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PRESENTATION OF THE BUDGET, 1943-44

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

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

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

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

Rai Bahadur MANDHATA GORACHAND PATNAIK: It is doubtful.

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

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

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

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

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

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

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

BUDGET ESTIMATES, 1942-43

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

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

REVISED ESTIMATES, 1942-43

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

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

BUDGET, 1943-44

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

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

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

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

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

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

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

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

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

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for the appointment of stockmen whose duty will be to assist the Veterinary assistant surgeons in such work as castration and inoculation of animals. There is also provision for a fully equipped laboratory for research work. Seats will be reserved from the next year in the Bihar Veterinary College for students from this Province.

9. Hon'ble members are aware that in the Budget there used to be no head called Civil Defence. But this is now occupying a prominent place. In the budget last presented to the Assembly, provision was made for civil defence measures, such as air-raid precautions and civic guards. It has since been decided that other items of civil defence expenditure such as expenditure on refugees and evacuees, the Press Adviser and his staff, propaganda units, the National War Front Organisation, the Village Guard Organisations, grants to Provincial and District War Committees and expenditure on additional Police sanctioned in connection with the war, which used to be debited to different major-head budgets, should now be shown under a single budget head, called Civil Defence. Provision has been made in the next year's Budget as shown below:—

| | Rs. (lakhs) |
|--|----------------|
| (1) Expenditure on A. R. P. and other miscellaneous expenditure connected therewith. | 14.03 |
| (2) Expenditure on refugees and evacuees | .94 |
| (3) Civic guards | .26 |
| (4) Village guards | .08 |
| (5) Press censor including propaganda units | .71 |
| (6) National War Front | 1.05 |
| (7) Grants to war committees | .06 |
| (8) War Police | 6.24 |

In the foregoing pages I have tried my best to avoid repetition of anything which has been explained in the Explanatory Memorandum. But here I desire to depart to some extent and dwell a little at length on particularly two of the above items, namely, A. R. P. and War Police. We should know exactly what special arrangements have been made in this poor but more exposed province under the present war conditions. In the Budget of 1942-43 provision was made for A. R. P. schemes in Cuttack, Puri and Balasore. It has since become necessary to organise A. R. P. measures in other districts, excepting Koraput, and everywhere on a very much larger scale. A. R. P. centres had to be opened in the districts of Ganjam and Sambalpur. In the headquarters office, new appointments such as of Automobile Engineer, Publicity Officer and one Assistant Engineer have been made. Hon'ble members will remember that they were asked to give their consent to, and voted, supplementary demands during the last session. For the next year provision of Rs. 3 lakhs has been made in the Budget of the headquarters office on account of the cost of bulk supply of A. R. P. equipments such as trailer pumps, steel helmets, etc., by the Central Government. A separate cadre of civil defence officers has also been sanctioned which will comprise civil defence officers, assistant civil defence officers and A. R. P. inspectors and sub-inspectors. The existing staff of A. R. P. officers will be absorbed in the cadre. The total estimated cost of the scheme is Rs. 1.09 lakhs. To afford training facilities to various A. R. P. personnel within the Province, a Provincial A. R. P. Training School has been opened at Cuttack with one Deputy Director at its head and five Instructors. The Budget provides Rs. .32 lakhs for this school. The opening of a hospital suitable for undertaking the initial reception of casualties in connection with the air-raids was found desirable and an A. R. P. hospital at an annual cost of Rs. 1.75 lakhs has been established. Provision for this has been made in the Budget. The number of paid personnel of wardens, first-aiders and rescue services has been considerably increased. Provision of Rs. 3 lakhs has been made on account of their remuneration. Fire-fighting parties have been formed in all districts as a part of A. R. P. measures and minor schemes such as A. R. P. labour corps, and A. R. P. for animals have also been provided for in the Budget. A provision of Rs. .82 lakhs has been made for miscellaneous expenditure on items like lighting restrictions and movement in darkened streets, clearance of debris, salvage, demolition, repairs to roads, buildings and private properties, the disposal of corpses, the prevention of spread of epidemics and anti-gas measures. All this does not, however, show that an air-raid is impending. There are, on the contrary, distinct

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may be observed from the purely financial point of view that out of the total provision of Rs. 14.03 lakhs, under the pooling arrangements, an approximate sum of Rs. 5.75 lakhs will be recovered from the Central Government in accordance with the slab system which was explained to the Assembly in my speech when the Revised Budget for 1941-42 was introduced last year.

The other items under Civil Defence catalogued in a former paragraph need no special mention excepting one item, namely, War Police. The Budget provision against various items under this category are as shown below:—

| | Rs. |
|--|----------|
| (1) Agency (Intelligence) Function | 39,600 |
| (2) Coastal Intelligence Police | 26,640 |
| (3) Police for protection of Railway bridges | 37,510 |
| (4) Police guards for aerodromes | 55,124 |
| (5) Coastal watching staff | 18,600 |
| (6) Post and telegraph protection | 4,620 |
| (7) Security Police | 14,600 |
| (8) Other protective duties | 2,360 |
| (9) Emergency Police Force | 1,61,062 |
| (10) Deputy Inspector-General of Police | 29,170 |
| (11) Increase of leave and training reserve | 93,504 |
| (12) Special Police for rural police-stations | 59,900 |
| (13) Extra Police for motor buses | 15,360 |
| (14) Increase of armed reserve | 66,379 |

It may be said that except for items (1) to (6) above the full cost of which is recoverable from the Central Government, 60 per cent in respect of other items of extra police sanctioned after 31st March 1942 will be borne by that Government. To that extent expenditure from provincial revenues will be diminished. Out of the Budget provision of Rs. 6.24 lakhs, as much as Rs. 4.01 lakhs is expected to be recovered from the Central Government.

10. In the foregoing paragraphs I have done my best to place the financial picture of this Province before the custodians of the tax-payers. But the picture is rather a gloomy one. We have been trying, as in a poor household, to make both ends meet. But we have failed. This necessarily gives rise to a feeling that the future is not all bright. In order to have a bright future we require expansion. But our own slender provincial resources, coupled with the provisions of the Government of India Distribution of Revenues Order of 1936, give us very little scope for expansion. How poor we are will appear from a comparison of the annual receipts and expenditures per head of population in the various provinces. No doubt comparisons are odious, but they sometimes help in giving a graphic picture. The figures are only approximate:—

| | Rs. | s. | p. |
|----------------------------|-----|----|----|
| (1) Sind | 9 | 8 | 0 |
| (2) Bombay | 7 | 2 | 0 |
| (3) Punjab | 5 | 4 | 0 |
| (4) N.-W. F. | 3 | 14 | 0 |
| (5) Assam | 3 | 12 | 0 |
| (6) Madras | 3 | 7 | 0 |
| (7) C. P. and Berar | 3 | 4 | 0 |
| (8) Bengal | 2 | 13 | 0 |
| (9) U. P. | 2 | 12 | 0 |
| (10) Orissa | 2 | 6 | 0 |

It is difficult to understand how Provincial Autonomy can work in all provinces with any similar degree of success with resources so widely varying as the above statement will show, particularly when heavy overhead charges have got to be borne in a greater proportion in small provinces than in big ones. This Province has therefore to rely on the age-long saying, "Cut your coat according to your cloth". Our departments seem all to be engaged in the art of cutting their coat which has been fully reflected in Appendix B of the Explanatory Memorandum. It has already been remarked that in this Province there is not much scope for increased taxation. Our provincial receipts cannot be increased unless the paying power of the people is improved. The

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expenditure equal opportunities for all are made open. Whatever the form of administration, the underlying principle is mainly socialistic. It may be necessary in the interests of the Province as a whole to have recourse to new or increased taxation in quarters which will permit it. But even then much improvement will not be possible, unless the Central Government takes notice of the comparative poverty of this Province and applies suitable remedies. Greater responsibility devolves upon the Centre inasmuch as this Province was not on its creation given a better financial start. Opportunities for development were not allowed in the past and some existing resources were curtailed under Central policies.

The idea is not to place the entire burden on the Centre. Any scope for development which is yet available in the provincial sphere will be utilised. Government have therefore appointed an Economic Committee. It is too early at this stage to foresee how much this Committee can achieve. There are resources which have not been fully utilised. Even our agriculture is yet at a primitive stage. It is limited in extent, being in the neighbourhood of 2/3 of an acre of both dry and wet land per head of population. Secondly, up-to-date scientific methods have not been applied, owing to which most of the land yields only one crop in the year. This state of things requires not what is known as evolution but a complete revolution. The activities of the Veterinary Department will have to be co-ordinated so that our bullock power which is the only mechanical power in the Province can come up to a satisfactory standard of efficiency. The Province has now to import all its clothing including the raw material of cotton. It has also to import large quantities of oil and sugar as well as drugs and salt, all at the exchange of its principal food-grain, rice. The forests, of which there is rather a good extent, have not been fully utilised. The first few years were years of deficit. What the real condition now is cannot be definitely said because of exploitations for war purposes. It may be necessary after the war to examine the question more in detail and make the forests paying. The mineral resources have also got to be tapped. This year an Oriya graduate in Geology has been sent to the Department of Geological Survey of the Government of India for working in this Province under their direction. With the help of the Economic Committee or otherwise schemes of development may be prepared. But then the question remains as to where the necessary funds will come from.

OUR PROBLEMS

11. (1) Being a new and poor province, Orissa has innumerable problems of her own. They all stand in need of being solved, if the Province is to exist as one worth the name. The first and foremost is the flood problem. This problem has been in existence since when no one of us probably knows definitely. But it has been engaging attention for a considerable number of decades under the British Rule. Probably, some measures which have been introduced in the work of modern developments have helped to accentuate the problem. A number of enquiries have been made into the causes. A number of reports have been piled up. One or two I think were added to the number during the last year. At one time people in this Province despaired of knowing, much less than applying, the real remedies. I think we are now in a much better position. We have been following the advice of experts. The recommendations of the Flood Advisory Committee are being gradually implemented. In the current year's Budget a sum of Rs. 1.43 lakhs was provided for carrying out measures recommended by the Flood Advisory Committee. The following works have been undertaken as protective measures on the recommendation of that Committee:—

| | Cost Rs. |
|--|-------------|
| (1) Construction of double embanked flood relief channel from Dhanua river | 49,464 |
| (2) Construction of a retired line for closing Rautara Ghai in Kharsua right embankment. | 24,130 |
| (3) Raising and strengthening Kushabhadra right embankment | 32,430 |
| (4) Raising and strengthening Bhargobi right and left embankments | 86,810 |

These works have already been taken up and are expected to be completed before the next flood season, there being still other schemes under examination. The annual normal grant of Rs. 1.75 lakhs for maintenance and repairs to Orissa canals is likely to prove inadequate next year. The Budget therefore provides an additional amount of Rs. .75 lakhs for this purpose. The best way to deal with the flood problem is not

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in some provinces of this country flood water is being utilised in the improvement of cultivation. It is found from experience that in years of moderate flood the flooded areas come out in the harvest season with better results than the protected ones. I believe that the recommendations of the Flood Advisory Committee have been so framed as to minimise the evil effects of the flood and harness it in bringing about improvement in the soil. Then only hundreds of thousands of acres of our cultivated area can be fertilized without much cost.

(2) Another problem is presented by the addiction of our people to intoxicating drugs. In fact Provincial Excise is the third biggest source of our receipts, the first being land revenue and the second on account of grant-in-aid from the Central Government. This is not a happy state of things. I am afraid that we compare very adversely in this respect with the other provinces of India. The proportion of revenue from Provincial Excise to the total provincial revenues is very much against us. For the sake of comparison, I am placing before hon'ble members a statement of the percentage of revenue from Provincial Excise to the total provincial revenues of some provinces. It is as follows:—

| | Per cent |
|-----------------|----------|
| Punjab | 9.2 |
| U. P. | 10.5 |
| Assam | 12.5 |
| Bengal | 13 |
| C. P. and Berar | 14 |
| Bombay | 17 |
| Orissa | 18.9 |
| Madras | |

Sri DIBAKAR PATNAIK: Madras leads?

The Hon'ble Pandit GODAVARIS MISRA: Yes, Madras does lead.

It will appear from this statement that excepting Madras Orissa is in excess of all the other provinces mentioned above. This is why it seems necessary that effective steps should be taken to minimise the use of intoxicating drugs in the Province. Opium prohibition was commenced in Balasore a few years ago and is being continued from year to year. In the next year too provision has been made in the Budget. But it does not seem that the use of opium is the only evil. I think a policy should be laid down so that we might combat against the evil of intoxication to a sufficient degree so as to bring down our percentage of revenues from Provincial Excise consistent with temperance. Something should be done the educative value of which can be brought to bear upon this evil, although it has got to be admitted that progress in education does not always run parallel to the decrease in use of intoxicants.

(2) (a) Then I come to the question of establishing a High Court in this Province. The absence of a High Court has been very keenly felt, particularly after the creating of the Province, by the public. There has been a very large increase in the volume of work and the Hon'ble Judges feel that they cannot cope with the work unless they remain here in circuit for the whole of the year. Government have, therefore, felt the necessity for examining the question and have already set up a committee to go into the question in all its aspects. The report of the committee is being awaited. On its receipt Government will come to a final decision.

(3) The next problem is one relating to our partially-excluded areas. These areas are mostly undeveloped and backward not only in education but also in the application of modern methods of civilisation. It cannot at the same time be said that the whole area now known as partially-excluded deserves to be known under that name. The district of Sambalpur, for instance, is as advanced as several normal parts of the Province. Attempts have been made now and then on behalf of Sambalpur to have it treated as a normal area. It is a pity for that district that it should be treated as partially-excluded for the purpose of the Constitution, adumbrated in the Government of India Act, 1935. The case of one of its subdivisions, namely, Nawapara, is still worse. It was a part of the district of Raipur when it was included in the Central Provinces and Berar before its transfer to Orissa. If it had continued in that Province, there is nothing to indicate that it would have been classed as a partially-excluded area, because no part of Raipur has been so classed. But because it came to be tagged on to Sambalpur, for want of another district close by, to which, on account of its smallness in size, it could be added, it has had to share the same fate as Sambalpur.

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A third area is Angul which is normal in every respect except that in the previous constitution it was treated as a backward area and has now been called a partially-excluded area by an Order in Council. Large are the areas which have upon them the millstone of the nomenclature of partially-excluded area. But the wherewithals necessary for removing the disrepute have not been provided. For the development of these areas large funds are necessary which the provincial revenues are too inelastic to spare. The effect of this will be that these areas may have to continue to remain as partially-excluded long enough to deprive them of the benefits of good popular administration.

(4) We may now come to another problem which is one presented by the scheduled castes and the backward tribes. It must be said at the outset that the scheduled castes stand on a better footing than the backward tribes. They have got their representation in this Legislature by a system of election. But except in one case out of five, the backward tribes have no representation of that kind. The remaining four are nominated by the Governor in his discretion. Personally I have not the least cause of grievance against members who have been nominated on behalf of the backward tribes. No occasion has ever arisen when by any stretch of imagination a distinction could be drawn on the floor of this Assembly between a nominated and an elected member. What has got to be emphasised, however, is not the personnel but the policy. Orissa is not the only province where backward tribes have been represented on the Provincial Assembly. In Bihar seven seats and in Assam nine seats have been reserved for the members of backward areas and tribes. In neither of these two provinces is the representation made by nomination. Nor is it so in Madras. The backward areas and tribes of this Province have all come both from Madras and from Bihar, in neither of which the representation is by nomination. The principle of nomination has been altogether eschewed in the Constitution of the Provincial Legislative Assemblies under the Government of India Act of 1935. But Orissa is the only province where a remnant of old practices existing under a superseded constitution has been retained.

It has got to be said, however, that Government are doing their best to ameliorate the condition both of the scheduled castes and the hill-tribes. Greater educational facilities have been opened for both. So far as the scheduled castes are concerned, a separate set of primary schools were at one time provided for their children. But isolation from a young and plastic age of life was good neither for the scheduled castes nor for the general bulk of the population with whom they live side by side. Government have, therefore, issued instructions that a certain percentage of school pupils should belong to the scheduled castes so that such of their children as are within a radius of two miles from any institution should be encouraged to attend the schools. Unless and until this condition is fulfilled, schools are not entitled to aid either from Government or from Local Bodies. For higher education and education even in the collegiate stages free-studentships and stipends have been provided. A representation was made in the last session of the Assembly that members of the scheduled castes do not find access into Government Departments because they cannot stand in competition with candidates from other castes who had so long enjoyed better opportunities. A promise has been held out that the matter will be examined and such facilities, if justified, will be provided as will ensure to the members of the scheduled castes separate consideration in the matter of appointments. It is a matter of regret that amongst the scheduled castes are to be found persons belonging to the criminal tribes. This is because of the comparative want and unattractive conditions of life in which the scheduled castes generally live. Efforts have been made during the last quarter of a century to remove the blot attached to the name by which these castes are known. But a blot which does not really pertain to the name but to material conditions of life cannot be removed by mere wish. This Government have, therefore, proposed to take effective steps to better the conditions of the scheduled castes. In this Budget hon'ble members will come across a small provision of Rs. 10,000 under 57—Miscellaneous. The proposal is to acquire 10,000 acres of virgin soil and there settle 1,000 to 2,000 scheduled caste families. A cut and dried scheme has not been prepared yet, but will soon be got ready so that an appreciable progress may have been made by the time we assemble again for considering the Budget next year.

One thing in this connection has got to be mentioned. This is the desire of the members of criminal tribes to be free from the odium of being placed under the

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been received. Large crowds have gathered to ventilate their protest. It is neither to the interest of Government nor to the members of the criminal tribes to prolong the period for which the provisions of the Criminal Tribes Act stand operative. The sooner it goes the better for all concerned. I believe that the social structure will soon become such as to eliminate a scope for the application of this unwanted Act.

(5) Another of our problems is want of unification between the two parts of this Province which came from Bihar and Madras. Diversity has existed in a number of things. Government have, however, laid down a policy of bringing about unification. Thus the Stamp Act has been unified. A unified Forest Bill has been introduced in this Assembly and will soon come before the hon'ble members for undergoing the necessary later stages before it is enacted. A constant process of blending is going on by the transfer of officers from one part to the other. Recently steps have been taken to bring about complete fusion in the educational sphere. The syllabuses in the two halves of the Province at the school final and the matriculation stages have been unified. The courses of study for Secondary School Leaving Certificate Examination in South Orissa have, except for Telugu, been made exactly the same as those prescribed for the Matriculation Examination of the Patna University. The interests of the Telugu students have been adequately safeguarded. Hon'ble members have already accepted the principle of a Bill relating to the starting of a separate University for this Province. With the inauguration of the University the educational bifurcation between the two halves of this Province will finally disappear. The Orissa University Act will further consolidate a long existing relation between the Orissa States and the British districts of Orissa. So far as national aspirations are concerned, there is hardly any difference between the States and the British districts. Both share one language, one literature and one culture. Each forms an inseparable part of one United Nation.

But even then, the problem of unification will remain much unsolved. The Province has been constituted without any respect for the needs of Geography. Koraput is not accessible except through the neighbouring Province of Madras, nor is Sambalpur approachable by railway unless parts of Bengal and Bihar are travelled through. This artificial separation has crept in because all Oriya-speaking tracts have not been brought into the Province of Orissa. The district of Singhbhum as well as the southern half of the district of Midnapur are pre-eminently Oriya areas. Their exclusion from the Province of Orissa is responsible for the detachment of Sambalpur from the rest of the Province. In the case of Koraput the same defect becomes patent to anyone who cares to run along the routes of communication between that district and the rest of the Province. Oriya-speaking areas have been allowed to remain away in Madras. It is too clear to need mention that an injustice has been done to this Province by not including in it other tracts where Oriyas by language and ethos numerically preponderate in the population. In the next Constitution, it has been held out, boundary readjustments between provinces will be made. Let us hope that the wrong which has been done to this poor Province will then stand redressed.

Last of all comes in this connection another vital question. Even in the mutilated Province, as at present constituted, there stands a physical barrier against unification except for the fair weather months. The Province stands divided into three parts, the northern and the southern parts being torn asunder from the town of Cuttack where the headquarters of the Province are now located. The two rivers on both sides of this town are responsible for this undesirable feature. The remedy lies in the construction of bridges across the Mahanadi and the Kathjori for which, it is obvious, the provincial revenues are too small. The construction of the two bridges should have been considered as an integral and inseparable part of the constitution of the Province. The importance of roads particularly, in coastal areas subject to flood, cannot be undervalued. This became apparent when after the cyclone and floods of November 1942 railway communication between Calcutta and Madras was cut off in the districts of Puri and Ganjam. It was the Calcutta-Madras trunk road which was the only means of establishing contact between the different parts. It is not too late for the Central Government to take up the question of the construction of these two bridges. In the programme of future road development in this country provision has been made for the construction of these two bridges. We are all agreed in our claim that this construction should be given precedence in the programme and achieved without delay.

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(6) The next question is that of the education of girls. There is no doubt that the present system of education is not free from defect. But that is no reason why our girls should be excluded from it while our boys, though not in adequate number, are receiving it. During the last twelve months, therefore, Government have decided to take far-reaching measures in the matter of the expansion of female education. In the sphere of primary or elementary education it has been decided that the needs of children of both sexes are not different and therefore co-education will be productive of better results than separation. Hence in all Primary Schools both boys and girls will read side by side. To remedy the present state of things it has been laid down that, if within three years a Primary School cannot without sufficient reason enrol at least 25 per cent of girls, it will ordinarily lose Government recognition. After the primary stage comes a point where the needs of the two sexes begin to diverge till they perhaps meet again with maturer discernment at the top, namely, the collegiate stage after having gone through the discipline and selection of the class room at various stages. Therefore Government have decided as a matter of policy that in every subdivision there should be a Girls' Middle English School and in every district, except, for the time being, in Koraput, a Girls' High School. High School classes for girls have accordingly been opened in Sambalpur and in Puri. This completes the present programme of Girls' High Schools in the Province. So far as the Middle Schools are concerned, the budget provides for raising of a Middle Vernacular School at Balasore into a Middle English School and funds for establishing three Middle English Schools for girls at Angul, Banki and at Bhadrak as well as for grant to the existing Girls' School at Khurda. In order to give more impetus to girls for coming up for education to the High and Middle English Schools, the number of free-studentships has been raised from 10 per cent to 20 per cent.

(7) The next question is that of our village folk. Orissa is a province of villages. In the villages the people are not as vocal as in the towns. That is why their needs stand in the danger of not receiving due attention. The villages suffer from a thousand and one wants. But their most visible difficulties are want of communications, want of water-supply and want of irrigation facilities. Government have already taken up the examination of certain new irrigation schemes. But there are no funds for improving communication. The Local Bodies have got their hands tied up for want of money. So far as water-supply is concerned, the Government of India earmarked a grant of Rs. 4 lakhs. Out of this amount an amount of Rs. 1.27 lakhs was availed of in 1939-40, Rs. 1 lakh in 1940-41 and Rs. 41,188 in 1941-42. The Province therefore has altogether so far received in round figures an amount of Rs. 2.68 lakhs. The balance due to this Province from the Government of India is Rs. 1.32 lakhs. It is expected that expenditure during 1942-43 and 1943-44 estimated at Rs. 1.21 lakhs would be within the limit of the Government of India's grant. It will not perhaps do for ever, if we rely mainly on grants from the Government of India for this purpose. Want of water-supply is a dire want almost in every village. Our villages should have wells for the supply of drinking water and tanks for other domestic purposes. It may, therefore, be useful to lay down a plan for this purpose.

(8) Lastly, I shall place before hon'ble members another picture which is that of unemployment. War, it must be said, in spite of its evil aspects, has created innumerable openings for employment. But it is a sad thing to see that the children of the soil in the Province do not, except in solitary instances, enjoy the advantages. The big contracts generally go to outsiders who sometimes think it necessary even to import unskilled labour from other places. During the war time there is more money in circulation and in some shape or other a part of it, however small, is finding its way into the pockets of our people. But after the present boom caused by the war a period of dullness is bound to follow when distress will set in. It is necessary, therefore, to think of providing against a contingency of that nature. Our problem of unemployment has been aggravated by the return home of the Burma evacuees and other people from Calcutta and its neighbourhood. I am glad to announce that the Central Government have agreed favourably to consider the question of allowing unrestricted manufacture, on the coastal area, of salt which can find its way into markets within the Province and outside through bonded warehouses. A scheme is under preparation for being submitted to the Government of India for their approval. It may be late for the present season but I hope that it will be partially utilised.

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In the last session of the Assembly a question was raised that in the exploitation of our forests the children of the soil were not having an adequate share. This has been examined and found to be substantially correct. I do not know how greater association of the children of the soil with forest exploitation can be achieved consistent with the management of the forest as an economic concern. I am doing my best and devoting my serious attention to it. I hope I shall be able to get at a solution. But this is not all. The raw materials of the Province are being taken away to places outside. The irony of the circumstances is such that a part of the same raw material returns to this Province as finished product. This deficiency can be removed by the establishment of factories as well as cottage industries. I think the Provincial Economic Committee, to which I have already referred, will take this matter into consideration and devise suitable ways and means.

At present, however, there is another scope for employment of our labour. Poets have lamented the lot of the tiller of the soil who tills the land but the fruits of whose labour are enjoyed by others. But no poet ever knew that our wobegone Province of Orissa would share the tiller's lot. This Province, with its insufficient land under cultivation and primitive methods of agriculture, has been annually exporting rice in the neighbourhood of 40 lakhs of maunds, whether or not it has still sufficient left to feed its own people. This is necessary not so much in the interest of the importing provinces as in ours, because in a process of barter for our rice we have got to bring in our clothing and other necessities of life. Since the current year we have been trying to produce more under the "Grow More Food" Scheme. The deficit provinces have got to be replenished. The provinces are members of one family. The claims of any deficit province cannot, therefore, be ignored. The more we produce the more can be spared for the deficit provinces and the more can the food purchase system of the Central Government utilise in the benefit of those provinces. The "Grow More Food" Scheme for 1943-44 is not included in this Budget. It will come in time before hon'ble members during the course of the next year. The scheme has been prepared under instructions of the Government of India who, unlike in the current year, have offered their financial assistance in the matter. A scheme which involves roughly an expenditure of Rs. 25 lakhs is under examination. Ours is not a deficit province for rice. Therefore any more rice we produce will be produced for the other provinces. The proposal is to bring under cultivation an additional area of 3.23 lakhs acres. I hope the Central Government will take up the entire financial responsibility. Otherwise, we will have to drastically curtail the scheme as we did during the current year.

12. There are certain other aspects of the Budget over which I will not worry hon'ble members. These are our Famine Relief Fund and our Loans and Advances. Hon'ble members are fully acquainted with the object and methods of utilisation of the Famine Relief Fund. Rs. 25,000 is annually provided in the Budget for expenditure on gratuitous relief in areas where scarcity of food is apprehended. Relief now given by Government in the cyclone-affected areas is not met from this fund but from provincial revenues. The only fact worth mentioning regarding loans and advances is that Government decided to grant a loan to the Orissa Provincial Co-operative Land Mortgage Bank to the extent of Rs. 4.20 lakhs, out of which Rs. 2 lakhs have already been sanctioned. The Budget for the next year provides for a further loan of Rs. 1.20 lakhs. It may also be said that for the working of the Orissa Hindu Religious Endowment Act, 1939, loans are now being advanced as the Endowment Commissioner has not been able till now to create a fund of his own in the manner provided in that Act.

13. A few other points need be brought to the notice of the Assembly. I have already stated that both the Revised Budget for 1942-43 and the Budget for 1943-44 disclose deficits. An important factor affecting our budgetary position for the current year and the next was the decision to grant dearness allowance to low paid Government servants on account of the substantial rise in the cost of living for which the Revised provides about Rs. 4 lakhs and the Budget Rs. 6 lakhs. This decision was made in conformity with similar decisions taken by the Central Government and other Provincial Governments, not to speak of Local Bodies and private business concerns. Extra expenditure of Rs. 3 lakhs had also to be incurred this year in connection with the move of the offices from Cuttack to Sambalpur district. Construction of temporary buildings, payment of railway freight for transport of furniture and records and the grant of compensatory allowance are some of the important items of expenditure incurred in this connection. Expenditure to the extent of nearly Rs. 1 lakh had to

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be incurred this year for the relief of distress caused by cyclone in the districts of Cuttack, Puri, Balasore and Ganjam. Gratuitous relief had to be provided on a very large scale and special loans were granted to poor middle class agriculturists in the districts of Balasore and Ganjam to enable them to rebuild their houses. Government had also to undertake free distribution of seeds in the affected areas as a measure of gratuitous relief. Grant of war allowance to members of the provincial Police, whose duties have become more than usually onerous and risky on account of the war, will cost more than a lakh in a year. In spite of the Government of India's substantial help to provinces in sharing the expenditure on A. R. P. and other civil defence measures there will be a heavy drain on the provincial exchequer inasmuch as against Rs. 3.36 lakhs in the Budget of 1942-43 sums of Rs. 9 lakhs and Rs. 12 lakhs have respectively been provided under Civil Defence in the Revised Estimate of 1942-43 and Budget Estimate of 1943-44. These and other measures directly or indirectly arising as a result of war have contributed to revenue deficits in 1942-43 and 1943-44. It will not be out of place to mention that after the estimates were framed Government felt the need of creating immediately a new temporary department designated as Department of Supply and Transport in view of the growing needs of the war in relation to problems of price control, the distribution of essential supplies to the civil population and control and co-ordination of rail and road transport. As the decision was made at a very late hour the cost of the new department has not been taken into account in the Budget proposals. Let us all expect that this new department will justify itself by bringing about better results so that the difficulties so far experienced become sufficiently minimised.

14. Lastly, before resuming my seat, I have to express my sense of thankfulness to the Finance Secretary, the Deputy Secretary in the Finance Department and the remainder of the staff working in that department as well as to other departments for the help they have rendered in preparing the Budget and even in the compilation of the material necessary for this speech. In the midst of their labour which the discharge of their routine duties imposes upon them, they have never grudged to assist me as best as they could.

The Hon'ble the SPEAKER: The House stands adjourned to 12 noon on Wednesday, the 3rd March 1943.