

*As per*

*Mahtab*  
8.3.49.

Speech of the Hon'ble Sri Harekrushna  
Mahtab, Prime Minister, Orissa, in  
introducing the Budget Estimates of the  
Province of Orissa for the year 1947-48



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SIR,

I HAVE the honour to present the budget for the year 1947-48 for the consideration of the House.

Before I discuss the budget itself, I would like to say a few words on the political setting in which the budget has been prepared and I would expect the House to consider the budget from that angle of vision. As I indicated in my speech on the last occasion when I presented the budget for the current financial year, the period we are passing through is or should be one of construction. There was a time when the administration itself was not interested in the development of the nation. Its main and perhaps the only work was maintenance of law and order. It is for that reason the people engaged themselves in bringing about a radical change in the administration in the shape of complete independence of the country. It is for that reason the Quit India slogan was raised. Now the problem is about to be solved. The British have announced their intention to quit by June 1948 and the process of quitting has already started. As a matter of fact the process started when the Viceroy called upon the Indian National Congress and the Muslim League to form the Interim Government. So far as the Provincial Government is concerned, we are not now in the same position as we were in 1937. To-day the national Government of the Province is at full liberty to take all measures for the development of the Province. Therefore, it is now out of place to raise old slogans and stick to the old programme irrespective of the changes which are taking place every day in our national life. Of course, eternal vigilance is the price of liberty and in all circumstances, even when India is completely free, we have to remain always on our guard to defend ourselves against any machination of any other country. But along with that we must realise the responsibility devolved upon us by our own demands. It is said that liberty is a responsibility and therefore many people dread it. So far as India is concerned, we must prove ourselves to be always equal to the occasion and adjust ourselves in such a way that we will prove as good builders of nation as many of us have proved as great fighters in the cause of freedom. With all respect I would appeal to the House to look upon the budget from the point of view of development and construction which is so urgent specially for a province like Orissa.



When I say development of the Province, I mean development in the interest of the common man of the Province, the worker on the field or in the factory.

In last September I said in my budget speech that it is not the budget which should determine the needs of the Province, but it is the needs of the Province which should determine the budget. I have followed the same principle this year too and therefore you will not be surprised to find that the budget is deficit in the Revenue Account to the extent of 110·13 lakhs.

Now let me explain the budget rather in some details so that the hon'ble members will readily understand the main implications of the budget. First, I shall try to explain in brief how the Government expects to fare in the course of the current financial year, i.e., 1946-47. While presenting the Revised Budget of 1946-47 to the House in September last, a brief statement was made that the year 1945-46 actually closed and the year 1946-47 actually opened with a balance of Rs. 64·65 lakhs in the Revenue Account, and an overall balance of Rs. 37·50 lakhs. The Revised Budget of 1946-47 which was placed before the Assembly in September is known as the sanctioned budget for the current year. It was estimated that the year's revenue receipt would be Rs. 4,05·87 lakhs and expenditure charged to Revenue would be Rs. 4,55·39 lakhs thus indicating a revenue deficit of Rs. 49·52 lakhs. Since the year actually opened with a balance of Rs. 64·65 lakhs, we expected that we would close the year with a balance of Rs. 15·13 lakhs in the Revenue Account.

### **Revised Estimates, 1946-47**

In the Revised Estimates, revenue is estimated at Rs. 4,43,62 lakhs and expenditure on Revenue Account at Rs. 4,75·12 lakhs. The year's revenue deficit is, therefore, expected to be Rs. 31·50 lakhs. The balance in the Government Account which was Rs. 64·65 lakhs at the beginning of the year is, therefore, likely to fall to Rs. 33·15 lakhs at the close of the year against Rs. 15·13 lakhs originally anticipated. Outside the Revenue Account, the receipts are estimated at Rs. 14,76·33 lakhs and disbursements at Rs. 14,22·45 lakhs thus resulting in a net surplus of Rs. 53·88 lakhs against a net surplus of Rs. 35·92 lakhs originally estimated. The current year's transactions under both revenue and capital sections taken together have, therefore, the combined effect of raising the total overall balance by Rs. 22·38 lakhs. This, in other words, means that the year which opened with an overall balance of Rs. 37·50 lakhs is expected to close with a balance of Rs. 59·88 lakhs out of which, as mentioned above, the balance in Revenue Account will be Rs. 33·15 lakhs.



The revenue position as disclosed by the Revised Estimate now prepared shows an improvement of Rs. 37.75 as shown below on the sanctioned estimates :—

	Sanctioned Estimate	Revised Estimate	Variation
	TRs.	TRs.	TRs.
(i) Income-tax share .. ..	39,28	59,74	+20,46
(ii) Other Revenue heads including annual subvention of 40 lakhs from the Government of India.	2,52,76	2,88,86	+36,10
(iii) Grant from the Central Government for post-war development schemes.	1,13,83	95,02	—18,81
Total ..	4,05,87	4,43,62	+37,75

One of our principal sources of income is the amount we get from the Government of India under the Niemeyer Award. According to the terms of that Award half the revenue from income-tax less  $4\frac{1}{2}$  crores is distributable amongst the provinces and of this amount the Province of Orissa gets 2 per cent. Naturally this is a variable source of income. The fat years of war brought in considerable revenue as income-tax and super-tax but there is little reason to believe that the present level will be maintained. The figures adopted by us in the Revised Estimate are based on the information furnished by the Government of India and the improvement of Rs. 20.46 lakhs is no doubt welcome.

The increase of Rs. 36.10 lakhs under other heads of Revenue includes an improvement of Rs. 1.16 lakhs under "Land Revenue", of Rs. 25.91 lakhs under "Excise", of Rs. 2.49 lakhs under "Stamps", Rs. 1.14 lakhs under "Forests", Rs. 1.13 lakhs under "Administration of Justice" and of Rs. 3 lakhs under "Civil Defence". Increase under "Land Revenue" is mainly due to realisation of arrear demands. Excise revenue shows signs of improvement as a result of enhancement of duty on excisable articles. When the policy of gradual prohibition which Government have decided upon is enforced a fall in excise revenue must be anticipated. The increase under other heads has been explained in the paragraphs in the Finance Secretary's Explanatory Memorandum on the Budget.

The fall of 18.81 under "Grant from Central Government for Post-War Schemes" is due to the fact that the Government of India's grants on this account are made quarterly in arrears, each quarterly grant being equivalent to the expenditure actually incurred in the preceding quarter. The fall thus means that we expect to be able to spend Rs. 18.81 less on this account than what we had previously anticipated.



Against the total increase of 37½ lakhs under Revenue, expenditure charged to revenue is likely to go up by Rs. 19.73 lakhs the Revised Estimates being taken at Rs. 4,75.12 lakhs against the sanctioned estimate of Rs. 4,55.39 lakhs. The heads under which additional expenditure has been provided for are Irrigation Rs. 6.71 lakhs, Police Rs. 11.08 lakhs, Miscellaneous Rs. 9.60 lakhs and Civil Defence Rs. 4.92 lakhs. The extra expenditure will be counterbalanced to some extent by savings of Rs. 2½ lakhs under 'Education', Rs. 2 lakhs under "Medical", Rs. 7½ lakhs under "Agriculture", and Rs. 4 lakhs under "Civil Works". The savings are mostly due to the fact that full effect could not be given to many post-war development schemes. Then let me come to the budget for the next year.

### Budget, 1947-48

(1) *Receipts*—The total revenue is put at Rs. 6,09.55 lakhs against Rs. 4,43.62 in the Revised Estimate classified under the following three main heads :—

	Revised Estimate 1946-47	Budget Estimate 1947-48
	TRs.	TRs.
(i) Income-tax shares ..	59,74	73,32
(ii) Other revenue heads including an ul. subvention of Rs. 20 lakhs.	2,88,86	2,84,20
(iii) Aid from the Government of India—		
(a) As grant ..	95,02	2,00,90
(b) As loan ..	..	52,03
	<hr/> 4,43,62 <hr/>	<hr/> 6,09,55 <hr/>

What has been stated a little while ago regarding improvement of revenue position in the Revised budget will explain the anticipated increase under items (i) and (iii). So far as item (ii) is concerned, short receipts of Rs. 0.79 lakhs under "Interest receipts", of Rs. 3.04 lakhs under "Agriculture", of Rs. 1.64 lakhs under "Industries", of Rs. 1.09 lakhs under "Civil Works" and of Rs. 3.50 lakhs under "Civil Defence" account for a total decrease of about Rs. 10 lakhs which will be offset by increased receipts amounting to about Rs. 1 lakhs expected from introduction of Sales Tax, Entertainment Tax and Tax on Sale of Motor Spirit.

(2) *Expenditure*—The Budget provides for expenditure on revenue account which is put at Rs. 7,19.68 lakhs against Rs. 4,75.12 lakhs in the Revised Estimate for 1946-47. In other



words, expenditure next year is estimated at Rs. 2,44.56 lakhs more than that of the current year. This is explained by the fact that the estimate for post-war development expenditure included in the Budget is Rs 3,65.05 lakhs (Rs. 1,17.94 lakhs for continuing schemes and Rs. 2,47.11 lakhs for entirely new schemes against Rs. 95.02 lakhs included in the Revised Estimate). Appendix C to the Explanatory Memorandum gives a list of new post-war schemes included in the Budget of 1947-48.

The estimate of revenue receipt being Rs. 6,09.55 lakhs and that of expenditure charged to revenue being put at Rs. 7,19.68 lakhs the revenue account discloses a deficit of Rs. 1,10.13 lakhs.

(3) Outside the revenue account, the Budget anticipates a receipt of Rs. 14,77.51 lakhs and a disbursement of Rs. 14,26.57 lakhs which gives a surplus of Rs. 50.94 lakhs. This surplus is mainly due to the fact that we have budgeted for a loan of Rs. 72.74 lakhs from the Government of India for post-war development schemes inclusive of schemes connected with Grow More Food Campaign which has been shown as a receipt whereas on the disbursement side we have provided Rs. 16.57 lakhs only for repayment of past loans taken for "Grow More Food" schemes.

(4) As I have already stated we expected to close the year 1946-47 and open the year 1947-48 with an overall balance of Rs. 59.88 lakhs inclusive of a balance of Rs. 33.15 lakhs in the revenue account and Rs. 26.73 lakhs in the capital account. As the Budget Estimates for 1947-48 discloses a deficit of Rs. 1,10.13 lakhs in the revenue account and a surplus of Rs. 50.94 in the capital account we expect to close the year 1947-48 with a balance of Rs. 69,000 only as shown below :—

Opening balance .. .. .	(+) 59.88 lakhs
Deficit in the Revenue Account .. .. .	(-) 1,10.13 lakhs
Surplus in the Capital Account .. .. .	(+) 50.94 lakhs
Net closing balance .. .. .	69 lakhs

The analysis of balances given at page 46 of the Finance Secretary's Explanatory Memorandum will show that the closing balance of the Province including both cash and investments is expected to stand at Rs. 1,01.15 lakhs at the end of the year. This balance includes certain balances aggregating Rs. 93.59 lakhs which are earmarked for specific purposes as given below :—

	Tbs.
1. Famine Relief Fund .. .. .	25
2. Appropriation for reduction or avoidance of debt .. .. .	46.6
3. Road Development Fund .. .. .	1.44
4. Grant from Imperial Council of Agricultural Research .. .. .	3
5. Rural Development grant .. .. .	2
6. Fund for Forest Development .. .. .	7.5
7. Capital Building Fund .. .. .	37.74



*Famine Relief Fund*—The Orissa Famine Relief Fund was constituted under the Orissa Famine Relief Fund Regulation, 1937. The Regulation was amended by an Act of the Legislature, viz., Act IX of 1938. The constitution of the Fund is that if the balance in the Fund at the end of any year is less than Rs. 10 lakhs the Fund is credited in the next year out of the provincial revenue with a sum which, together with such sums as may be spent on the objects of the Fund in that year, will not be less than Rs. 1,25,000 and not more than Rs. 2,00,000. When the Fund exceeds Rs. 10 lakhs the excess may be utilised on the execution of protective irrigation works and other works required for prevention of famine, on grant of loans to cultivators, commutation of pensions and, subject to certain restrictions laid down in the Act, on other capital expenditure. The balance at the credit of the Fund at the beginning of the year 1946-47 consisted of Rs. 57,549 in cash and Rs. 9,89,903 invested in Government of India Securities. At the end of 1946-47 it is expected that there will be a balance of Rs. 12,549 in cash and Rs. 9,89,203 in securities and at the end of 1947-48 the balance is likely to be Rs. 24,459 in cash and Rs. 9,89,203 in securities, i.e., a total of Rs. 10,13,762, i.e., a little over Rs. 10 lakhs which is the statutory minimum limit. Happily there has not been much strain on the Famine Relief Fund which releases every year a nominal sum of Rs. 25,000 on gratuitous relief necessitated by floods which are an annual visitation, the rest of the expenditure on gratuitous relief being met from provincial revenues.

*Appropriation for reduction or avoidance of debt*—Loans taken from the Government of India for Grow More Food purposes are repaid from the revenues into a sinking fund and the money in the fund being intended for a specific purpose is kept separate from the provincial balance.

*Fund for Development of Forests*—On the recommendation of the Board of Forestry the Provincial Government have decided to transfer 25 per cent of the net profits made by the Forest Department from war supply works in the years 1942-43 to 1945-46 from the revenue account to a separate fund for Forest Reconstruction. The profits of the Forest Department in the four years mentioned above were Rs. 29.82 lakhs and 25 per cent of this i.e., Rs. 7.45 lakhs has been kept apart in a separate fund outside the Provincial balance.

*Capital Building Fund*—At the end of 1947-48 there is expected to be a balance of Rs. 37.74 lakhs in the Fund. This Fund constitutes of a total grant of Rs. 42½ lakhs received from the Government of India mainly towards the cost of the construction of the new capital of Orissa minus such expenditure as has already been incurred by the Provincial Government.



The estimate of new expenditure next year amounts to Rs. 3.09 crores of which Rs. 2.47 crores represent Post-War Development Schemes, the balance of Rs. 62 lakhs being on account of non-post-war new schemes. The amounts falling to the share of the nation-building departments and the proportion which they bear to the first edition or established expenditure of these Departments compare very favourably with the new expenditure in the departments of Civil Administration as will be seen from the following tables :—

### I. NATION-BUILDING DEPARTMENTS

	First edition expenditure	New expenditure	Ratio of new expenditure to first edition expenditure
	TRs.	TRs.	
Education ..	6,36	19,87	32 per cent
Medical ..	17,71	5,75	33 per cent
Public Health ..	2,53	13,51	50 per cent
Agriculture ..	6,33	1,00,97	1600 per cent
Veterinary ..	4,82	3,52	7 per cent
Co-operation ..	2,84	3,28	117 per cent
Industries ..	3,41	16,06	500 per cent

### II. CIVIL ADMINISTRATION

General Administration	48,13	6,47	13 per cent
Administration of Justice.	9,18	..	Nil
Jails ..	7,69	18	2 per cent
Police ..	58,53	45	8 per cent

It is not necessary for me to give an elaborate catalogue of the various new schemes under different Departments as a list of new schemes, both ordinary and post-war, is given in Appendices B and C of the Explanatory Memorandum on the Budget. It would be sufficient to invite the attention of the Legislature to the important schemes provided for in the Budget under various major heads.

Hon'ble members will no doubt notice that more than half the entire expenditure budgeted for during 1947-48 is on account of post-war development schemes, and more than one-third of the budgeted expenditure is on account of new post-war schemes which would be introduced during the next financial year for the first time. To illustrate by figures what I mean, out of a total anticipated expenditure on revenue account amounting to 719.68 lakhs, 365.05 lakhs would, it is expected, be spent on post-war



development schemes, and out of these Rs. 365·05 lakhs, as much as Rs. 247·11 lakhs would be utilised on entirely new schemes. This is a comparatively large programme for a small Province like ours, and I would like to say a few words to explain the method we have followed in planning and providing for the expenditure.

I would invite the particular notice of hon'ble members to Appendices C and D of the Finance Secretary's explanatory memorandum on the budget. Appendix C gives a list of new post-war development schemes which would be, for the first time, included in the budget for 1947-48 and Appendix D gives a list of unexamined new schemes for which lump provisions have been made in the budget. The system of lump provisions requires a word of explanation. These lump provisions have been made mostly for new post-war development schemes, which would be initiated during 1947-48. Hon'ble Members would notice that the gross total of lump provisions for unexamined new schemes comes to about Rs. 2 07,50,000, all of which is on account of new post-war development schemes, barring a small sum of Rs. 2½ lakhs which is on account of ordinary, i.e., non-post-war new schemes.

It is not unlikely that the House would be rather critical of the fact that out of a total amount of Rs. 247·11 lakhs provided on account of new-post-war development schemes, lump provisions have been made for schemes covering a total anticipated expenditure of Rs. 205·03 lakhs. I would readily concede that the procedure I have followed is somewhat unorthodox, but our difficulties were briefly these. As hon'ble members no doubt would realise, expenditure of a vast sum of money on development schemes, if it is to be useful expenditure and to result in lasting benefits to the Province, must be preceded by a very great deal of planning and elaborate preparation of schemes. Our administrative machinery unfortunately is not yet equal to this task, and although all departments have worked as hard and as well as they could, it was impossible in the nature of things for them to complete the preparation of schemes of the magnitude which the figures mentioned above would indicate. The preparation of these schemes are well under way, and I for one, was satisfied that the schemes would be completed, and it would be possible to put them into execution in the course of the next financial year. In these circumstances, I was faced with two alternatives. One was to adopt the procedure which we have actually adopted in preparing our budget estimates, and the other was to leave out practically all post-war development schemes barring a few covering an amount of about Rs. 42 lakhs, and then to ask the Assembly for supplementary grants in the course of the year as and when the schemes became ready for execution. After very anxious consideration I decided to adopt



the first alternative, primarily because I was satisfied that we would be able to spend according to the programme indicated in the budget, secondly because I thought that this procedure would give the Assembly a truer picture of our financial programme for the next year, thirdly because the presence of these lump provisions would act as an incentive to the different departments to carry out the programme of departmental planning that has been set before them and lastly because it would avoid any impression that large surpluses are available which can be spent—shall I say frittered away—on diverse objects and purposes with which Government, as hon'ble members are doubtless aware, are confronted from time to time. I feel sure that I shall have the general support of the House in the decision which I reached on this point.

This, of course, does not mean that I am asking the House to give us a *carte blanche* and a general authority to spend a great deal of money on our development programme without taking the House into confidence as to the details of that programme. In Appendices C and D of the explanatory memorandum on the budget, every endeavour has been made to give the members of the House as good an indication as we possibly could of the nature of the schemes for which lump appropriations have been asked for. At this stage all that I desire is that the House would accord its general blessing to the development programme indicated there. It is my intention to come up to the House again for specific supplementary grants for expenditure on specific development projects and schemes, after these projects and schemes are ready for execution. The House would thus in due course know and either approve or disapprove the details of all post-war development projects on which the lump provisions would be utilised.

At this stage, I think I ought to make some self-analysis. I wonder if our ambition to build our Province does not go a little ahead of our capacity to translate that ambition in actual practice. It is likely all the money provided for plans and schemes may not be spent not because the schemes have any defect but because our agencies are not as efficient and equipped as they ought to be. Hence I have followed the incentive system now tried in America with remarkable success. It means that more work should be given to a man than he thinks he is capable of so that his latent energies will be roused up, and he will do much more than he thinks he is capable of. For me it is preferable to fix the target as high as possible so that we may come as near it as we are capable of. In spite of this self-analysis I fondly believe that we will be able to carry out all the schemes which have been provided for in the budget.

*General Administration*—A provision of Rs. 35,460 has been made for strengthening the District staff to cope with the increased



volume of work arising from reconstruction measures. The two other development schemes for which a provision of Rs. 78,000 has been made are opening of Village Welfare Centres and introduction of village officers in the coastal districts of North Orissa.

*Education*—In the last budget speech, indication was given that Government had accepted the basic system of education of the Wardha type. During the year a Board of Basic Education was constituted to assist Government in implementing the policy. Two training schools are intended to be opened at Angul and Russelkonda for training teachers in basic type of education. The next year's programme involves a recurring expenditure of Rs. 49,436 and a non-recurring Rs. 1,92,564. With India as a nation, there ought to be a *lingua franca* and Hindustani has been favoured as the main second language. It is proposed to introduce immediately Hindustani as an optional subject in classes VI to IX by gradual stages and on a compulsory basis from 1948-49. The decision was taken lately and no provision could be made in the budget. It is, however, intended to provide an expenditure to the extent of Rs. 33,322 next year by a supplementary. Government are alive to the importance of adult education and propose to give an impetus to the literary drive. With that end in view they have already appointed an Officer to plan and organise adult education throughout the Province. An opportunity will be given in due course of presenting a scheme with the extent of the financial implications.

In view of the promise made during the current year, Government have increased the scales of pay of primary school teachers to Rs. 20—1/2—25 for untrained and lower elementary trained and Rs. 25—1/2—30 for trained and higher elementary trained. This has already been given effect to. The scheme is proposed to be continued during the next financial year at a cost of Rs. 11,58,409. Government are also alive to the hardship of the teachers of aided secondary and other institutions. They have given grants during the current year at an improved rate of dearness allowance to the teachers of such institutions and they propose to continue similar consideration next year.

With a view to enable local enterprise to take advantage of the provisions under the post-war schemes for middle English schools and higher education, Government have decided to liberalise their share of grants to aided institutions at the following rates against the contribution of half the costs according to the existing rules for buildings and equipments :—

Middle English schools for boys	... Two-thirds
Middle English schools for girls	... Three-fourths
High Schools for boys	... Two-thirds
Miscellaneous schools such as Sanskrit Tols, etc.	Up to three-fourths



Government have decided to give free education to girls in all stages of education, including college stage except to the children of such of the parents as are assessed to income-tax or agricultural tax who will be liable to pay fees at half rates. In order to man the Middle English schools and High schools the scheme of secondary training schools has been expanded by increasing the number of seats in the two secondary training schools at Cuttack and Berhampur and also by increasing the value of the stipends. The number of seats in the Training College at Cuttack was increased from 30 to 80 and the value of stipends was increased but it is regrettable to note that few students were available and the number of admissions has fallen from an average of 20 to only 14 this year. Government have gone forward in their policy of expansion of college education. The Junior Colleges at Balasore, Puri and Sambalpur, which were established in 1944-45 have now been raised to degree colleges. Having regard to the backward areas, Government propose to start an Intermediate College with provision for science at Jeypore from July 1947. The Ravenshaw Girls' school has been raised to the status of a Degree College during the year. Provision for post-graduate classes in the Ravenshaw College was made during the current year in Oriya and Economics and it is proposed to start post-graduate classes in Chemistry and Mathematics from 1947-48.

Government are giving particular attention to the scheduled caste and hill tribes people. In order to encourage primary education in the partially-excluded areas of the Province a provision of Rs. 1,30,000 has been made for opening 100 primary schools every year. A provision of Rs. 3,00,000 has been made in the Budget which contemplates establishment of Ashram type of schools, grant of scholarships, stipends, improvement of school gardens, distribution of books, slates and cloths to such pupils.

*Studies in foreign countries*—In the year 1946-47, thirty-three students were selected for deputation abroad for higher training in different subjects as detailed below :—

1. Industries	..	..	..	..	4
Geology	..	..	..	1	
Textile	..	..	..	1	
Industrial Chemistry	..	..	..	1	
Technical Education	..	..	..	1	
2. Engineering	..	..	..	..	6
Electrical	..	..	..	2	
Mechanical	..	..	..	1	
Civil	..	..	..	2	
Agricultural Engineering	..	..	..	1	
3. Agriculture	..	..	..	..	4



4. Veterinary	..	..	..	3
5. Forestry	..	..	..	1
6. Fishery	..	..	..	1
7. Science	..	..	..	1
8. Education	..	..	..	7
Education	..	..	2	
Economics	..	..	2	
Psychology	..	..	2	
Mathematics	..	..	1	
9. Medicine	..	..	..	4
Surgery	..	..	1	
Gynaecology	..	..	1	
Public Health Administration	..	..	1	
Ophthalmology	..	..	1	
10. Public Health	..	..	..	2
				—
				33
				—

Twenty-four candidates have already sailed and nine are awaiting admission and passage.

During the coming year 1947-48, sixteen students will be deputed to foreign countries for higher training in technical subjects and about three students in medical subjects. Preliminary selections by the Joint Public Service Commission have already been made so far as the technical and the educational subjects are concerned and the Provincial Government will recommend to the Government of India definite names for final selection very soon. As regards the medical subjects applications have been invited before 25th February 1947 and our final nominations will be sent to India by the 5th March 1947. *Govt. have recommended 10 students to Govt. of India who will select 3 out of them.*

*Loan Stipend Fund*—Government have under their consideration the question of constituting a Loan Stipend Fund to enable deserving candidates to take advantage of loans from Government for higher studies in foreign countries. The details of the scheme have yet to be worked out.

*Scientific and Industrial Research*—On the lines of the Council of Scientific and Industrial Research, the Government of Orissa hope to establish, in the very near future, a Board to encourage research on scientific and industrial subjects.

*Medical and Public Health*—With a view to implement the recommendations of the Bhore Committee and as a post-war measure Government have decided to expand the medical relief in the rural areas by establishing ten dispensaries in the current financial year at a cost of Rs. 2,20,000. They propose to establish ~~twelve~~ more dispensaries during 1947-48 at a cost of

*twenty*



Rs. 2,51,000 both for building works and maintenance charges. Grants of Rs. 4,250 and Rs. 7,000 are being given for starting two maternity wards in the Government hospitals at Russelkonda and another at L. F. hospital at Aska respectively. Government provincialised five subdivisional headquarters hospitals during the current year, and propose to take over the remaining two subdivisional headquarters hospitals at Rayaghada and Nowrangapur during 1947-48. In order to strengthen the nursing staff of the district headquarters-hospitals it is proposed to appoint twenty-two more staff nurses during the course of next five years on the standard of one nurse for 10 beds, and five are to be appointed during the next financial year. With a view to provide trained mid-wives for the hospitals and the dispensaries in the Province a mid-wifery training school at Berhampur was established last year and is proposed to be continued. It is also proposed to construct a building for the training school at a cost of Rs. 1,36,000. The school at Berhampur is proposed to train 10 midwifery pupils each year.

Orissa is worst affected by malaria. In order to carry out intensive drive against malaria 2 anti-malaria Units have already been established, one at Cuttack and another at Koraput, during the current financial year, and it is proposed to establish one anti-malaria unit in each of the remaining districts during 1947-48. A provision of Rs. 48,000 has already been made for distribution of grants for anti-malaria work in rural areas. The fourth year class of the Orissa Medical College will be opened during session of 1947-48. The Orissa Medical College and the attached General Hospital need suitable improvements in order to provide facilities for teaching. Construction of new buildings, such as, out-patient department for which the Maharajah of Jeypore has donated a sum of Rs. 1,30,000, a museum and a library, staff quarters, Histology block, etc., are to be executed. A provision of Rs. 1,00,000 is made for the purchase of equipment for the hospital over and above Rs. 2,25,000 during the current financial year. Establishment of an infectious diseases hospital is also considered necessary at Puri. For this purpose a sum of Rs 33,904 has been provided in the next year's budget. A sum of Rs. 28,000 was distributed among the hospitals and dispensaries including those under the local bodies for medicine for the treatment of venereal diseases during the current financial year and a sum of Rs 20,000 is provided during the next year.

Yaws is a dreadful disease which is prevalent among the hill tribes in Ganjam Agency and Koraput district. Itinerant dispensaries have been established in Koraput Agency and the scheme is proposed to be continued with much more vigour during the next financial year also. The Drugs Act is going to be enforced from 1st April 1947 and for that purpose a provision of Rs. 7,555



has been made. Civil Surgeons will be appointed as *ex officio* Inspector of Drugs under the Act on a special pay of Rs. 50 until a qualified Drug Inspector is available.

With a view to ensure efficiency and to make the services of the Public Health Officers easily available to the rural public, Government decided to provincialise the Health Organisation under the bodies from the current year and propose to continue the scheme with additional staff during the first post-war period in the first instance. Necessary provision of Rs. 3,00,000 has been made during the next year.

*Local Self-Government*—Drinking water scarcity is a vexed problem in this Province, particularly in rural areas. With a view to provide wells in the rural areas within the easy reach of the people a sum of Rs. 1,20,000 was sanctioned during the current financial year for sinking masonry or tube-wells at the rate of about twenty wells in each district. This scheme is proposed to be continued for a period of five years with effect from the current financial year and a sum of Rs. 5,00,000 has been provided in the next year's budget for this purpose. Four times the number of wells constructed during the current year will be provided during the next year.

Roads and buildings under the local bodies have been neglected during the period of war, and to make up the neglect, Government have provided Rs. 5 lakhs as grant to local bodies during each year with effect from 1945-46 in connection with post-war measures. A provision of Rs. 5 lakhs is made also for 1947-48.

Protected water-supply for Cuttack town has been engaging attention of Government for a very long time past. During the current year a sum of Rs. 4,58,000 has been spent on the purchase of materials such as C. I. pipes, connection, etc. Next year a provision of Rs. 2,00,000 has been made in the budget. Cuttack town needs improvement and Mr. Kagal, Town Planning Expert and Chief Administrative Officer of Jamshedpur, visited Cuttack at the request of Government and a master plan for improvement of the town is awaited.

Due to prevalence of high prices and pending consideration of revision of scales of pay, Government have decided to offer an interim relief to the employees of the local bodies by giving them a consolidated rates of dearness allowance with effect from the 1st January 1947. It is proposed to continue this rate of dearness allowance during 1947-48 also. The financial implication to Government is Rs. 5,06,000.

In order to augment the resources of the local bodies, Government have already amended all the Cess Acts of Orissa and also other measures are being taken to empower the local bodies to



increase their income to meet the growing needs of the people. I must make it clear here that the local bodies should take upon themselves the entire responsibility of managing their affairs subject only to the supervision of Government. If, for any reason, the local bodies look up to Government in every matter, even for managing their staff, then it will be for the House to consider if in the circumstances it is worthwhile maintaining the local bodies at all.

*Civil Supplies*—The Supply and Transport Department's budget has the following five items :—

	Total provision under the Budget Rs.
(1) 85-A—Capital outlay on Provincial schemes of State trading.	(—) 18,40,115
(2) R—Loans and advances by the Provincial Government.	1,00,00,000
(3) 57—Miscellaneous .. .. .	15,976
(4) 63—Extraordinary charges .. .. .	4,72,130
(5) 25—General Administration .. .. .	3,46,360

A Provincial Civil Supplies administration has to deal with problems like—

(1) Procurement of surplus commodities for purposes of internal distribution and export to deficit areas in this country.

(2) Procurement from other provinces of commodities deficit in this Province.

(3) Prevention of smuggling and corruption along with enforcement of controls.

(4) Construction of requisite storage

(5) To administer control over vehicles and to improve transport facilities.

*85-A—Capital outlay on Provincial schemes of State trading—*

(a) Provincial Government have undertaken responsibility of procurement of rice and paddy and their supply according to internal needs and needs of deficit provinces in this country. Procurement is made through purchasing agents who are helped with advances of money. The working capital for this purpose is Rs. 82,00,000.

(b) Provincial Government are allotted wheat and wheat products under a Basic Plan by the Government of India who also decide the rates at which these articles would be imported into



this Province. These rates, however, are subsidised by Government of India who have to pay a much higher price to exporting countries. Provision for this is Rs. 15 lakhs.

(c) Arrangements have also been made to get pulses from the Central Provinces and the Punjab. Formerly pulses were imported by merchants privately and provincial Government only controlled their market. However, circumstances compelled Government to undertake on Government to Government account import of pulses from Central Provinces and Patiala and Faridkot in the Punjab. No provision for this head has been made in the Budget for 1947-48. Necessary provision will be made in due course.

An elaborate Foodgrains Inspection Organisation exists in this Province to ensure that procurement is confined to foodgrains of at least fair average quality standards. As regards imported commodities, to ensure satisfactory quality inspection and loading parties from Supply and Transport Department are sent; and in some cases reliable clearing agents have been appointed (e.g., groundnut oil and kernel).

Recovery of cost in such inspection both in this Province and outside it is made through surcharges which seem to be adequate for that purpose.

*Provision of storage—Insurance against famine and control over prices*—Provision of storage facility must form part of any procurement programme. Storage godowns with a total capacity of 15,103 tons have already been completed at 13 places in this Province on a 50 : 50 scheme whereby Government of India shared their cost of construction. Two such godowns, one at Jeypore and another at Rayaghada, have not yet been completed. Godowns which have been completed are let out to Government's purchasing agents on payment of rent by them. Most of these godowns are now being provided with verandahs, chowkidari sheds, approach roads, drying and loading platforms and rain water drains.

Provincial Government have also sanctioned the purchase of prefabricated materials of seven M. B. sheds and three Lahore sheds from Government of India for providing additional storage capacity in Puri, Cuttack and Sambalpur districts—of 6,860 tons in all.

It has been decided to erect 2½ Lahore sheds in the flood-affected area of Balasore district having in all storage capacity of 1,575 tons; and further storage of another 6,000 tons is under examination.

It would thus appear that over 15,000 tons storage has already been built; and another 15,000 tons approximately could be had very soon. Possessing 30,000 tons storage capacity in all may not



be considered inadequate in this Province. Examining storage facilities in villages as well as persuading their purchasing agents to construct their own storage godowns are matters which are not overlooked—in fact some seven Lahore sheds have already been bought by purchasing agents in Balasore and Sambalpur districts. Adequate storage would help as insurance against scarcity conditions both in this Province and abroad. The cost for such godowns is expected to be partly recovered through surcharge which is being realised on export and issues of rice as well as from rents recovered from private agencies to whom they would be lent on hire.

The expectation that the termination of the war would lead to an improvement in supply position of all commodities including foodgrains did not unfortunately materialise. In fact, results were noticed to the contrary. Calculation of exportable surpluses of important scarce commodities in other provinces were revised by their administrations from time to time—and generally reduced. This meant that a deficit province like Orissa had to be in search of commodities like pulses, oils and oilseeds with increasingly slender chances of getting its full requirements fulfilled. Leaving matters to private trade would have in these circumstances introduced complications whose full extent is best left to be imagined. Had Provincial Government not undertaken to enter into these trades, hardship to people would have multiplied enormously—prices would have soared and black-markets flourished to a far larger degree than at present. In fact, problem of civil supplies administration in this Province apart from procurement of rice and paddy and Mung and Biri is very largely of how successfully to bring and distribute equitably or practically every other commodity. Hence, this Province has every interest in a central control being exercised by way of Basic Plans for allocation of surpluses on co-ordinating demands on them.

It may be recalled that as regards internal distribution, Provincial Government have already obtained powers for regulation of distribution and prices of commodities which would be regarded from time to time as essential to the life of the community—the Bill of Orissa Essential Articles Control and Requisitioning Act has already been passed by Provincial Legislature.

In regard to internal distribution of controlled commodities, prominent point must be made of two schemes, viz. Town Rationing Scheme and Rural Rationing Scheme, which have been operating for some time past. The salient features of these schemes are (1) allocation of definite quotas of controlled commodities to definite areas; (2) fixation of controlled shops to each area; (3) ensuring regular supplies of its quota to each area; and (4) setting up non-official committees in each area to look after fair



and equitable distribution of such commodities among consumers in that area. There are at present operating nearly 22 Town Rationing Committees and 701 Rural Rationing Committees in the different parts of the Province. Number of Rural Committees will increase further when 213 Committees would soon be formed in Ganjam district and rural rationing would be extended to Koraput district. Provincial Government attach great importance to successful working of such non-official control over civil supplies in this Province.

Price of rice/paddy very largely determines the terms on which broadly speaking ~~such an~~ <sup>of article</sup> exchange is possible so far as purchasing power of population in Orissa is concerned. This year there has been an increase in price of rice/paddy by Rs. 0-10-0/0-80 respectively in the coastal districts. Producers of rice/paddy are Orissa's most important existing economic agents. Strengthening their hands is expected to start a spiral of economic activity which would benefit Orissa materially.

*R—Loans and advances by the Provincial Government—* Orissa does not produce a square inch of manufactured cloth. While steps are being taken to get over this weakness in our textile section, definite arrangements had to be made to lift quickly and to import cloth and yarn, as far as practicable of marketable varieties, from manufacturing centres according to *per capita* allowances fixed by Government of India. This Province gets its cloth and yarn mostly from Bombay, Ahmedabad and Coimbatore, etc. Import of all cloth and yarn is made by Utkal Co-operative Cloth and Yarn Syndicate which is a co-operative body of wholesalers of this Province. Provincial Government give financial aid to this body by way of loans from time to time up to a limit of Rs. 35 lakhs at any one time. It has been found necessary to give such assistance as quotas of cloth would otherwise run the risk of being lapsed for want of it. Interest is charged for such loans at 4 per cent. Every attempt is being made to encourage distribution into districts of cloth and yarn after its import into Orissa, through co-operative organisations.

*57—Miscellaneous—*Formerly, transport problems were being attended to by different departments of Government. In order to have more effective control and follow a unified transport policy transport problems henceforth would be dealt with in Supply and Transport Department of Provincial Government which will examine all aspects of road transport in order to improve transport facilities to the public, to take steps to minimise road accidents and to unify rates of fares and freights throughout Orissa. Provincial Government have under their active consideration a scheme for tripartite Joint Stock Motor Transport Company for improving road



transport conditions in the districts. Government of India would participate financially in working this scheme through the Railways. Government are vitally concerned with the interests of the travelling public and have undertaken this reform.

*63—Extraordinary charges and 25—General Administration—*

In order to work Civil Supplies administration staff has to be employed both in districts as well as at headquarters. In spite of the termination of the war, corruption, smuggling and black-marketing are prevalent and to fight them is among the most important functions of Supply and Transport Department. With that end in view, staff employed in connection with anti-corruption and enforcement work has been strengthened. This Province has commitments under All-India Basic Food Plan to deficit areas in this country in respect of rice/paddy; and being deficit in cloth must conserve strictly for internal consumption what it is allowed to obtain. Accordingly, smuggling of both cloth and foodgrains and other controlled commodities has to be watched and checked very vigilantly. Administration of other controls is also necessary.

*Industries*—With regard to industries, a review of the work done during the last ten years shows that the Province has not made much progress towards its industrialisation. It was, therefore, necessary first of all to reorganise the Department on the lines of other industrially advanced States and Provinces. The Department has now been separated and placed under a technical man so that more intensive attention may be given to the development of industries in the Province. Proposals for the reorganisation of the Department are pending sanction of Government. An Industrial Engineer has also been appointed and has already set himself to survey the resources of the Province for some important industries. To complete the survey work, a Geologist and an Industrial Chemist with requisite number of assistants are proposed to be appointed shortly.

The greatest drawback of the Province towards its industrialisation has been dearth of technical men. To increase their strength, 4 students have already been deputed for training overseas and 5 more are expected to go next year. For higher training in India, 48 were deputed for the current session, and 51 are likely to go next session. The Orissa School of Engineering, which is the only institution of its kind in Orissa, is being reorganised under the advice of an expert committee. Against its present capacity of 40 students in Civil Engineering, it is proposed to expand the school so as to admit 80 in Civil, 15 in Mechanical and 15 in Electrical Engineering. In addition, the school will continue to impart technical training to about 450 ex-service men.



The standard of training imparted at the two Industrial Schools at Angul and Phulbani was very elementary, and the number of trainees turned out very meagre. Schemes of reorganisation of these schools are pending sanction of Government. It is decided to have eight Industrial Schools in the Province—one in each district and three in the partially-excluded areas. Two schools will be started in each of the first four years from 1946-47 and one in the fifth year so that after five years all the schools may be functioning. Sanction has been accorded for the development of Angul School and action is being taken to put the same into operation. A tanning section has been added on to Phulbani School.

A model syllabus and plan of buildings have been prepared so that there may be very little delay in opening these District Industrial Schools. These schools will impart training in (i) Weaving, (ii) Carpentry, (iii) Smithy, (iv) Cane-work and teach its students how they can be useful to their neighbours to meet their everyday requirements. There will also be a commercial section in each school where utility articles are prepared and at the same time training given to students in the manufacture of such articles. This method has already been introduced in Phulbani School.

Two new Industrial Schools on the reorganised model of the Phulbani School are proposed to be set up—one at Sambalpur and the other at Rayaghada. It may be possible to start very soon the school at Sambalpur in a rented house, at the first instance; whereas there may be some delay in opening the school at Rayaghada for dearth of houses.

For the best utilisation of locally available raw materials for cottage industries, craft schools have been decided to be set up in various places. Five such schools are likely to start working very soon in Cuttack district on an experimental basis.

For the actual development of industries, local capital being shy, State aid to the local enterprises in some form or other is considered necessary. To assist the Department to regulate such aid, a Board of Industries has been constituted which has already started work. It is proposed to grant subsidies to some new industries on the fulfilment of certain conditions set forth in the State Aid to Industries Act. About Rs. 25,000 may be paid as subsidy this year and Rs. 50,000 next year. Some of the cottage industries need expansion of their market. With a view to help them, marketing units for handloom cloth, leather articles and erifabrics have been organised. Proposals are also afoot to have a few cottage industries centres for improving the condition of art workers to produce filigree, laquer ware and high class furniture. These will be manufactured and sold by the Department first and then the marketing will be done on the co-operative basis. Attempts are being made to develop tassarr-rearing which was once a flourishing industry of the Province.



Government are taking steps to increase the supply of cloth by developing Khadi industry in the villages and for that purpose a scheme is being drawn up.

Orissa is rich in its fishery resources. Chilka is one of India's greatest fisheries. Its yield seems to be going down lately. With a view to find out the reasons of this decrease and its remedies, a research scheme has been taken in hand. To benefit the actual fishermen, Government have undertaken the marketing of fish from Chilka and Mahanadi estuaries. Pisciculture in tanks is proposed to be carried on as usual on a greater scale.

*Agriculture*—Agriculture is the main occupation of the people of the Province. Improvement of agriculture should, therefore, form a main part of the economic development of the Province. At present the production from land is inadequate to a great extent. Although the Province is said to be surplus in respect of rice a large percentage of the population is underfed and the quality of food consumed is often unsatisfactory and unbalanced. It is, therefore, expedient to provide for greater production and better quality of food crops. In order to meet the food situation in the country, the Government of India have desired that the Province should endeavour to produce at least 1,50,000 tons more of cereals annually over the existing production by the year 1951-52. While attempting to attain this target it is also necessary to increase the production of food crops in which the Province is extremely short, such as, pulses, oil, vegetables, fruits, etc.

To ensure the desired development in an orderly manner, it is necessary to organise the various sections of the Agricultural Department. The first essential is trained personnel. A number of candidates will have to be deputed for specialised higher training in foreign countries, for post-graduate training at the Indian Agricultural Research Institute and for training in the Agricultural Colleges in other provinces. It is also contemplated to establish either an Agricultural College or school in this Province.

Increase in production can be achieved by extending the area under cultivation and by increasing the yield from the existing cultivated area. The following measures will be taken up :—

For increasing the area under cultivation—

- (a) Reclamation of culturable waste land
- (b) Drainage and other land improvement work
- (c) Construction of saline and flood embankments

For increasing the yield from existing cultivated land—

- (a) Provision of irrigation facilities
- (b) Use of better seeds
- (c) Use of sufficient manure, improved implements and improved cultural practices.
- (d) Control of pests and diseases



Indispensable with the proper utilisation of land is the need for carrying out scientific experiments. For this, the specialised sections, such as, Botanical, Mycological, Entomological, Chemical sections will have to be properly organised. The Botanical section should evolve improved strains of plants. The Mycological and Entomological sections should conduct research work on pests and diseases and devise means to control them. The Chemical section will improve the manurial resources and will also carry on a soil survey. The Engineering section will introduce improved implements and agricultural machinery and will look to the minor irrigation projects. Every encouragement will be given to the cultivators by the issue of taccavi loans for reclamation of waste land, improvement of existing cultivated land and for provision of irrigation facilities. Protection of crops from floods, saline inundation and from pests and diseases will be effected as far as practicable. Improved paddy seeds will have to be multiplied in Government farms and through registered seed growers for distribution. Ammonium sulphate, oil-cakes, green manure seeds, bone meal, etc., will be arranged and supplied to cultivators at subsidised rates for manuring their crops. Tractors and improved implements will be provided for hiring out to cultivators. Arrangements will be made for supply of seeds, etc., in the areas where they are not ordinarily available.

To enable the cultivators to have a fair knowledge in the improved cultural practices, establishment of more demonstration farms is necessary. A nucleus staff will have to be maintained in each police-station for guiding the cultivators in agricultural improvements.

These have been taken into consideration in framing the budget estimates.

*Co-operation*—A provision of Rs. 1 26,000 has been made for staff in connection with organisation and supervision of Industrial Co-operative Societies, Turmeric Growers' Sale Societies Agricultural Production and Marketing Societies and Organisation of multipurpose societies for backward classes including grant of subsidies to their societies. The Government of India are no longer financing the scheme of Co-operative training and education and a provision of Rs. 38,000 has been made for this scheme to be financed entirely from provincial revenues. Provision has also been made for organisation and supervision of Salt Societies.

*Veterinary*—With a view to overcome chronic deterioration of livestock which has adversely affected the agricultural economy as well as the prosperity and health of the people in the Province the Government of Orissa propose to attack this problem on its all fronts. This potential source of wealth has not been fully



appreciated and developed by the people in this Province in the past partly due to thier ignorance and partly due to the inadequate veterinary aid resulting in prevalence of diseases and pests, the non-availab lity of pedigreed sires in sufficient numbers resulting in promiscuous breeding and the absence of fodder crops from the general cropping scheme resulting in defective and uneconomical feeding. These factors have largely attributed to the stunted growth of the livestock rendering them inefficient and economically unproductive. The cows are notoriously poor milkers, the total production and consumption of milk being about 0.5 oz. per head per day as against 25 ozs. in the Punjab, Sind, etc. The bullocks are puny and weak and therefore unsuited for making use of modern, efficient and labour-saving implements. The sheep are also small in size yielding only a few ounces of coarse wool per head per annum as compared with 4 to 6 lbs. of fine wool in Northern India. Other kinds of livestock, e.g., goats, poultry, pigs and horses are also in the same deteriorated condition.

It is proposed to spend Rs. 7,57,538 during the year 1947-48 out of which an amount of Rs. 4,33,954 represents the expenditure to be incurred on special priority post-war schemes which have been taken up this year and will be continued in the next year. Besides, some new post-war schemes are also proposed to be launched upon during 1947-48, the total expenditure on account of which is estimated at Rs. 4,85,210.

As will appear from the above figures, the major portion of expenditure is devoted to post-war development schemes of the Department which is badly in need of development in the matter of improving the cattle wealth of the Province. Broadly speaking the post-war schemes aim at improving the condition of the livestock of the Province by providing larger control of the diseases affecting the livestock, increasing the fodder resources, grading up the indigenous stock with pure breeds and so forth.

*Miscellaneous and Miscellaneous Departments*—The scheme for the collection of Agricultural statistics the cost of which was hitherto being shared by the Government of India and the Provincial Government in the ratio of two third and one-third will be continued next year at a cost of Rs. 6,14,000 as a post-war development scheme. A sum of Rs. 50,000 has been included for reorganisation of the Factory Inspection Department. Provision of Rs. 5,06,000 has been made for payment of dearness allowance to local fund employees.

*Irrigation and Civil Works*—Emergency irrigation projects costing Rs. 17 lakhs have been decided to be taken up next year even if the Government of India make no separate grant for these projects as in previous years. A provision of Rs. 61,000 has been made for creation of certain additional superior posts in Engineering Services, viz., Additional Chief Engineer, one additional



technical Under-Secretary, one Director of Designs, one Mechanical Engineer. Provision of Rs. 28,000 has been made for strengthening the architectural branch of the Public Works Department. A post of Chief Engineer, Electricity, has been created and the Budget provides Rs. 56,000 for this officer and his office. A provision of Rs. 62,000 has been made for creation of a new Public Works Department Circle known as Central Circle in charge of a Superintending Engineer. Creation of two Roads Divisions—one for North Orissa with headquarters at Bhubaneswar and the other for South Orissa with headquarters at Berhampur—have been decided on and the Budget provides Rs. 1,18,000. A provision of Rs. 3,04,000 has been made for purchase of tools and plants. A lump provision of Rs. 35 lakhs has been made for the Machkund hydro-electric scheme and establishment of Thermal station and both of the two schemes would require detailed examination before expenditure is incurred.

*Loans and Advances*—The Budget contemplates that we will be taking a loan of Rs. 1.25 crores from the Government of India of which Rs. 52 lakhs is for financing Reconstruction projects debitable to revenue account and Rs. 73 lakhs for post-war reconstruction projects debitable to capital account. The latter figure includes Rs. 42.74 lakhs for financing loans to cultivators in connection with the Grow More Food Campaign. Provision of Rs. 1.60 crores has been made for loans to the Cloth and Yarn Syndicate of which Rs. 1.50 crores will be recovered in the course of the year. The two other important items of loans are the loan of Rs. 12 lakhs to the Central Co-operative Banks in North Orissa which is a provincial scheme and a loan of Rs. 10 lakhs to the Provincial Co-operative Bank which is expected to be established in the near future.

It is necessary to acquaint the Assembly with the financial background of the entire Five Year Plan. The total commitment involved in the implementation of the plan as now drawn up for the different departments amount to Rs. 37.89 crores and the recurring liability from the sixth year onwards including charges for servicing loans and maintenance amounts to about 4 crores per annum. Rs. 10.17 crores out of the estimated outlay of Rs. 37.89 crores represents the cost of productive schemes including amounts distributed as recoverable loans. The balance of Rs. 27.72 crores constitutes commitment in respect of non-self-financing projects. Out of this Rs. 9.9 crores is expected to be covered by grants from Central Post-war Reconstruction Fund leaving Rs. 17.82 crores to be met from provincial resources and from loans for unproductive schemes. It is estimated that the provincial revenues during the five-year period will increase by Rs. 2.24 crores. At the suggestion of the Government of India it has been decided to revise the second draft of the five-year plan so as to reduce the total cost of the plan.

*Dearness and cost of living allowances*—In view of present high cost of living, the Government of Orissa after very careful



consideration have allowed dearness or cost of living allowance at the following rates with effect from the 1st July 1944.

For Government servants drawing pay not exceeding Rs. 150 a month :—

*A. Dearness allowance—*

- |  |  |
|--|--|
| (i) Government servants drawing emoluments not exceeding Rs. 20 per month.                                   | Rs. 10 per month   |
| (ii) Government servants drawing emoluments exceeding Rs. 20 per month but not exceeding Rs. 60 per month.   | Rs. 12 per month   |
| (iii) Government servants drawing emoluments exceeding Rs. 60 per month but not exceeding Rs. 150 per month. | Rs. 15 per month or 17½ per cent of the emolument which ever is greater. |

For Government servants drawing pay exceeding Rs. 150 per month :—

*B. Cost of living allowance—*

- |   |  |
|---|--|
| (i) Married officers drawing pay up to Rs. 1,500 per month.                       | Rs. 17½ per cent of pay.   |
| Married officers drawing pay between Rs. 1,500 per month and Rs. 2,000 per month. | Rs. 263 per month with marginal adjustment up to Rs. 2,263.      |
| (ii) Single officers drawing pay up to Rs. 1,000 per month.                       | 7½ per cent of pay and with marginal adjustment up to Rs. 1,075. |

*C. Additional dearness allowance—*In 1946 Government considered whether the basic scales of pay of all classes of Government servants should be revised to replace partially or wholly the existing cost of living or dearness allowances. After very careful consideration they decided to await the publication of the recommendation of the Central Pay Commission. Meanwhile they sanctioned an additional interim relief to the low-paid Government servants at the following rates with effect from the 1st April 1946 till such time as revised scales of pay come into force :—

- |  |              |
|--|--------------|
|  | Rs.          |
| (a) Government servants drawing pay at the rate of Rs. 30 per month including inferior Government servants, Police Constables and the whole-time contingent menials. | 5 per month  |
| (b) Government servants drawing pay at the rate of Rs. 30 per month or above but not exceeding Rs. 60 per month.   | 10 per month |
| (c) Government servants drawing pay more than Rs. 60 per month but not more than Rs. 100 per month.  | 8 per month  |
| (d) Government servants drawing pay more than Rs. 100 but not more than Rs. 300 per month.   | 6 per month  |

The total provision included in the Budget for dearness and cost of living allowance is Rs. 50 lakhs.



For the convenience of the hon'ble members, I have prepared two tables to show how expenditure on Nation-building Departments and that on Civil Administration are gradually rising and their relation with each other.

Now I think I have finished discussion of the budget on the whole and I must conclude it by recording the thanks of Government to the Finance Secretary and his assistants for their sincerity and efficiency with which they have prepared the budget.

In the end, I think the House will bear with me if I give an indication as to how we intend to carry out the schemes provided for in the budget. These schemes will be split up districtwise and in each district a Development Board consisting of the District Magistrate with all District Officers belonging to Development Departments of Government and all M.L.As., and Chairman, District Board, with power to co-opt will begin to function to give effect to the schemes. Needless to say that sincere and hearty co-operation between the District Officers and the representative non-official gentlemen is absolutely necessary for the successful execution of all the schemes. I have all along presumed that the problem of law and order will not create any difficulty in our Province as it is doing in some other provinces. If it does, the programme of development is sure to receive a set back. I hope and pray that Orissa's development may not be hampered on that account by any means.

#### Growth of Expenditure in Nation-building Department

	Education	Medical	Public Health	Agriculture	Veterinary	Co-operative	Industries
	TRs.	TRs.	TRs.	TRs.	TRs.	TRs.	Ts.
1937-38 ..	26,05	8,27	2,48	1,63	1,03	1,08	2,06
1938-39 ..	25,12	8,25	2,18	2,24	1,01	1,74	2,50
1939-40 ..	26,68	9,37	2,60	2,41	1,08	1,98	2,66
1940-41 ..	26,25	9,41	2,34	2,51	1,23	2,45	2,64
1941-42 ..	26,35	9,53	2,50	2,44	1,26	2,35	3,05
1942-43 ..	27,28	10,34	2,48	3,29	1,31	2,45	9,21
1943-44 ..	28,98	11,79	3,05	3,39	1,34	2,64	13,53
1944-45 ..	32,40	14,54	3,92	11,20	3,20	2,50	14,37
1945-46 ..	36,24	16,40	4,94	14,14	3,93	2,73	8,90
1946-47 .. (Revised)	63,43	24,76	11,46	17,72	6,53	4,13	11,56
1947-48 .. (Budget)	80,23	23,46	16,09	1,07,30	8,34	6,12	19,47



# Growth of Expenditure on Civil Administration

			General Administration	Administration of Justice	Jails	Police
			TRs.	TRs.	TRs.	TRs.
1937-38	..	..	28,32	7,02	2,78	24,21
1938-39	..	..	28,97	6,85	2,43	22,87
1939-40	..	..	28,53	6,48	2,79	22,26
1940-41	.	..	28,35	6,40	3,20	22,79
1941-42	..	..	29,95	6,46	3,77	22,94
1942-43	..	..	32,28	6,56	5,91	25,75
1943-44	..	..	34,78	7,57	10,59	27,23
1944-45	..	..	35,89	7,90	8,45	30,36
1945-46	..	..	40,70	8,65	7,72	36,51
1946-47 (Revised)	..	..	50,45	9,40	8,53	56,58
1947-48 (Budget)	..	..	54,65	9,18	7,87	58,98



