretted that barring one, none has responded to our appeal though the conference was attended by a number of representatives from different districts.

We have trained twenty-four stock-men in veterinary treatment and also in the method of preserving fodder to carry on propaganda among agriculturists during the current year. The Budget for 1939-40 provides Rs. 4,150 for training a similar batch of 20 stock-men. It is proposed that these stock-men will go round the villages, carry on propaganda and wherever possible train up village cowherds, who will be useful to the agricultural husbandry in villages. Earnest attempts are made even by the agricultural overseers and kamdars to impress on the agriculturist the scientific manner of preserving cowdung as manure and also preservation of fodder for summer and the first few weeks of the rainy season. The ways and means of further encouraging the indigenous system of treatment and carrying on of research work, are also under examination.

The Utkal Go-Mangal Samiti is working for the improvement of cattle in the Province with grants from Government. They hold cattle shows at different places within the Province. Arrangements are being made to hold 15 such shows during the year.

*Education.*—Honourable friends may recollect that in my last speech I stressed on the difficulties of Orissa to go on without a University and stated that a Sub-Committee was appointed with Pandit Nilakantha Das, M.L.A. (Central), as Chairman to prepare the framework of the proposed University for Orissa and also appealed to the Rulers of Orissa States to co-operate with us in developing Oriya culture and also in improving and increasing the study of post-graduate course and research in Orissa and Orissa States. The Sub-Committee thus constituted has not yet been able to submit its report in spite of our efforts of persuasion in the matter. No action was, therefore, found possible to be taken for inaugurating a separate University for Orissa. Certain preliminaries have been taken to strengthen the Ravenshaw College which in course of time may develop into a full-fledged University. Elementary economics and public administration has been introduced as courses in intermediate classes of the Ravenshaw College. Provision has been



made for a series of extension lectures and Oriya has been admitted as a principal subject for degree classes at a recurring expense of Rs. 3,800 a year. Added to this the Budget provides grant-in-aid to the first grade College newly started by the Maharaja of Parlakimedi. The Secondary Reorganisation Committee has submitted its report and the same is under scrutiny. Important as the question is involving both policy and finance, we have invited public criticism on its recommendations. Final decision of Government will be reached after public representations are compiled and considered. Government have, however, decided to introduce Oriya as the medium of instruction for the matriculation examination with certain conveniences for non-Oriya and Muslim students as was decided in a conference attended by gentlemen representing different communities. In the absence of a separate University for Orissa the high school students who are in South Orissa, at present under the Andhra University, cannot have the benefits of the medium of Oriya in the matriculation examination. A definite step is taken for introduction of technical education in high and middle schools at the cost of Government by calling upon the managers of middle and high schools to send their teachers for a course of training in agriculture in the Government Farm at Bidyadharpur. A science class will be opened at the Ravenshaw Collegiate School to impart elementary science education to students in high schools. Two girls' schools, one in Sambalpur and another in Puri, were raised to the middle English and one at Balasore to the middle vernacular status while the higher elementary school at Rayagada in Koraput district was converted into a middle school. Encouragement is given to high schools who desire to send their teachers for industrial training to train up students in high schools in some local industries. The Ravenshaw Girls' High School at Cuttack was strengthened with a permanent music teacher. Provision for the study of domestic science was made by the appointment of a qualified teacher from Lady Irwin College at Delhi. High schools in this province have unfortunately been unevenly distributed and some of them have been dragging on an unnecessary existence. All these questions are engaging the serious attention of Government and a decision will soon be arrived which will put secondary education on a firm and national basis. The question of deprovincialisation of zila schools and the constitution and function of a Board of Secondary Education will also be considered along with this question.



The percentage of literacy in Orissa is not as high as it ought to be. Earnest attempts have been made in this direction to improve elementary education and also to make it widespread. We decided to make education free from the current year in North Orissa by abolition of fees. This has been given effect to by compensating for the fees realized by local bodies from pupils. A Committee was appointed with educational experts to revise the syllabus in primary schools keeping the recommendations of the Wardha Committee in view so far they suit the special requirements of this Province. The Committee are about to finish their labours.

Government have also started a Board of Basic Education with Sri Gopabandhu Chaudhury as Chairman to carry on education on the new lines recommended by the Wardha Education Conference. Three educationists, from this Province, were first deputed to study the new system and again six teachers have been deputed for getting themselves trained in Bidyamandir Scheme at Wardha. The whole scheme costs Rs. 89,000 recurring and Rs. 47,000 non-recurring and will be introduced in 25 schools in a compact area at Bari, Cuttack district, from 1st January 1940, the training school for teachers will be functioning from May 1939.

Preparations are afoot to undertake a country-wide literacy campaign in a regulated manner in course of three years. A sum of Rs. 1,000 have been put in the Budget to enable Honourable Members to discuss this question. It is expected that the activities may cost about a lakh of rupees in course of this year. Our attempts to make men literate are useless if what little learnt is soon forgotten. It is, therefore, proposed to carry on a library movement also with a central library at the headquarters as is being done in Baroda. The Budget provides a sum of Rs. 25,000 for this library movement as also for contribution to libraries in municipal areas. Early in 1938 an official and a non-official gentleman were deputed to Baroda to study the library movement in the State. Our thanks are due to the Government of Baroda and the State officials for having given our men all conveniences and rendered every possible help. The Budget also provides half a lakh of rupees for construction of a museum.

A step is proposed to be taken in the direction of compulsory primary education in municipalities, union boards and also notified areas and the Budget provides Rs. 25,000 for these purposes.



A number of pandits have been engaged in cataloguing and in compiling the old manuscripts in this Province with a view to examine them and, if necessary and useful, to publish them at the cost of Government. Besides these a provision of Rs. 5,600 has been made for encouragement of literature.

The Hindu Religious Endowments Bill has recently been passed by the Legislature and the assent of His Excellency the Governor is awaited. It is our earnest hope that it will give a great scope for development of oriental literature and culture by co-ordinating the activities of temples and *maths* in this direction, providing facilities both for teachers and Vidyarthis.

A Committee was constituted to recommend the constitution and functions of a Board of Islamic Education. The Committee has submitted its report. The same is under examination. Government are anxious to have a Board constituted with the least delay. Special attention is paid to the education of Harijans and hill tribes. During the current year a sum of Rs. 7,500 has been spent over and above the normal grants for this purpose. A sum of Rs. 5,660 is provided in the Budget, 1939-40, of which Rs. 5,480 is a recurring charge. The recommendations of a special committee to unify Sanskrit education in the whole of the Province is under consideration of the Government.

Earnest attempts have been made to encourage indigenous system of medicines and specially instructions in Ayurveda. It is the desire of Government to strengthen the Ayurvedic Section of the Sanskrit College, Puri, and train up Ayurveda Physicians, who would have the necessary equipments and training and could be induced to live in villages for treatment of villagers. It is, therefore, our desire to appoint a small committee which would revise the existing syllabus and also recommend to Government the constitution of an Ayurvedic Registration Board.

We take this opportunity of appealing to all recognized institutions and public workers as also to the general public and specially to the teachers and the taught in all schools and colleges in this province to co-operate with Government in making this mass literacy campaign and the countrywide library movement an unqualified success. I should also like to add that unless women come forward to help in the social work which Government have undertaken this Province will lag behind in all its efforts in this direction.



*Medical and Public Health.*—In my last Budget speech I have dealt at length with the difficulties that we have to face and also stated how the Provincial Government has inherited the age-long neglect of Madras and Bihar with the result that we have inadequate staff, hospitals ill-equipped and conditions of buildings in most of the district hospitals are rejected or unsatisfactory. With our limited finance we have been trying to solve these difficulties. The Budget shows the difference between the years under account as also the budget provisions.

Leprosy and malaria are our country's enemies at present. We invited Dr. Isaac Santra to study the conditions and advise in the matter. The schemes prepared by the Director of Health and Inspector-General of Prisons in co-operation with Dr. Santra provided an annual expenditure of Rs. 33,000 for treatment of leprosy in the Budget and steps were taken accordingly. Added to these district associations have been formed in Ganjam, Cuttack, Puri and Sambalpur to fight against leprosy in co-operation with local bodies and the philanthropic public. These institutions are also subsidized by Government.

A Provincial Leprosy Officer has been appointed and a well-organised anti-leprosy scheme is already under operation carrying out survey propaganda and isolation besides giving treatment to large number of infective cases of leprosy. It is also our earnest desire to provide some money for Ayurvedic Physicians to carry on experiment in the indigenous system of treatment of leprosy.

A preliminary survey of malaria was undertaken by the Provincial Government with the help of Mr. Senior White, Malariologist to the Bengal-Nagpur Railway Company. We have approached the Government of India with the result that we are getting an anti-malarial health unit with an I.M.S. officer as specialist who, it is hoped, will for a period of 3 to 4 years carry on investigations in Orissa. We have also appointed a malaria officer and propose to get our medical officers trained in course of these years when the specialists tour in Orissa. Provision in the Budget has been made to provide facilities for the work of this unit in co-ordination with our medical officers.

A system of subsidized rural dispensaries has been devised to enable practitioners to live in important villages so as to bring medical aid and benefits of preventive medium within the easy reach of people. Let me hope that young men and women



trained as medical practitioners at the cost of the people will not fail to respond to our call to serve their country choosing to live in villages under the scheme of subsidized rural dispensaries. An Assistant Director of Public Health was also appointed to carry on more systematic and detailed work in the matter of public health. It has already been stated that earnest attempts are being made to revive the indigenous system of medicines and train up a better class of physicians to live and work in villages.

An Act was passed for registration of nurses, midwives and *dhais*, and provision is being made to train up a number of lady workers as nurses and *dhais* to work in countryside.

Separate police hospitals will very soon be abolished providing special beds for the police in every district hospital. The economy thus effected will be utilized in strengthening the district hospitals at the headquarters of each district.

We are approaching the Central Lady Dufferin Fund Committee to provide us with a Lady Surgeon for the Cuttack General Hospital on promise of providing more beds and accommodation for the treatment of women and for the extension of maternity work. When this becomes an accomplished fact, it will not only provide proper treatment for lady patients in the hospital but will also provide facilities for medical students in their training of midwifery and gynaecology. There are about thirteen big and small child welfare centres at present working within the Province with aid from Government or from local bodies.

A committee was appointed for the reorganisation of the General Hospital at Cuttack. The report submitted was considered and the Budget contains provisions to give effect to most of the recommendations. Money is also being provided for the construction of Sambalpur Hospital. A recurring sum of Rs. 2,000 a year is provided for the women hospital at Berhampur.

Proposals for construction of a paying ward for middle class well-to-do people at Cuttack is under consideration to avoid rush of patients into ordinary wards. Extended medical aid and activities in matters of public health in the partially-excluded areas and specially in the district of Koraput have been provided including facilities for the special treatment of yaws. Some contribution has been provided in the Budget to municipalities and boards for improvement of public health.



A well organised and equipped Provincial Public Health and Pathological laboratory was started during the year. This has saved us from an annual contribution of about Rs. 4,000 to Bihar. It is hoped that proper treatment of T. B. patients will hereafter be possible with our share of contribution from the Lady Linlithgow T. B. Fund. These in short are some of the activities undertaken by the Ministry and proposed to be undertaken in course of 1939-40 for the development of public health and medical aid in the Province.

The Control of Sale and Adulteration of Food Act is now in operation and the rules are being framed under the Act. It is our hope that local bodies and the Public Health Department will use the powers in the spirit in which they are provided for the good of the country.

*Jails.*—A number of reforms have been introduced in Orissa jails to enliven the prisoners. In the case of political prisoners, the distinction of A, B and C classes have been abolished. All such prisoners have been classed as A with all the privileges at present given to A class except the items of food. The vicious and humiliating practice of "Sarkar Salam" by prisoners to all official visitors was abolished. The working of *ghani* by means of man-power was substituted by bullocks. The prisoners are provided with better food, clothing and bedding. They are given brass utensils for feeding purposes like ordinary persons. The constitution of the Jail Visitors was revised taking, as a matter of course, members of the Legislative Assembly and other public men who take interest in reforming prisoners. Prisoners are given the freedom of shaving their heads or beards as they desire. Undertrial prisoners are given adequate physical exercise to keep themselves in good health.

The Madras and Bihar and Orissa Jail Code is unified and a standing Jail Committee is appointed to advise Government on questions relating to jails. Spinning is introduced and jail is proposed to be made self-sufficing without any purchase of yarn from outside. Smaller industries are introduced in jails to enable the prisoners to take to such industries after their release.

*Roads and communications.*—Orissa is the only Province in India having 60 per cent of her area covered by



partially-excluded areas, where communication is the greatest want. The following facts speak for themselves :—

Provinces.	Length of roads publicly maintained per 100 square miles of area.	Persons per mile of roads publicly maintained.
Madras ... ..	26.80	1,420
Bombay ... ..	23.00	1,235
Sind ... ..	39.00	327
Bengal ... ..	55.40	1,226
U. P. ... ..	35.00	1,450
Punjab ... ..	29.10	1,000
Assam ... ..	22.00	1,117
N.-W. F. ... ..	22.00	1,200
Orissa ... ..	14.18	1,744

If the area covered by the Ganjam district board is taken away from our calculations the figures reduce themselves to the lowest level. The Road Fund with the Government of India was instituted in 1930. Till the date of our separation, Bihar and Orissa received Rs. 28 lakhs from the Central Government from the ordinary subvention and also from its reserve. Honourable friends will be surprised to learn that not a single rupee of this sum was spent on works in the Orissa Division. Soon after the constitution of the Province the Government of India earmarked Rs. 16,78,230 from the reserve for development of roads within the Province. The following seven items of work have been undertaken out of this fund :—

	Estimate. Rs.	
1. Construction of a bridge over Burha river near Jajpur.	4,10,000	4,09,900
2. Jajpur road to Keonjhar border ... ..	12,800	15,530
3. Nawapara Railway Station to Nawapara town (Sambalpur).	2,25,000	12,800
4. Improvement to Rairakhol section of Cuttack-Sambalpur road.	4,66,000	3,25,000
5. A bridged road from Sohela to Nawapara (Sambalpur).	3,80,000	4,66,000
6. A bridge over the Malati river, Sambalpur ...	62,000	
7. A bridged road from Koraput to Rayagadda.	3,80,000	



The money thus secured had to be utilized only after the schemes and the estimates were approved by the Government of India. Such sanction being obtained, the works were taken up and are now in progress. We hope to complete them by the close of 1939-40.

Added to these, we have also recommended four works to the Central Road Fund Committee of the Government of India :—

	Rs.
1. Bridging the Big Gauda Nala in Chorada-Sukinda road (Cuttack-Keonjhar).	23,000
2. Improvement of Ehadrak-Chandbali road ...	6,50,000
3. A road from Balliguda to Muniguda Railway Station (Ganjam Agency).	2,50,000
4. A bridge on the Daya river (Puri district) ...	4,43,000

Let us hope to secure these grants from the Road Fund as soon as possible. Opposition from the Railway Board regarding the construction of a bridge over the Daya river to avoid bus competition from Puri to Bhubaneswar with the Bengal-Nagpur Railway Company, explains the delay in the final disposal of this work by the Government of India. Earnest attempts are made to reduce estimates of works, which may be seen from the fact that the Bihar and Orissa Government had estimated for a bridge over Malaguni (in Puri district) for about Rs. 3 lakhs. This estimate was cut down to a lakh and thirty thousand rupees. The same was further reduced to Rs. 57,260 by converting it into a submersible bridge. Construction of this bridge was undertaken out of our share of the petrol tax. It is difficult for a new Province like ours with wide extended partially-excluded areas, to think of any system of roads without such grants, for sometime to come, from the Road Fund. Our anxiety to develop our so-called partially-excluded areas may be seen from the fact that the main portion of the grant received from the Government of India is utilized for improvement of communications in the partially-excluded areas, which the people of these areas never received before.

*Salt.*—Salt was once a very flourishing industry in the coastal tracts of Orissa. Sir W. W. Hunter, in his accounts of Orissa, has given a faithful description of the same. Late lamented Gopabandhu throughout his life carried on an agitation



to revive the industry which once provided means to tens of thousands of families and contributed to the wealth of the nation. Since the cessation of this industry most people have now forgotten the art. Attempts were made by us to revive this industry so that we may realize the ambition of our revered leader.

Pandit Jagannath Misra, Parliamentary Secretary, was deputed to study the industry, as it is worked to-day in different parts of Orissa, Bengal and Madras, aided by an official and a specialist. He found that the lixiviation process of manufacture of salt followed at present in Orissa is not suitable for commercial purposes. The valuable report he submitted is being printed and will be available for members in due course. All the conditions necessary for manufacture of salt such as rainfall, humidity, direction of velocity of wind, average temperature, etc., are not against Orissa. The density of the sea water is as good as it is anywhere. The people in charge of manufacture have to be given demonstration and training in this branch of knowledge so that they may learn up-to-date methods of manufacturing and also scraping salt from the pans.

Humma and Sumandi are the two existing salt factories in Orissa covering 937 and 500 acres respectively. These are run on monopolistic lines and yet the process of manufacture is not brought in line with the modern methods obtained in Madras. Salt is a central subject and the said two factories are under the control of the Collector of Salt, Madras. Provincial Government have no direct interest at present in this subject apart from the economic benefit that would accrue to the people consequent upon the development of the industry. In North Orissa this Government acts as agents of the Central Government for preventive salt. We have requested the Government of India to transfer the control of salt pans in Humma and Sumandi to us from Madras.

With the sole idea of developing and reviving this old industry to find employment for the people, we decided to start a demonstrative farm for manufacture of salt on modern lines. It is our intention to organize this industry on a co-operative basis. The Co-operative Society is required to finance the agriculturist and manufacturer, stock the salt produced, pay duty to the Government of India, sell at convenient intervals and distribute profits among its members as is done in production and sale societies.



A supplementary demand is already sanctioned by the Assembly for a demonstrative salt factory at Astrang. Similar demonstrative factories will gradually be opened in other districts for the people in the coast line to manufacture salt as small producers and compete with wholesale manufacturers and foreign salt.

#### DEVELOPMENT.

*Co-operative.*—The importance of development was stressed by the Secretariat Reorganisation Committee with the result that we constituted it into a separate department under the charge of a Minister who is also in charge of land revenue and irrigation, to enable one person to pay specific attention to these needs. No development is possible in any country, without a net-work of organisations on basis of co-operation. When we assumed office, the Co-operative Department in North Orissa was without any activity. It had shaken the confidence of the people and was not able to discharge its obligations so necessary for good business. The Provincial Bank of Bihar was demanding its dues and the Governments of Bihar and Madras were taking an annual contribution of Rs. 24 thousands towards the pay of the Registrars.

I have to announce that through the helpful and friendly intervention of the Hon'ble Ministers and specially of Hon'ble Dr. Saiyed Mahmud, Minister for Co-operative, Bihar, we could settle with the Provincial Co-operative Bank of Bihar for a sum of Rs. 3,75,000 to be paid in eight equal instalments, free of interest, beginning from the next year. Attempts will soon be made to settle accounts with other depositors if a settlement is possible. Then a gradual and convenient process of collection from rural societies will follow to enable them to discharge their liabilities without ruining themselves. A process, such as this, requires some scaling down of debts. Examination of all these has been undertaken by the department. The co-operative movement has to be revived with its fullest activity converting societies into institutions, with business instincts, always devoted to the service of agriculture and the agriculturist.

A co-operative training institute with a Superintendent, and a Lecturer with six junior Inspectors, will be started from the next year with funds sanctioned mainly by the Government of India and partly by the Government of Orissa, for a period of



five years to train people in co-operation. It is a mockery to carry on its activities in the name of helping the raiyat with interest at 12 to 15 per cent. We propose to cut down the rate of interest now prevailing. The department is examining this question and will very soon come to conclusions which, I feel confident, will give necessary relief to the agriculturist.

A new step was taken to start land mortgage banks to finance long-term loans extending over 10 to 15 years at easy rates of interest, i.e., below 6 per cent and with easy instalments of repayment to help the agriculturists to clear off their debts. For this purpose the Orissa Land Mortgage Act was enacted and a Bank is already constituted to begin its work.

Agriculture being the mainstay in this Province, the cultivator finds it difficult to get necessary loans either from societies or from the village money-lenders in due season for sowing, transplanting and harvesting his crops. In times of stress and necessity occasioned by failure of crops, the raiyat has to depend on outside paddy. It is, therefore, found desirable to start grain golas. A definite step was taken last year in this direction and a number of grain golas were restarted. To start and make these grain golas active centres of co-operative credit in kind, it is hoped that during the Budget year the department will strive to start a minimum of four grain golas in every subdivision.

The two South Orissa Central Co-operative Banks are doing very useful work and it is proposed to begin co-operative sales in certain commodities to help the agriculturist.

*Geological Survey.*—In my last Budget speech I had informed honourable friends how we could persuade the Government of India to undertake a geological survey for Orissa as it was beyond our slender means to accomplish. From the letter received from Dr. Heron, the Director of Geological Survey of India, in the month of December 1938, it is clear that they are recruiting officers for the purpose and it is hoped that this survey will be undertaken at no distant date. After this survey was done we will be in a position to have some idea of the hidden wealth of Orissa in the shape of mines and minerals.

It would be equally interesting for honourable friends to know that definite steps are taken to explore the possibilities of a port at Chandipore. Survey and investigation are being undertaken to explore the possibilities of this port at a cost of about Rs. 4,000. Agreement was taken from the shipping and



commercial interests that they would make use of the route if, after investigation, the possibility of starting the port is assured. The history of the port of Chandballi was one of loss to Government. With a view to make up this deficit we reduced the expenses and also levied a small fee on goods and commodities that are brought into the port. These steps were taken to improve our revenues. Enquiries regarding the improvement of the port at Gopalpur did not bring us hopeful results. It is, however, hoped that the minor ports in Orissa would make good their losses under the existing arrangement and be put under a unified statute.

*Industries.*—Our activities are mainly directed to develop new industries which could be maintained in villages as cottage industries. The first step in this connection is the revival of the village industries which would have fast disappeared, but for the earnest attempt of Mahatma Gandhi to improve and thus renovate them. We have therefore entrusted this work to the All-India Village Industries Association and the All-India Spinners' Association, under whose guidance other institutions such as Gandhi Seva Sangh and Gopabandhu Daridra Narayan Seva Sangh are working.

The Madhusudan Village Industries Institute was started at Cuttack under the auspices of the All-India Village Industries Association with grants from Government for training students in hand-spinning, weaving and carding of cotton and wool, dyeing and calico printing, cane and bamboo work, papier moché work, Ghani, hand-pounding of rice and *atta* and weaving of newar, dhuray, carpets of designed articles, tasar and eri culture, paper-making, improved oil-pressing. Fifty students are now undergoing training, in this institution with stipends from Government. These men will go round villages teaching the people in these industries on improved lines. It has already been stated that free tapping of palmyra and date trees for purposes of manufacture of gur (jaggery) has been allowed cancelling the previous notifications of the Excise Department. A number of workers are trained in this industry and are given a small advance to start work in villages. Special efforts are made in tasar and eri culture, at nine different stations, all of which show satisfactory results. In the district of Sambalpur and in Angul forest concessions are offered to the tasar rearers to resort to rearing as was done in the past. This has given a great impetus to and has increased production and income of the people. Sri Annada Prasad Chaudhury in his report states that "It is gratifying to report that the extra income of villagers



has been doubled as much as has been spent for the work". It is our earnest hope to see that Sambalpur in due course will sell her surplus stock instead of purchasing tazar silk from outside.

Added to this, steps are taken to introduce match-making as a cottage industry which has been proved to be successful. The Congress Party in the Central Assembly has taken a step in this direction by resolving to give protection to match industry in cottages.

The handloom marketing organisation is constituted with grants from the Government of India. It is decided that this organisation will work only in hand-spun yarn and will be in full operation very shortly. Besides, instructions in improved method of leather, training in pottery, brass and bell-metal, tanning, shoe-making, umbrella-making, fish-curing, soap-making and coir manufacture are being given to the students on stipends. Students are also sent for training in the School of Arts in Calcutta, and getting training in commercial arts and clay modelling in Cawnpore.

It is also hoped to send a student on deputation abroad for higher training in fisheries so that he could, on his return, undertake to develop both the marine and inland fisheries of the Province on modern lines.

Grants are given to industrial schools started at different places either by missionaries or through private enterprises.

A tanning demonstration party has been established to give demonstration in the improved methods of flaying, curing and tanning.

Experimental measures are worked out to manufacture baskets from Kaincha grass, grown in abundance in certain districts of the Province.

Government propose to improve the pottery industry in this Province and a scheme is under consideration.

The Village Industries Association is given a subsidy to appoint a Scientist to carry on an industrial survey of the Province. A Board of Industries was constituted and a sum of Rs. 20,000 is provided in the Budget for loans to be given to industries in the Province. Thus have we attempted with our slender resources to restart or revive village industries that could be undertaken in cottages without much capital. Our experiments in hand-pounding rice has not yet fully succeeded though the advances that have been made make us feel that further experiment is necessary.



Last year money was provided to encourage starting of a sugar factory in the flood-affected areas of Cuttack. All attempts to induce gentlemen with expert knowledge and those in business in the Province to start a factory met with little response. The decision of the Federal Court combined with success of research to utilize molasses for road construction as also to mix alcohol (produced from molasses) with petrol, opens a wide scope for sugar industry in any province. We therefore appeal to the businessmen and to the landed aristocracy in this Province to take to this business and help agriculture. Government are always willing to lend their helping hand in all possible manner to ventures such as these. Birla Brothers have practically completed the installation of the Paper Mill which will be a step towards industrialisation. Let us hope that the Mohan Chemical Works will also open its factory at Rupsa in Balasore district to bring fresh incentive to the people in the field of industrialisation.

*Local Self-Government.*—We have at present three different systems of Local Self-Government Acts prevailing in this Province. The Bihar and Orissa Local Self-Government Act is in force in North Orissa, the Madras Local Boards Act in South Orissa while a modified Local Boards Act is prevailing in the district of Koraput. Similar is the difficulty experienced in the case of village self-government and in regard to municipalities with different Municipal Acts. Soon after the Congress came into power a Special Officer was appointed to examine the different laws at work with a view to unify them. A conference of Chairmen and Presidents of local bodies was held and their recommendations along with the recommendations of the heads of departments are now under consideration.

The people of Sambalpur elect their representatives to the Legislative Assemblies, both Provincial and Central, and yet they are not given the franchise of electing their representatives to the district board. To do away with this anomaly, it was felt necessary to draft a regulation under section 92 of the Government of India Act which is under examination.

Election by ballot boxes in place of open voting was introduced in the election of local bodies in South Orissa under rule-making powers. Franchise of district boards has been widened in North Orissa under the same rule-making powers.

Moreover the local bodies were given freedom to hoist the Indian National Flag and a notification of the Bihar and Orissa Government prohibiting this freedom was cancelled.



Government is now committed to the issue of introduction of a system of Local Self-Government in such of the partially-excluded areas where there is none. In pursuance of this policy a School Chanda Committee is constituted for Angul to administer the school *chanda* or education cess collected from the subdivision. Provision has to be made in the Budget for public health and communication to local bodies.

In view of the importance attached to Cuttack as the headquarters of the province and also of the drinking water difficulties prevailing in the locality for want of protected water-supply, special provision has been made for a grant. The local bodies were asked to submit their schemes, in due course, to Government for examination.

*Village Development Fund.*—A popular ministry cannot justify its existence without thinking in terms of village and the villager. Rural uplift is therefore a very important item of work in our programme. Efficient administration depends on a net work of organised villages each connected with the other by ties of social amity and economic interdependence. The Chaukidari Committee whose report is awaited will give a definite lead in the direction of village administration.

With the one object of improving health, convenience and prosperity of the villages we have decided to have a permanent fund and have provided Rs. 5 lakhs for this purpose. This is in addition to the Government of India's grant of Rs. 4 lakhs which is available for the purpose specified in their instructions. It is our sad experience that the Revenue Officers entrusted with this work do not find time to attend to these activities. We have, therefore, been thinking of the possibility of an agency which would give undivided attention to this aspect of work and save our villages from insanitation and unemployment.

*Museum and Library.*—These are two great factors of national strength and greatness. Contribution, they make, to the harmonious and all-round growth of a nation cannot be over-estimated. Their educative value coupled with the creative power they generate, is out of all proportion to the monies invested on them. No scheme of national or industrial development is complete without comprehending these magnificent manifestations of human art and genius. It was therefore thought necessary to start a museum at the provincial headquarters and if possible also at the headquarters of the districts. A beginning is proposed to be made in this direction by a provision of Rs. 50,000—Rs. 30,000 for construction of a necessary building and Rs. 20,000 for equipment.



Mention has already been made of a province-wide library movement with a central library. A baby province like Orissa cannot afford to have several libraries concentrated in one centre. It is, thus, necessary that the activities of the existing libraries be co-ordinated in the interest of culture and research. So provision is made in the Budget to encourage private activities in this direction. We have, therefore, provided money for libraries in municipal areas as well.

*Financial Position.*—Having stated some items of work undertaken by the ministry and something about the programme of work that is before us for 1939-40 it is necessary that I should give honourable members some account of the Provincial finances. The estimated receipts and expenditure for the year 1939-40 have been placed in your hands with the revised figures and actuals of 1937-38 for a comparative study of these figures at the time of your scrutiny of the Budget. No provision is shown under ports and pilotage, but a small provision of Rs. 25,000 under famine relief is made. The reasons are that there are several funds which though accounted for in the Budget, are not elaborately mentioned. In certain cases these are subject to the vote of the legislature, while in other cases Provincial Government is merely the custodian of the funds. Thus the Famine Relief Fund is governed by a regulation and a subsequent Act of the legislature. The minimum amount was fixed at Rs. 10 lakhs with an annual contribution of Rs. 1,25,000. The Assembly made certain important changes in amending the regulation by an Act of the Legislature. The financial statement explains why a small provision of Rs. 25,000 is made under this head. Similarly Gopalpur Port Fund and the Education Fund are governed by statutes. Again, we are custodians of the funds of District Boards and Municipalities with their balances, and control the Medical and Charitable Fund, the Police and Chaukidari Fund, General Provident Fund and Public Works Fund. The deposit accounts of Civil Courts, Criminal Courts and Public Works Deposit, etc., are kept under a separate account. You have again advances repayable and loans given to officials out of their Provident Fund, and remittances. All these have been shown in the financial statement.

In spite of our retrenchment and economy there is and bound to be growth of expenditure in all nation-building departments. Thus a reference to the actuals of expenditure in 1936-37 shows that the expenditure during the year was Rs. 1.56 lakhs, while the revised for 1938-39 is Rs. 1.92 lakhs and the Budget estimate for 1939-40 is Rs. 2.02 lakhs. This



was possible for the present year because of certain free balances available which were utilised in a gradual and careful course of action during these 2 years.

It is difficult at this stage to give honourable friends the exact estimate of our Excise revenue. Our share of Income-tax from the Government of India is subject to the condition of a surplus income from the railways. The estimates of land revenue have not taken full account of the loss of revenue from the raiyatwari areas of Ganjam district in the absence of full details of the failure of crops and also as a result of our policy of remission. I have already stated how it is difficult to reduce charges of administration of the forests. The unification of the Court-fees Act is at present under consideration and is not expected to reduce the income under the head. With these uncertain conditions we have to admit that the Budget is a deficit one in the sense that it reduces our free balance to Rs. 7.78 lakhs, which is less than the minimum treasury and bank balance of Rs. 9 lakhs. Our Excise policy explains the gradual reduction of revenue while the constructive programme undertaken explains the increase in expenditure. Tax on agricultural incomes may be a good source, though not a flexible source of income for our Province having large permanently-settled estates. The case of Orissa is however different in the sense that the whole of North Orissa with the exception of a few zamindaris is temporarily-settled and is owned by very small landholders numbering over 33,000 in all. This item cannot therefore be said to be a very big source of revenue. Provinces are charged with the responsibility of carrying on all activities to increase the wealth of the nation. To make this responsibility effective it is fair that necessary funds should be made available. In all free countries, some activities now undertaken by the Provincial Government, are being done by the Centre. The countries like Great Britain and America spend millions of pounds on unemployment, which in India falls to the lot of the provinces with scanty finance at their disposal. Similar is the case in a number of other provincial activities which we have to carry on without the requisite finance. Time has, therefore, come when the Government of India should be made responsible to the people and additional money for the provinces should come from the Centre to enable provinces to take up such useful activities.

I will be failing in my duty if I do not place on record the help that I have received from the staff and the Finance Secretary with whose activities I am closely associated.

Sir, with these words, I present my Budget for the year 1939-40.

OGP (Fin) 60—250—24.2.1939.



