

*Chhambha*

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

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MR. SPEAKER, SIR,

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

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



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

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

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



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

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

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

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



### Revised Estimates, 1947-48

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

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

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

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



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

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

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

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



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

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

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

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



### Budget, 1948-49

(1) *Receipts*—The total revenue is put at Rs. 6,81.55 lakhs against Rs. 6,49.57 in the Revised Estimates classified under the following three main heads :—

	Revised Estimate 1947-48	Budget Estimate 1948-49
	Trs.	Trs.
(i) Taxes on income .. .. .	83.32	91.32
(ii) Other revenue heads including annual subvention of Rs. 40 lakhs.	3,66.35	3,30.23
(iii) Grant from the Government of India for post-war develop- ment schemes.	2,00.00	2,60.00
Total .. .. .	6,49.67	6,81.55

Item (i) includes Rs. 8 lakhs on account of agricultural income-tax and Rs. 83.32 lakhs on account of our share of ordinary income-tax. Information received from the Government of India after the Budget was framed shows, however, that our share of income-tax is likely to be about Rs. 1.13 lakhs in the next year. The increase under item (iii) is due to the expected increased grant from the Centre for post-war development schemes for which larger provision has been made in the Budget. The variations under item (ii) are due to expected short receipt of Rs. 8 lakhs under Excise owing to the extension of prohibition programme, of Rs. 20.26 lakhs under Police as the current year's receipts under that head were fortuitous, of Rs. 3 lakhs under Education which also was a fortuitous receipt in the Revised, being the surplus balance in the hands of the defunct District Educational Council, Ganjam, of Rs. 15.22 lakhs under Agriculture, Rs. 1.50 lakhs under Industries and Rs. 2.10 lakhs under Civil Works. As against these decreases totalling Rs. 50.08 lakhs, increased revenue of Rs. 13.37 lakhs is expected from Stamps, Entertainment Tax, Tax on Sale of Motor Spirits and the General Sales Tax.

(2) *Expenditure*—The Budget provides Rs. 7,51.15 lakhs for expenditure on revenue account against Rs. 6,57.03 lakhs in the Revised Estimates for 1947-48. In other words, expenditure next year is estimated at Rs. 94.12 lakhs more than in the current year. This is due mainly to the fact that estimate for post-war development expenditure included in the Budget is Rs. 3,31.06 lakhs of which Rs. 1,81.04 lakhs for entirely new schemes against Rs. 2,12.55 lakhs included in the Revised Estimates. Appendix C to the Explanatory Memorandum gives a list of new post-war schemes included in the Budget of 1948-49.



The estimate of revenue receipt being Rs. 6,81.55 lakhs and that of expenditure charged to revenue being put at Rs. 7,51.15 lakhs, the revenue account discloses a deficit of Rs. 69.60 lakhs.

(3) Outside the revenue account, the Budget anticipates receipts of Rs. 18,86.81 lakhs and disbursement of Rs. 18,52.13 lakhs which gives a surplus of Rs. 34.68 lakhs. This surplus is mainly due to the fact that we have budgeted for a loan of Rs. 50.00 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 receipt whereas on the disbursement side we have provided Rs. 15.13 lakhs only for repayment of past loans taken for "Grow More Food" schemes.

(4) As I have already stated we expect to close the year 1947-48 and open the year 1948-49 with an over-all balance of Rs. 1,61.35 lakhs inclusive of a balance of Rs. 99.08 lakhs in the revenue account and Rs. 62.27 lakhs outside the revenue account. As the Budget Estimates for 1948-49 discloses a deficit of Rs. 69.60 lakhs in the revenue account and surplus of Rs. 34.68 lakhs outside the revenue account, the year 1948-49 will close with a balance of Rs. 1,26.43 lakhs only as shown below :—

Opening balance	.. (+) 1,61.35 lakhs
Deficit in the Revenue Account	.. (—) 69.66 lakhs
Surplus outside the Revenue Account	.. (+) 34.68 lakhs
Net closing balance	.. (+) 1,26.43 lakhs

The analysis of balances given at page 44 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. 1,86.69 lakhs at the end of the year. This balance includes certain balances aggregating Rs. 61.24 lakhs which are earmarked for specific purposes as given below :—

	Trs.
1. Famine Relief Fund .. .. .	29
2. Grant from Imperial Council of Agricultural Research.	1
3. Rural Development Grant .. .. .	2
4. Fund for Forest Development .. .. .	7.46
5. Capital Building Fund .. .. .	38.46
6. Fund for Water-Supply and Drainage Schemes .. .. .	15.00

*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 1947-48 consisted of Rs. 10,438 in cash and Rs. 10,45,282 invested in Government of India Securities. At the end of 1947-48 it is expected that there will be a balance of Rs. 22,473 in cash and Rs. 10,45,282 in securities and at the end of 1948-49 the balance is likely to be Rs. 29,338 in cash and Rs. 10,45,282 in securities, i.e., a total of Rs. 10,74,620, i.e., more than 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.

*Fund for Water-supply and Drainage Schemes*—In order to implement the recommendations of the Health Development Committee of the Government of India for the provision of protected water-supply in urban areas, the Provincial Government have decided that, funds being available, a sum of Rs. 20 lakhs less expenditure incurred on water-supply schemes during the year be transferred from revenue to a fund every year for the next 5 years to constitute a reserve fund for water-supply and drainage schemes. A provision of Rs. 5 lakhs has been made for the Cuttack water-supply in the next year's Budget and Rs. 15 lakhs has been provided for transfer to the Reserve Fund, 1948-49.

*Capital Building Fund*—At the end of 1948-49 there is expected to be a balance of Rs. 38.46 lakhs in the Fund. This Fund was constituted out of the 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 greater part of the balance has been invested in Government securities the interest from which is added to the Fund.

The estimate of new expenditure next year amounts to Rs. 2.77 crores of which Rs. 1.81 crores represent post-war development



schemes, the balance of Rs. 96 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
	Lakhs	Lakhs	
Forest	10.49	3.17	30 per cent
Education	62.37	34.73	56 per cent
Medical	21.68	8.93	41 per cent
Public Health	5.14	26.83	522 per cent
Agriculture	9.98	76.22	764 per cent
Veterinary	6.39	4.34	68 per cent
Co-operation	3.26	5.25	161 per cent
Industries	5.88	13.15	224 per cent

### II—CIVIL ADMINISTRATION

General Administration	52.17	5.97	12 per cent
Administration of Justice	9.61	1.16	12 per cent
Jails	8.38	10	1 per cent
Police	64.68	7.67	12 per cent

It might interest hon'ble members to have a bird's eye view of the growth of expenditure, since the Province was created, in both nation-building departments as well as on general administration. I have appended to this speech a statement showing the expenditure incurred year by year since 1937-38 in various departments. Briefly the position is that as compared with 1937-38, the budgeted expenditure in 1948-49 represents an increase of 216 per cent on Forest, 273 per cent on Education, 270 per cent on Medical, 1180 per cent on Public Health, 5198 per cent on Agriculture, 940 per cent on Veterinary, 656 per cent on Co-operation, 821 per cent on Industries, 105 per cent on General Administration, 53 per cent on Administration of Justice, 27 per cent on Jails and 199 per cent on Police.

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 nearly half the entire expenditure budgeted for during 1948-49 is on account of post-war development schemes, and one-fourth 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 Rs. 7,51.15 lakhs, Rs. 3,31.06 lakhs would, it is expected, be spent on post-war development schemes, and out of these Rs. 3,31.06 lakhs, as much as Rs. 1,81.04 lakhs would be utilised on entirely new schemes. This is a comparatively large programme for a 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 have been included in the Budget for 1948-49 and Appendix D gives a list of unexamined new schemes for which lump provisions have been made in the Budget.

*Land Revenue*—A small but important measure worth mentioning is that the Sarbarakari system in Government estates in Khurda, Banki and Angul will be abolished with effect from the 1st April 1948 and collection of Government revenues will be made through the agency of paid officials.

*Forest*—Forest Department is one of the nation-building departments. Just as the Veterinary Department is dependent on Agriculture, so is Agriculture in its turn dependent on forests. That dependence has been emphasised by the Advisory Planning Board of the Government of India, who class agriculture, forests, animal husbandry and fisheries as kindred subjects. The most agricultural parts of Orissa, namely, Sambalpur, North Koraput and possibly Ghumsur, are those where forests and field crops are fairly well balanced. Although in my last speech I stated that Orissa was a deficit province in everything except rice, forest-produce is exported to the value of about 50 lakhs of rupees or more and in many parts of the Province the people are dependent for their livelihood on the collection or manufacture of forest-products. Without its forest wealth Orissa would be a far poorer province. Particular attention has, therefore, to be paid to the activities of the Forest Department.



During the years of war there have been large profits from the supply of timber from the forests of Orissa to the War Board and 25 per cent of the net profits of the Forest Department during the 4 years, 1942-43 to 1945-46 which worked out to Rs. 7,45,500 has been transferred to constitute a new fund which has been earmarked for development of forests. Detailed schemes will be worked out and expenditure will be incurred on them by transfer from this fund. A new Foresters' Training School is being established at Sambalpur so that we will not feel the dearth of trained men for the Forest Department. The Savaras of the Parlakimedi Malihas require buffaloes, pigs, goats and fowls for the purpose of sacrifice. The local Panos have so far been supplying the Savaras with these animals at exorbitant rates on credit system. The Government have, therefore, opened 4 shops in the Parlakimedi Agency for the sale of live stock to Savaras and other articles of their daily use so that they will be saved from exploitation. As a post-war programme, forest roads are being improved and extended and new ranges are being created. It is expected that with the addition of the States the Forest Department of the Province of Orissa will, in no distant future, be one of the greatest revenue-yielding departments.

*General Administration*—Expansion of Village Welfare Centres has assumed a greater importance and detailed schemes are being worked out. Due to high cost of living the Village Officers of South Orissa were experiencing lots of difficulties. Government have, therefore, sanctioned dearness allowance to these low-paid employees which has committed them to an expenditure of about Rs. 1,42,000.

*Police*—It is the first and foremost duty of every State to maintain internal security, peace and order, without which no development programme can effectively be operated. Everybody is aware of the terrible disturbances that took place in various places in India. Though this Province of ours is proud of being free from such communal feelings, yet it is highly desirable that we should always be alert. We should always be conscious of the maxim that prevention is better than cure. To prevent lawlessness and disorder the expansion of the present Police Force has been considered necessary. It has been decided to reorganise and strengthen our Military Police and add to it a Gurkha Company. I must mention here that our Government will never tolerate lawlessness. The wrong-doers will severely be dealt with irrespective of religion, caste and community.

*Education*—In the last Budget speech an indication was given that Government will introduce Basic Education in the Province. I am glad to say that much progress has since been made through the activities of the Board of Basic Education. Students are



now undergoing training to qualify themselves for teachers in Basic Schools. Official and non-official inspectors have been appointed to watch the periodical progress. A total expenditure of Rs. 1,26,000 in 1947-48 and of Rs. 8,00,000 in 1948-49 has been provided for the purpose. There is a great demand for the opening of I.Sc. classes in the Balasore College and Government have therefore undertaken to affiliate this College in Physics, Chemistry and Biology from the beginning of the next college session. The Academic Council of Utkal University having resolved to introduce technical Matriculation Examination with effect from the year 1950, Government have taken up gradual conversion of one of the sections of classes VIII to XI of the Balasore and Sambalpur Zila Schools to a technical section in Commerce with effect from July 1948, the aim being that all the Government Zila Schools will ultimately be converted to technical High Schools. It is interesting to note that all the existing M. E. Schools in Cuttack, Puri, Balasore and Sambalpur will be aided from the next year and it has also been proposed to give additional grants to non-Government M. E. Schools for boys in the Province for the appointment of a fifth teacher in each school, who will give relief to the headmasters by taking up teaching work in the classes and also will be in charge of Physical Education. A provision of Rs. 98,000 has been made in the Budget of next year for the purpose. The scholarships and stipends which the scheduled caste and hill-tribe students are getting at present are hardly sufficient for their recurring monthly expenses. It has therefore been felt that those of them who are sent up for the various University Examinations should be given aid to meet their examination fees. Funds have been provided in the Budget for the purpose. Adult Night Schools and Visual Education have drawn the attention of Government. It is proposed to give a start in this direction from next year at a total cost of Rs. 23,000. The Backward Classes Advisory Board approved a comprehensive scheme for the education and uplift of the backward classes and accordingly two residential schools of Ashram type—one at Nuagaon and the other at Rayaghada—have been opened during the current year and there is a proposal to establish six more schools of this type next year at a total cost of Rs. 1,27,000. In order to remove the illiteracy and improve the conditions of the backward tribes in the Agency, Government have approved a scheme for opening a number of Sevashrams in the district of Koraput, the object of which is to give both cultural and vocational education to the aborigines of the locality. Forty such Sevashrams have been opened during the current year at a cost of Rs. 22,600 and there is a proposal to start 100 more next year at a cost of Rs. 1,12,000. With a view to remove the difficulty of tribal girls for residential accommodation, it has been decided to establish a girls' hostel at G. Udayagiri at a cost of Rs. 22,000. The proposed hostel



will provide accommodation for 20 boarders for the present. Steps are being taken to appoint Assistant Welfare Officers to supervise the work of the Sevashrams opened in the Agency areas. Training centres have been proposed to be opened for the Sevakas (teachers) to be employed in Sevashrams and the scheme has been estimated to cost Rs. 55,000 next year. The Maharaja's College at Parlakimedi has been taken over by the Government from July last as a result of which Government have to shoulder an annual expenditure of Rs. 1,16,000. The importance of speedy communication in the modern world and of radio communication in particular has increased considerably. The successful operation of radio communication and allied systems have application to aviation, shipping and commerce. Orissa had got no training school in radio communication. A wireless training class has therefore been established at Cuttack which will go a great length in opening the eyes of our students to this branch of activity which will provide good openings in different parts of India. Grants to non-Government institutions for building purposes are being sanctioned liberally.

*Medical and Public Health*—Government have decided to grant the increased rate of dietary charges to the patients of the hospitals for which it has been proposed to provide an extra expenditure of Rs. 58,680 and of Rs. 1,00,060 during the year 1947-48 and 1948-49 respectively. They have also proposed to increase the number of beds and the rate of capitation grant for the Cuttack Leper Asylum and on this account an expenditure of Rs. 9,250 during the year 1947-48 and of Rs. 13,500 during the year 1948-49 has been necessary. It has been proposed to open 14 more rural dispensaries in accordance with the five-year programme of the post-war scheme. An expenditure of Rs. 2,83,065 has been provided for this. The Local Fund dispensaries at Satyabadi and Aska will also be provincialised during the year 1948-49 for which we have provided a sum of Rs. 40,701 in the Budget. Our payment to the Governments of Madras and Bihar for treatment of the lunatic patients of this Province has increased during the year 1947-48. Increased provision has also been made in the Budget for equipping the Orissa Medical College and the Hospital attached to it.

The problem of malaria in the Province is a gigantic one and to remove this it has been our first duty. Two malaria units, one at Koraput and the other at Cuttack already existed in the Province. It has now been decided to open four more units during the year 1948-49. It has been necessary to give grants to the local bodies of Puri for making sanitary arrangements in the Car festival. We have purchased large quantities of multivitamin tablets, evaporated milk and anti-influenza and anti-cholera vaccine



during the year 1947-48. Increased provision of Rs. 2,80,000 has been made in post-war development schemes like Mobile Field Hygiene Units, Anti-Malaria Organisation and introduction of the scheme of Refresher courses for Health Inspectors.

*Agriculture*—Agriculture being the main occupation of the people of the Province, its development in every respect forms a main part of the economic development of the Province. 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 the diet is unbalanced. This is due to the fact that the production from land is inadequate and the quality produced is not up to the mark. 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 requirement is trained personnel. A number of candidates are being deputed for post-graduate training at the Indian Agricultural Research Institute and for training in the Agricultural Colleges in other provinces. The training of Sub-Overseers and Fieldmen has been arranged within the Province. After careful examination Government have decided to establish an Agricultural College. A token provision of Rs. 1,000 has been made to get the Assembly's approval to this important scheme.

Under Food Production Campaign, it is proposed to take the following measures to increase production by extending the area under cultivation and by increasing the yield from the existing cultivated area :—

For increasing the area under cultivation—

- (a) Reclamation of waste lands by private parties and through Government agency.
- (b) Drainage and other land improvement work
- (c) Construction of saline and flood embankments

For increasing the yield from existing cultivated land—

- (a) Provision for irrigation facilities
- (b) Use of improved seeds



- (c) To increase the fertility of the soil by supply of sufficient manures, namely, ammonium sulphate, oil-cake, green manure seeds, bonemeal, etc.
- (d) Maintenance of improved agricultural implements and tractors by Government for supply to the cultivators on sale and hire.
- (e) Control of pests and diseases

Subsidies have also been provided for those cultivators who will participate in the Food Production Campaign. Specialised sections, such as Botanical, Entomological and Horticultural Sections will be organised for carrying out scientific experiments. Establishment of a Regional Coconut Research Station at Sakhi-gopal is contemplated.

With a view to improve the economic condition of the aboriginal tribes in the Agency, it is proposed to establish two model agricultural farms, one in the district of Ganjam and another in that of Koraput. Improved paddy seeds will be multiplied in Government farms and through registered seed-growers for distribution. To overcome the difficulties in procuring vegetable seeds from outside the Province, it is proposed to establish a Vegetable Seed Farm near Nayabazar.

A grant of Rs. 78,000 has been sanctioned this year for the construction of buildings for the Beggars' Home, Cuttack.

*Veterinary*—Livestock is a potential wealth of the country and its improvement will bring about the betterment of agricultural economy and general health of the people. The stock of cattle as well as the other livestock is deteriorating as the owners are unable to keep them up in a good condition for want of adequate veterinary aid, pure bred stock and suitable fodder. Government are making every effort to overcome all the above difficulties. Investigations are being made into the various kinds of diseases. Candidates are also being trained in specialised subjects. New stockmen centres are being opened as post-war measure in order to provide sufficient veterinary aid. The cows are poor milkers as compared with those of other provinces. This is mainly due to want of fodder. Investigation is being made at the instance of the Imperial Council of Agricultural Research to determine the balanced rations for the cattle. There is also a scheme for pasture improvement. Besides, there is a provincial livestock breeding farm meant to supply pure bred livestock. Grants are being given to the Utkal Gomangal Samiti for cattle improvement. Besides cattle, attention has also been given towards the improvement of sheep, goats, poultry, etc. In order to improve the quality and the rate of yield of wool, an wool analytical laboratory has been established.



It is proposed to spend Rs. 10,72,814 during the year 1948-49 out of which Rs. 7,73,004 represents expenditure to be incurred on post-war schemes. Thus the major portion of the expenditure relates to post-war schemes which aim at effecting greater control over diseases, increasing the fodder resources and grading the present indigenous stock with better breeds.

*Co-operation*—For the re-settlement and re-absorption of ex-service men and ex-pioneers in civil life, the Co-operative Department has undertaken a land colonisation scheme and the organisation of labour force on co-operative basis to carry out constructional work in the Public Works Department. Both the schemes are being assisted financially by the Central and the Provincial Governments. A number of post-war development schemes will be introduced next year. These schemes include increase of audit and supervision staff both for existing and new Societies, creation of a Central Marketing Organisation, organisation and supervision of and, where necessary, grant of financial aid to, new types of Societies like Co-operative Industrials, Turmeric Growers' Marketing Society in the Agency, Salt Manufacturers' Societies and Agricultural Production and Marketing Societies for special crops. Subsidies have also been provided for the multipurpose Co-operative Societies in backward areas and for the much desired Provincial Co-operative Bank which it is hoped will function early next year.

*Industries*—With a view to develop the industrial resources of the Province, the Industries Department is being reorganised and all the continuing post-war and non-post-war schemes both in respect of Industries and Fisheries have been provided for in the next year's Budget. Besides, a large number of new schemes will be taken up from the 1st April 1948. The following schemes, namely, the scheme for the establishment of wool-weaving demonstration, development of sericulture and Tassar-rearing, establishment of Industrial Schools at Berhampur and Rayaghada, leasing of hide monopoly of Angul, establishment of a commercial library at Cuttack, establishment of Research Tannery and development of hand-spinning and hand-weaving are worth mentioning. Orissa is a land of cottage industries with 9 millions of people within 32,000 square miles. Its present economic condition can be improved by encouraging its cottage industries. Hand-spinning and hand-weaving are the most suitable cottage industries for the villagers of this Province. A provision of Rs. 1.76 lakhs has been made in the coming year's Budget for this scheme. Further, Government will give financial aid to non-Government technical institutions in order to bring them to the required standard. Subsidies will also be given under State Aid to Industries Act to the private persons or institutions for the development of



industries of all description. Oriya students are being encouraged for higher technical training in various branches of studies within and outside India. Government have decided to invest money in the shares of commercial concerns. In pursuance of this object Government have purchased shares in the Orissa Textile Mills, Ltd. and Puri Electric Company during the current year and a provision of Rs. 12 lakhs has been made for the purchase of shares under the State Aid to Industries Act next year. Lastly I must mention here that Orissa will soon have a College of Engineering. In order to get the approval of the Assembly to this scheme, a token provision of Rs. 1,000 has been made in the Budget.

*Irrigation and Civil Works*—A large number of Emergency Irrigation Projects will be taken up next year for which the retention of the Emergency Irrigation Division has become necessary. In order to finance the execution of several projects and to maintain the staff, expenditure of Rs. 18,25,639 has been provided. To combat the ravages of flood to which the Province is an easy victim, it has been decided to undertake the construction of a good many retired lines, raising and strengthening of embankments, construction of embankments and closing of breaches at a cost of Rs. 27,90,677. It is contemplated to undertake a large number of building projects relating to General Administration, Education, Medical, Agriculture, Veterinary, Industries and Civil Works Departments for the running of the various schemes next year. Extensive road development schemes have also been undertaken. A total provision of Rs. 83,63,926 has been made in the Budget for building and road projects. Certain principal items of these projects are mentioned below for the information of the House: Construction of a Sahid Memorial Hall, construction of a double-storeyed building near the office of the Mahanadi Division, construction of Sambalpur College building, construction of another Chemistry block in the Ravenshaw College for post-graduate classes in Chemistry, opening of six elementary training schools in each district, construction of a Geography block in Ravenshaw College, construction of a Museum-cum-library for the Orissa Medical College, construction of building for the reorganisation of Orissa School of Engineering, construction of office residence and staff quarters for the Executive Engineer, Balasore Division, construction of buildings for the office and laboratory of the Provincial Malaria Organisation, establishment of a technological institute at Cuttack, improvement to the road from Bhadrak to Chandbali, construction of a short route from Cuttack to Bhubaneswar with a bridge over the Daya river, and construction of a bridge over the Bonum river and improvement to the Vizagapatam-Jeypore road. A provision of Rs. 30 lakhs has been made for the construction of new Capital at Bhubaneswar. It has



been considered an urgent necessity to undertake electrical schemes to make available cheap electricity which is a source of great help for the development of industries. Although it has been contemplated to finance the electrical schemes, such as, Duduma Hydro-electric and Cuttack Thermo Electric Schemes from the revenues during the current year, the entire expenditure in respect of these schemes will be met from borrowed capital next year. A provision of Rs. 44,07,883 has been made next year under the Capital head for this purpose.

*Miscellaneous*—In view of the gravity of the situation which the Indian Union has faced to-day consequent on the partition of India that gave rise to the most knotty problem of relief and rehabilitation of the refugees, we have agreed to accommodate 3,500 refugees to be camped at three different places within the Province. The entire cost on this account, however, will be borne by the Government of India. We have considerably enhanced the scales of expenditure on relief in connection with fire distress and cyclone ; and have made increased provision for the destruction of wild animals. Steps have been taken during the current year to develop the port of Chandbali and to establish experimental villages for re-settlement in connection with the Hirakud Dam Project.

This Budget relates solely to the Province of Orissa as constituted by the Government of India (Constitution of Orissa) Order, 1936, and no part of the expenditure incurred in the States areas after their accession to the Indian Union has been included in it. Separate Budgets are under preparation for the States areas. We have, at present, no idea whether States will be self-supporting or whether financial aid will have to be given to them for the time being. If they prove deficit, a grant will have to be given to the States areas from the Provincial revenues unless the Government of India will undertake to bear the deficit.

I have so far tried to give to the Assembly an idea of the financial transactions of the Province for the years 1947-48 and 1948-49. On the whole, they give an impression of apparent prosperity. I am bound to say, however, that this prosperity is by no means real. Out of the total budgeted revenue of Rs. 6 crores 81 lakhs, Rs. 1 crore 15 lakhs are attributable to Excise, Rs. 83 lakhs to our share of income-tax and Rs. 40 lakhs to the permanent subvention from the Centre and in order to finance the post-war development schemes Rs. 2 crores 60 lakhs have been provided as grant-in-aid from the Government of India. It will be seen that Rs. 3 crores 83 lakhs, that is, more than half the provincial revenue is attributable to Central sources and of the other half nearly one-third comes from Excise. Everybody will



agree with me that this is a very unsatisfactory financial position. With a vast backward tract awaiting development in every direction and the States added on, it is impossible for the Province to carry on long with its present resources and it is of vital importance that a suitable and adequate financial settlement should be made by the Central Government.

I have already mentioned that two items of token provision of Rs. 1,000 each have been made to get the approval of the Assembly to the establishment of an Engineering and an Agricultural College. There is a third token provision of the same amount under the head "36—Scientific Departments". We have decided to maintain an archaeological staff for the purpose of antiquarian research. The main task of the department will be to excavate the Sishupalgarh site near Bhubaneswar. Regular provision could not be made in the Budget as the scheme is not yet ready. Another important measure on which we have embarked, but for which there is no provision in the Budget, is the establishment of a separate High Court in the Province. The work of providing accommodation for the High Court is proceeding apace and we shall come up for necessary supplementary grants next year.

No provision has also been made for the revision of pay of Government servants. A Pay Committee consisting of officials and non-officials was appointed in September last and a Sub-committee of the Committee is pushing on with the work of devising scales for the numerous ranks and grades of Government servants. As soon as the report of the Committee is available, no time will be lost in examining the recommendations of the Committee and giving effect to them. The extra expenditure which the revision will involve will be provided next year by means of supplementary grant, but Government intend to give effect to the scheme in anticipation of the provision of funds by a supplementary grant.

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.



## Growth of Expenditure in Nation-building Departments

		Forest	Educa- tion	Medical	Public Health	Agricul- ture	Veteri- nary	Co-oper- ative	Indus- tries
		Trs.	Trs.	Trs.	Trs.	Trs.	Trs.	Trs.	Trs.
1937-38	..	4,32	26,05	8,27	2,48	1,63	1,03	1,08	2,06
1938-39	..	6,44	26,12	8,25	2,18	2,24	1,01	1,74	2,50
1939-40	..	6,43	26,68	9,37	2,60	2,41	1,08	1,98	2,66
1940-41	..	6,81	26,25	9,41	2,34	2,51	1,23	2,45	2,64
1941-42	..	5,64	26,35	9,53	2,50	2,44	1,26	2,35	3,05
1942-43	..	9,46	27,28	10,34	2,48	3,29	1,31	2,45	9,21
1943-44	..	13,65	28,98	11,79	3,05	3,39	1,34	2,64	13,53
1944-45	..	24,01	32,40	14,54	3,92	11,20	3,20	2,50	14,37
1945-46	..	34,18	36,24	16,40	4,94	14,14	3,93	2,73	8,90
1946-47	..	11,60	3,15	23,42	11,42	11,16	5,28	3,64	10,50
1947-48 (Revised)	..	12,74	86,36	28,43	15,20	64,11	8,14	6,40	21,02
1948-49 (Budget)	..	13,66	97,10	30,61	31,97	86,20	10,73	8,17	18,96
Percentage of increase of 1948-49 over 1937-38.		216%	273%	270%	1180%	5198%	940%	656%	821%



## 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	..	50,89	9,53	8,17	54,54
1947-48 (Revised)	..	56,71	9,73	9,43	66,68
1948-49 (Budget)	..	58,13	10,77	8,49	72,35
Percentage of increase in 1948-49 over 1937-38.		105%	53%	27%	199%



