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**Speech of the Hon'ble Sri Harekrushna  
Mahtab, Chief Minister, Orissa, in  
introducing the Budget Estimates of the  
State of Orissa for the year 1950-51**

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SIR,

THIS is for the fifth time since 1946 I have been called upon to present the Budget Estimates of Orissa in this Assembly. Between the year 1946 and 1950 so many changes have taken place in the country and here in this region, that one in my position would find it difficult to adjust matters in such a way that the affairs of the State of Orissa as it is now called under the New Constitution would go on in a systematically planned manner. The changes have been so rapid and enormous in character that in spite of the best efforts of the Finance Minister holding office during this critical and historic period, they are trying to entangle us in various complications which we dare not think of avoiding but which we all must bravely face and try to solve.

So far as Orissa is concerned, its share of changes which the country has undergone is pretty big. But even without this change, the position of Orissa so far as its finances are concerned, has all along been precarious since its inception. I have been warning the House since 1946 when I first presented the Budget Estimates, that a very careful watch has to be kept on the financial position of the Province without, however, thinking of dropping out various development schemes. In that speech I tried to explain that because of our slender resources and gloomy budgetary position, we should not reconcile ourselves to the lot that we had a few years back and have the satisfaction of a square Budget. I said on that occasion that "It is not the accounts in the Budget that should really matter for the growth of a nation, but on the contrary it is the development of a nation that should regulate the accounts of Budget". This attitude was perfectly justifiable because of the fact that our State badly required development in all directions and there was scope for expansion of our own revenue and also generous assistance from the Centre was assured.

The position so far as development is concerned, became worse when the neighbouring States were merged with the Province. Today, the State of Orissa, as it stands, has to look after the ex-State areas more than the original districts. In comparison, the original districts, however undeveloped they themselves may be, are perhaps a little more developed than the ex-State areas. If all the areas have to move together, we have to bring to the same level their progress and development.



I need not dilate upon the needs of the State of Orissa. They are too well known to be recapitulated on this occasion. Orissa wants roads, schools, dispensaries, irrigation, public health arrangements, upliftment of the backward classes and a number of things. All these are well known to the House and naturally, as representatives of the people, the hon'ble members must expect Government to take up these works and finish them as quickly as possible. As a matter of fact, our Government have taken them up in right earnest since 1946. They have made a dash which I am sure the future will appreciate when the results of their undertakings will begin to be enjoyed by posterity.

Almost all the works of development in Orissa were simultaneously undertaken in 1946-47, not on the strength of the revenue of the Province as it was then existing, but on the strength of the expanded revenue and particularly of the assistance of the Government of India. While various development schemes were undertaken, sincere effort was made to increase the revenue of the State and also to draw the sympathy of the Government of India as far as possible. I am glad to say that we have been successful to some extent in all these three directions. We received assistance from the Government of India; we have been able to expand our revenue to some extent and as a result of both, we have been able to achieve something, however small the achievement may be, in view of the total needs of the Province. I shall soon separately place in the hands of the hon'ble members a report showing in detail the progress of work in all directions during these four years.

When I presented the Budget Estimates for 1949-50 last year in this House, I sounded rather a pessimistic note because all our hopes did not seem to be materialising as we had planned. I confessed on that occasion that we were faced with a critical financial situation which might develop into a crisis. I would request the hon'ble members to kindly refer to the speech which I delivered while presenting the Budget for the year 1949-50, to find out the reasons why I had to warn the House against the financial crisis which the Province was likely to face last year. Fortunately we have tided over the difficult period, not to reach the shore but to be again in troubled waters.

The House well knows the financial crisis which has overtaken the country as a result of which the Government of India have definitely told the States that they are not in a position to render substantial assistance for execution of the development schemes. Here in Orissa it is not possible for us to drop out schemes which

are already in progress. We cannot close down our colleges and hospitals. We cannot neglect the new areas which have been added to the Province, nor can we overlook the conditions of those who are described as backward tribes and classes. From this attitude, the hon'ble members will realise what a difficult position the Finance Minister finds himself in, while presenting the Budget Estimates for the coming year. It has not been a small task for me to present a Budget which will promise continuance of the existing work and execution of such new development work in the ex-State areas as are most urgently required, and at the same time will not tend to create any financial chaos. I must admit that many important schemes of development had to be dropped. Retrenchment had to be made in all directions as far as possible and attempt is being made to pursue it further. Effort is being made to expand our own revenue to the utmost limit. So far as the coming year is concerned, I am glad to say that we have been able to run the show as best as we can and avoid a financial crisis.

Now I come to some details.

Printed copies of the Budget Estimates of the State of Orissa for the year 1950-51 together with copies of an Explanatory Memorandum and of the detailed Budgets of the Roads and Buildings and Irrigation Departments have already been supplied to the hon'ble members in advance. The Explanatory Memorandum explains the financial position and also contains in Appendix B a list of the new schemes and projects included in the Budget. All these new schemes and projects are, however, not entirely new. Some of them are continuation of schemes and projects which have not yet been taken up on a permanent basis. There are nevertheless, a large number of schemes which are entirely new. Since the several features of the Budget have been explained in a nutshell in the Explanatory Memorandum, I do not propose to take the time of the House by entering into a repetition of the same in my speech this morning.

As I have already indicated the Budget which I presented last March was prepared under difficult circumstances inasmuch as it embodied a great effort to bring our expenditure within the range of our income. The House is already aware that to balance the Budget and to leave a small surplus for unforeseen contingencies lump cut aggregating Rs. 61 lakhs had been made in the various major heads and that the estimate of revenue had been kept at Rs. 13.91 lakhs over expenditure, or in other words we struggled hard to present to the House a Budget with a surplus of Rs. 13.91 lakhs.



Before presenting the Revised Estimate for 1949-50 I shall endeavour to explain in brief to the House how the Government of Orissa fared during the course of the last financial year, i.e., 1948-49. The House is already aware that the year 1948-49 opened with an overall balance of Trs. 1,63,65 and in last March I mentioned to the House that the year was expected to close with a balance of Trs. 50,94 and that the balance in the revenue account which actually stood at Trs. 1,23,10 was likely to dwindle to Trs. 3,46 as a result of the estimated revenue deficit of Trs. 1,22,64. Happily, the year 1948-49 closed with a balance of Trs. 2,13,84 of which Trs. 1,49,18 related to the Provincial area and Trs. 64,66 to the integrated area. The balance in the Revenue Account on the last day of the year, i.e., 31st March 1949, was Rs. 50.28 lakhs. This improvement in the closing balance was mainly due to savings in expenditure heads necessitated by postponement of certain schemes and a substantial surplus under Debt, Deposit and Remittance, etc., heads.

### Revised Estimate, 1949-50

Before giving the House an idea of our Revised Estimate for the year 1949-50 let me mention briefly certain peculiar features in the form of the current year's Revised. The House is already aware that consequent on the legal merger of the twenty-four States in Orissa from the 1st August 1949 the expenditure in respect of these areas became subject to the vote of the Orissa Legislature which has been expanded to admit representatives from these areas. A Supplementary Estimate of expenditure was placed before the House in January last in respect of the merged States to cover expenditure for the period from the 1st August 1949 to the 31st March 1950. The Revised Estimate for the year 1949-50 as now framed, therefore, comprises the twelve months' expenditure of the Provincial area and eight months' expenditure of the added areas.

As stated above, the year 1948-49 closed with an overall balance of Trs. 2,13,84 which formed the opening balance of 1949-50. In the Revised Estimate the revenue is estimated at Trs. 10,98,04 and expenditure charged to revenue at Trs. 12,42,39. The year's revenue deficit is, therefore, expected to be Trs. 1,44,35. The balance in the Government accounts which was Rs. 50.28 lakhs in the beginning of the year is likely to be reduced to a *minus* balance of Rs. 94.07 lakhs. Outside the Revenue Account, the receipts are estimated at Trs. 45,57,30 and disbursement at Trs. 45,38,56, thus resulting in a surplus of Rs. 18.74 lakhs. The net result is that the current year's transactions in both Revenue Account and the Capital Account taken together will have the combined effect of reducing the overall

balance by Trs. 1,25,61. In other words, the year 1949-50 which opened with an overall balance of Trs. 2,13,84 is expected to close with a balance of Trs. 88,23.

For the purpose of comparison between the sanctioned estimate and the Revised Estimate the sanctioned estimate should constitute the original estimate for the Provincial area for 1949-50 and the Supplementary Estimate for the added area as approved by the Legislature in January last. The revenue position as disclosed by the Revised Estimate now prepared when compared with the sanctioned estimate shows a decrease of Trs. 1,20,54 as shown below :—

	Sanctioned Estimate	Revised Estimate	Variation
	Trs.	Trs.	Trs.
Jute Export duty ..	5,18	7,36	(+) 2,18
Taxes on Income ..	1,31,55	1,36,62	(+) 5,07
Other Heads of Revenue ..	8,10,33	7,54,06	(—) 56,27
Subvention from Govern- ment of India ..	1,20,00	40,00	(—) 80,00
Grants-in-aid from Govern- ment of India ..	1,51,52	1,30,00	(+) 8,48
Total ..	12,18,58	10,98,04	(—) 1,20,54

The receipts from jute export duty and from taxes on income are the two principal sources of income as provided for under the Niemeyer Award. According to the terms of the Award half the revenue from income-tax less Rs. 3,00 lakhs is distributable amongst the provinces. Orissa's share is 3 per cent of the distributable amount. Under the Deshmukh Award our position remains unaltered. According to the latest intimation received from the Government of India we are likely to get a total sum of Rs. 7.25 lakhs more than originally estimated under these two heads. The receipts under other heads of revenue are likely to be Trs. 56,27 mainly on account of the fact that in the original Budget it was estimated that the Government of India would give us a grant of Rs. 71 lakhs for Capital Construction while in the Revised Estimate we have provided for a grant of Rs. 20 lakhs only. Similarly our expectations for increased grant-in-aid from the Central Government to meet the deficit of the States Area Budget did not materialise and we will be getting a normal subvention of Rs. 40 lakhs in the current year against Rs. 1,20 lakhs



anticipated in the Budget. As regards other heads of revenue the variation under each major head has been explained in the Finance Secretary's Memorandum on the Budget.

The expenditure charged to revenue has been estimated at TRs. 12,42,39. In the original Budget for Provincial area for the year 1949-50 the estimate for expenditure charged to revenue was shown at TRs. 8,76,09. In the Supplementary Estimate for the integrated area the expenditure charged to revenue was shown at TRs. 3,56,67. The total of the two estimates comes to TRs. 12,32,76 which is the figure comparable with the Revised Estimate. The increased expenditure to the extent of TRs. 9,63 only has been provided for in the Revised. Substantial increases occur under Irrigation, General Administration, Jails, Police, Education, Medical, Agriculture, Civil Works, Miscellaneous and Stationery and Printing. On account of expenditure on Intensive Cultivation Schemes increased provision has been made under 'Irrigation' and 'Agriculture'. Provision for election charges is responsible for increase of about Rs. 7 lakhs under 'General Administration'. In the Police Department an extra provision of Rs. 7 lakhs has been made in the Revised for execution of departmental buildings in the States area. Rs. 17 lakhs more has been provided under 'Civil Works' on account of Capital Construction Project as the work there has made rapid progress. The increase under the heads mentioned above will be partly counter-balanced by substantial savings under the heads 'Interest on debt and other obligations', 'Appropriation for reduction or avoidance of debt', 'Public Health', 'Miscellaneous Departments' and 'Extraordinary Charges'. The savings under 'Extraordinary Charges' alone amount to Rs. 81 lakhs as consequent on the merger of the States in Orissa from the 1st August 1949 it was not found necessary to make any assignment from the Provincial revenue to the States Area Budget. The savings under 'Public Health' are due to the fact that the transfer of Rs. 20 lakhs from Provincial revenue to the Fund for Water-supply and Drainage was not found necessary. Under 'Miscellaneous Departments' a saving of Rs. 29 lakhs is expected due to the fact that in the interest of economy it was found necessary to curtail the activities of the Rural Welfare Department and the full expenditure provided for Motor Transport Scheme was not found necessary.

Before turning to the Budget Estimate for the next year the attention of the House needs to be drawn to certain important changes in the classification of expenditure. The salary and allowances of Hon'ble Ministers and the Advocate-General were so long being classified as 'Charged' on the revenue of the Province. It was open to the Assembly to discuss estimates on the 'Charged' expenditure but not to vote them. Since the introduction of the

Constitution of India from the 26th January 1950 these items of expenditure have been treated as 'Voted'. The salary and allowances of the Hon'ble Speaker and Deputy Speaker which were hitherto being treated as 'Voted' will become 'Charged' expenditure under the new Constitution.

### Budget, 1950-51

(1) *Receipts*—The total revenue is put at Rs. 10,65·81 lakhs against Rs. 10,98·04 lakhs in the Revised Estimate. The revenues under the principal heads are as classified below :—

	Revised Estimate	Budget Estimate
	TRs.	TRs.
(i) Jute Export duty and Income-tax ..	1,49,88	1,60,48
(ii) Land Revenue, Excise, Stamp, Forest, Registration, Motor Vehicles Taxation and other taxes and duties ..	5,00,93	5,17,69
(iii) Subvention from the Govern- ment of India ..	40,00	40,00
(iv) Extraordinary Receipts ..	2,48,25	2,21,38
(v) Other items ..	1,58,98	1,26,26
Total ..	10,98,04	10,65,81

*Item (i)*—The latest information received from the Government of India shows that our share of income-tax would be TRs. 1,40,48 against TRs. 1,36,52 allowed in the Revised. The whole question of allocation of shares of income-tax and payment to jute-growing provinces in lieu of the existing share of export duty on jute was reviewed by Sir Chintamani Deshmukh last January. The result of the review is not yet known. Probably the increased receipts are the outcome of his recommendation though there is no increase in the percentage rates allocable to provinces. Receipts from agricultural income-tax have been taken at Rs. 15 lakhs in the Budget against Rs. 6 lakhs in the Revised while receipts from sales tax have been adopted at Rs. 75 lakhs in the Budget against the same figure in the Revised.

*Item (ii)*—The increase under principal heads of revenue is mainly due to the increase of Rs. 4 lakhs under 'Excise' and about Rs. 9 lakhs under 'Forest' and Rs. 6 lakhs under 'Land



Revenue'. The excise revenue has been taken at TRS. 1,69.25 against TRS. 1,65.01 in the Revised. The increase under excise revenue is due to introduction of distillery system in certain parts of the Province including integrated area.

The increase under forest revenue is mainly attributable to the increased activities in the ex-States areas and sale of forest-produce in these areas. The increase under 'Land Revenue' is due to the fact that the Budget provides for the full year while the Revised Estimate provides for eight months in the ex-States area. The realisation of arrears is responsible for the increase of Rs. 3 lakhs and the rest of the increase is on account of the receipts from quarries.

*Item (iv)*—Under 'Extraordinary Receipts' though the Government of Orissa will not receive any grant from the Central Government on account of post-war development schemes next year, it has been assumed that two-thirds of the cost of the Intensive Cultivation Schemes will be recovered from the Government of India. Budget provides Rs. 60 lakhs on this account. It has also been assumed that the entire cost of Rural Welfare Schemes will be recovered from the Government of India and the Budget provides Rs. 25.0 lakhs on this account. Receipts from the realisation of assets in the ex-States area are estimated at Rs. 1.35 lakhs in 1950-51 against Rs. 40 lakhs in the Revised.

(2) *Expenditure*—The Budget provides Rs. 11,41.76 lakhs for expenditure on Revenue Account against Rs. 12,42.39 lakhs in the Revised Estimate for 1949-50. In other words, the expenditure next year is estimated at nearly Rs. 1.00 lakhs less than in the current year. This is due mainly to the fact that estimate on post-war development expenditure included in the Budget has been reduced considerably being restricted to the continuance of the schemes already taken up. Though provision for new schemes to the extent of TRS. 1,37.66 has been made for the post-war development schemes, the major portion of the expenditure relates to Intensive Cultivation Schemes. Although there will be no grant from the Government of India for post-war development schemes next year the classification of schemes under Post-war Development has been retained in the Budget only for our own information in future as to what amount we will be spending every year on such schemes. Since the distinction is academical, no separate list of new post-war schemes has been appended to the Explanatory Memorandum of the Budget. A list of new schemes connected with the Rural Welfare Department has however been given in a separate Appendix in the Explanatory Memorandum.

The estimate of revenue receipts being Rs. 10,65.81 lakhs and that of expenditure charged to revenue being put at Rs. 11,41.76 lakhs the Revenue Account discloses a deficit of Rs. 75.95 lakhs.

(3) Outside the Revenue Account, the Budget anticipates receipts of Rs. 30,44.01 lakhs and disbursement of Rs. 30,19.62 lakhs thus indicating a surplus of Rs. 24.39 lakhs. The surplus is mainly due to the fact that the recoveries of loans and advances will be more as compared with provisions made for such items on the disbursement side.

(4) As I have already stated, we expect to close the year 1949-50 and to open the year 1950-51 with an overall balance of Trs. 88.23 inclusive of a balance of Trs. (—) 1,70.02 in the Revenue Account. As the Budget Estimates for 1950-51 disclose a deficit of Rs. 75.95 lakhs in the Revenue Account and a surplus of Rs. 24.39 lakhs outside the Revenue Account, the year 1950-51 will close with a balance of Rs. 36.67 lakhs only as shown below :—

	Rs.
Opening Balance	.. (+) 88.23 lakhs
Deficit in the Revenue Account	.. (—) 75.95 lakhs
Surplus outside the Revenue Account	(+) 24.39 lakhs
Net Closing Balance	.. (+) 36.67 lakhs

The analysis of balances given at the end of the Appendix A 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. 36.67 lakhs at the end of the year. This balance includes a sum of Rs. 58.03 lakhs which is earmarked for specific purposes as given below :—

	Trs.
Famine Relief Fund	.. 48
Deposit Account of Orissa States	.. 43,21
Deposit Account of grant from Indian Council of Agricultural Research and other Deposit Account	.. 44
Fund for Development of Forests	.. 7,46
Fund for Orissa Buildings	.. 92
Reserve Fund for Electricity and Transport Service	.. 3,07
Fund for Water-supply and Drainage	.. 2,45
Total	.. 58,03



*Famine Relief Fund*—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, 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 1949-50 consisted of Rs. 10,45,000 invested in the Government of India securities and Rs. 40,000 in cash. At the end of 1950-51 it is expected that there will be a balance of Rs. 48,000 in cash and Rs. 10,45,000 in securities. Since there will be more than Rs. 10 lakhs which is the statutory minimum limit, no assignment from Provincial revenue is necessary. After the integration of the States the Famine Relief Fund Regulation would need amendment and action in this connection will be taken up very soon so as to enable the expenditure from the Fund being incurred in the integrated areas.

*Deposit Account of Orissa States*—Before the merger of the States the arrangement was that there should be a separate Budget for the ex-States area approved by Government and that the accounts should pass through a deposit head in the Budget for the Provincial area. The Deposit Account was continued up to the end of 31st July 1949. The transactions in the first four months of the current financial year will pass through this Deposit Account. This Deposit Account will be cleared off when the Audit Office will settle the account finally and transfer revenue portion to be merged in the Provincial revenues.

*Fund for Orissa Buildings*—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. The greater part of the balance has been invested in Government securities the interest from which is added to the Fund every year. On the 1st April 1949 the balance in the Fund amounted to Rs. 38.66 lakhs. As the Revised Estimate provides for an expenditure of Rs. 14.18 lakhs out of this Fund on Capital Construction works the balance in the Fund at the end of the year 1949-50 is expected to stand at Rs. 24.48 lakhs. In 1950-51 there is no possibility of our getting any grant from the Government of India

beyond Rs. 20 lakhs promised by them before. But expenditure on account of Capital Construction as provided for in the Budget is Rs. 97 lakhs. It has been decided by Government that a recovery of Rs. 37 lakhs should be made from the Government of India next year on account of the construction of buildings for the Accountant-General's office. It has been decided to move the office of the Accountant-General, Orissa, to Bhubaneswar in April next. In the Budget for 1950-51 it has been assumed that a sum of Rs. 23.56 lakhs invested in the Government securities will be encashed next year to provide money for expenditure on the Capital Construction. If this is done the balance that will be left in the Fund at the end of 1950-51 will be Rs. 92 000. It may be mentioned in this connection that out of the estimated expenditure of Rs. 97 lakhs provided for in the Budget for Capital Construction Rs. 37 lakhs will be recovered from the Government of India, Rs. 23.56 lakhs invested in the Government securities will be encashed, the usual grant of Rs. 20 lakhs will be received from the Government of India and the balance of Rs. 16.44 lakhs that remains uncovered will have to be found from the Provincial revenues.

*Depreciation Reserve Fund*—It has been decided that a new fund should be created to reserve certain amount to be transferred from the revenue for replacing electrical engines, etc., in the Electrical Department and motor parts in the Provincial Transport Organisation. The Reserve Fund have been created for this purpose. The accounting procedure of the Fund has not been settled.

*Funds for Water-supply and Drainage Schemes*—In order to implement the recommendation 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 for water-supply during the year should be transferred from revenue to a fund every year for a period of five years to constitute a reserve fund. A sum of Rs. 20 lakhs was transferred from revenue in 1948-49 to constitute the fund. The balance in the fund on the 1st April 1949 was Trs. 13.45. It has been decided by Government that there should be no transfer from revenue in the current year and in the next year on account of the financial stringency and that all expenditure connected on account of water supply, etc., should be met from the balance in the fund. In the Revised Estimate for 1949-50 and in the Budget Estimate of 1950-51 a total sum of Trs. 1.00 has been provided. The entire amount will be transferred from the balance of the fund which will stand at Trs. 2.45 at the end of 1950-51.



*Loans and Advances*—In the current year it was assumed that a sum of TRS. 8,61,99 would be received from the Government of India as loan for financing the Hirakud Dam Project, Grow More Food Schemes, Loans to Refugees (disabled persons), Electrical Schemes, Road Transport Schemes and construction of new Capital Projects. But the Government of India have agreed to sanction only a sum of TRS. 4,44,00 for the following schemes :—

	TRS.
(1) Hirakud Dam Project including advance to Cement Factory ..	3,47,00
(2) Electrical Schemes ..	70,00
(3) Grow More Food Schemes ..	22,00
(4) Loans to Refugees ..	5,00

For the next year the Government of India have been moved to sanction a loan of TRS. 5,36,35 for the following schemes :—

	TRS.
(1) Hirakud Dam Project ..	3,50,00
(2) Purchase of shares in Cement Factory ..	40,00
(3) Electrical Schemes ..	83,35
(4) Rail-Road Co-ordination Scheme ..	13,00
(5) Grow More Food or Intensive Cultivation Schemes ..	50,00

(i) *Sales Tax*—Government have adopted the policy of raising the level of taxation in the States areas to bring it into line with the rest of the Province. This is necessary since the standard of administration and social services in these areas is also being raised to the level of the Provincial area. The Sales Tax Act was extended to the States areas with effect from the 1st April 1949 and to the Mayurbhanj State on the 15th July 1949. Government are contemplating to introduce a Bill amending certain provisions of the Act including increase in rates of tax.

(ii) *Agricultural Income-tax*—This came into force in the States areas on the 1st April 1949 and in the ayurbhanj State on the 15th July 1949. Amendments regarding increase in rates are still under consideration of Government.

(iii) *Entertainments Tax*—This came into force in the ex-States areas from the 1st April 1949 and in the Mayurbhanj State on the 15th July 1949. The rates o tax have since increased with effect from the 1st January 1950 as a result of which it is expected that there will be an increase of TRS. 1,67 in the revenue of the Province.

(iv) *Motor Spirit Sales Tax*—This came into force in the ex-States areas on the 1st April 1949 and in the Mayurbhanj State on the 15th July 1949. The rate of tax per gallon has been raised from two annas to six annas from the 1st April 1949.

*Economy Drive undertaken by the Provincial Government in 1949-50*—Due to the general unsatisfactory financial condition in the country and partly due to the reduction in the grants expected from Government of India, the Provincial Government started an economy drive the main object of which was to eliminate unnecessary and wasteful expenditure and to cut down, as far as possible, expenditure likely to add to inflation. So far instructions have been issued to reduce expenditure on the following items :—

(1) A 20 per cent reduction has been made from the emergency recruitment in Orissa Administrative Service and the Subordinate Administrative Service.

(2) The strength of the cadres in all Departments of Government has been reviewed with a view to make substantial reduction in the staff wherever possible. A minimum reduction of 10 per cent has been aimed at.

(3) A 20 per cent cut in all travelling allowances and 15 per cent in contingent expenditure has been made in all Departments.

(4) The number of class III and IV Government servants in the Departments of Secretariat and Heads of Departments has been reduced. There has been a substantial reduction in the number of class IV Government servants allowed for the different offices.

The main object of the economy drive is, as has been separately explained, to eliminate all unnecessary and wasteful expenditure and to cut down, as far as possible, expenditure likely to add to inflation. Certain departments and posts were created during the war and the post-war periods particularly after the integration of the States with the Province. With the return of the normal conditions in several fields of Governmental activities and with the complete merger of the States with the Province, the necessity for continuing some of the departments and posts is no longer very urgent. In consequence some of the departments and many of the posts have either been abolished or combined with other departments or posts. More rigid standards have been prescribed in sanctioning staff of various categories for the different departments and offices. Working hours in all the Government offices have been increased. Austerity standards have been prescribed in all fields of Government expenditure, such as travelling allowance, contingencies, stationeries, etc.



In view of the limited resources of the State Government and on account of the decision of the Union Government to entirely eliminate or cut down substantially grants and loans to the State Governments, it has become necessary to make a careful and judicious selection of the schemes drawn up by the various Departments of Government. Only those schemes are being proceeded with which are calculated to confer benefits on the people at large, without, at the same time, adding to the present inflationary tendency. This scrutiny has been made by an expert committee presided over by the Hon'ble Minister in charge of Development.

Experience has shown that mere giving of instructions is not sufficient to attain the objective unless there is a machinery to check that the instructions are properly enforced and implemented. It was, therefore, considered necessary to set up an internal audit organisation under the Finance Department to see that the instructions issued from time to time in pursuance of the present economy policy are properly enforced. This audit organisation is at present scrutinising the expenditure of all the Departments of Government and offices of all Heads of Departments. Among other things, the audit staff has been entrusted with the work of seeing that the rules and instructions issued from time to time are properly and strictly followed by all concerned and that controlling officers exercise proper control over the activities of their subordinates in the matter of controlling expenditure on travelling allowance, contingencies, stationery, etc. and that wasteful and extravagant expenditure is completely eliminated. A strict scrutiny of the expenditure has not only resulted in substantial saving in the various fields of activities of Government, but it has also, to a great extent, checked the tendency of ever-increasing expenditure which has unfortunately become a common phenomenon in all the offices during and after the war.

As has been made quite clear on several occasions in the past it is never the intention of Government to retrench any useful post or to cut down any wasteful scheme of development calculated to confer lasting benefits on the people. The main object of the economy drive is rationalisation of expenditure in all fields of Governmental activities. It is proposed to achieve this objective by a careful husbanding of the resources of the State and putting them to the best possible use.

As the economy drive was launched towards the fag end of the financial year 1949-50 its full effect could not be felt during the year. Besides, some of the measures proposed to be introduced in connection with this drive are still under examination. However,

from the information so far available it is expected that the following savings will be effected during the current year and the next year as a result of this drive :—

	1949-50	1950-51
	Rs.	Rs.
(a) Savings on account of reduction in staff ..	2,67,669	9,28,252
(b) Savings on account of economy in travelling allowance ..	2,20,894	5,40,718
(c) Savings on account of economy in contingencies ..	2,63,588	9,82,697
Total ..	7,52,151	24,51,667

These figures are, however, provisional as complete information is not available from all the Departments and offices.

*Constitution of a new Service called Orissa Finance Service—* The existing arrangement to man the treasuries and sub-treasuries and the various gazetted posts under the Commercial Tax Department mainly by deputing officers from the Orissa Administrative Services has not proved quite satisfactory. During the recent years Government have undertaken various commercial and quasi-commercial undertakings which require a trained body of financial advisers for their successful working. All these considerations have impelled Government to decide that a separate Provincial Service should be created and be named "The Orissa Finance Service".

*Emergency cut in pay and Compulsory Savings Scheme—* Following the lead given by the Government of India, the State Government have decided to impose an emergency cut in pay on officers under their rule-making control who are in receipt of a pay of Rs. 3,000 or above and to introduce a scheme of compulsory savings for those in receipt of lower pay. As officers drawing a pay of Rs. 3,000 and above are very limited, the savings on this account are negligible. The subscriptions realised under Compulsory Savings Scheme are credited to the Provident Fund accounts of the subscribers. Hon'ble Ministers and the Hon'ble Speaker have voluntarily agreed to reduce their monthly compensatory allowance by Rs. 150 each a month with effect from the 1st December 1949.



*Budget position of the States areas*—Though as a result of complete merger of the ex-States areas in the Province the Budget has been amalgamated into one, the House would no doubt like to know how the States have actually fared in the financial years 1947-48, 1948-49 and 1949-50 up to the date of their complete merger on the 1st August 1949. When the twenty-four States were integrated into the Province on the 1st January 1948 the balance transferred to us stood at TRS. 23.42. In the three months beginning from January to the end of March in 1947-48 the actual revenue receipts were TRS. 72.19 and expenditure charged to revenue during that period stood at TRS. 44.04. There was thus a revenue surplus of TRS. 28.15 at the close of the year 1947-48. In the Capital side of the account, receipts being TRS. 68.33, and disbursements being TRS. 46.97 there was also a surplus of TRS. 21.36 during 1947-48. The actual closing balance on the 31st March 1948 therefore stood at (TRS. 23.42 + TRS. 28.15 + TRS. 21.36) TRS. 72.93.

In 1948-49 the State of Mayurbhanj was integrated on the 1st January 1949 and the balance transferred to the Provincial Account was TRS. 10.02. The opening balance of 1948-49 therefore increased from TRS. 72.93 to TRS. 82.95. In 1948-49 the revenue of all the States including Mayurbhanj stood at TRS. 1.85,20 while expenditure charged to revenue at TRS. 2,38,02. There was thus a revenue deficit of TRS. 52,82. In the Capital side of the account, there was a surplus of TRS. 33,01. The net result was that the year 1948-49 closed with an overall balance of TRS. 63,14.

In 1949-50 the accounts of the States area were kept separate for four months, i.e., from April to the end of July 1949. The transactions during these four months indicate a revenue deficit of TRS. 19,26 as the actual revenue was TRS. 55,50 and the expenditure charged to revenue TRS. 74,76. Under Capital heads, the transactions disclosed a net outgcing of TRS. 68. The overall closing balance on the 31st July 1949 therefore actually stood at TRS. 43,20. This in brief is the actual financial position of the States taken over by the Government of Orissa. The full benefit of the revised pay scales has been given to the ex-State officers who have been absorbed in Government service. This has increased the cost of administration. The standard of administration and social services is also being raised to the level of the Provincial area involving further expenditure. The States areas will remain deficit until their revenue increases considerably.

As the House knows, with a view to securing peace, progress and prosperity of the people, the Rulers of the Orissa States agreed to integrate the administration of their territories with that of the Province of Orissa. According to the Agreement made in this

behalf between the Government of India and the Rulers, each individual Ruler is entitled, amongst other privileges, to a privy purse which is intended to cover his own expenses as well as of the members of his family. To the satisfaction of all concerned, the following formula was adopted to determine the privy purse of a Ruler with reference to the actual receipts of his State for the year 1945-46 :—

15 per cent on the first Rs. 1 lakh of the revenue of the State, 10 per cent of the next Rs. 4 lakhs and  $7\frac{1}{2}$  per cent on the balance, subject to a maximum of Rs. 10 lakhs per annum.

On the above basis, Government have estimated an expenditure of TRS. 15.37 for the current financial year and expect to book an expenditure to the tune of TRS. 22.08 in the next year. These amounts include special non-recurring grants to the Rulers to enable them to defray expenses connected with marriages and other social performances. Apart from all these liabilities, under orders of the Government of India, some relatives of the Rulers are to get allowances more or less on the same basis as they were getting before integration from their respective States.

The Provincial Government moved the Centre to bear all these expenses as these are territorial pensions, but no final decision has been communicated by the Government of India. These charges have, therefore, to be borne by the State Government.

*Post-war Development Schemes*—In the Budget of 1949-50 a total provision of TRS. 79.28 was made for new Post-war Development Schemes in addition to the provision of TRS. 1.01 made for such schemes in the First Edition Budget. The total provision that was included in 1949-50 for post-war schemes, both new and continuing, therefore stood at TRS. 1.80. Expenditure on certain other Post-war Development Schemes was authorised in the course of the year 1949-50 after the approval of the Government of India was obtained. As the House is already aware, the Government of India promised a grant of TRS. 1.60 for Post-war Development Schemes including Grow More Food Schemes. Of this TRS. 1.35 related to the Provincial area and TRS. 25 to the States area. As a result of the decision of the Government of India to withdraw all grants for Post-war Development Schemes from 1950-51, the State Government decided to continue only the most important schemes and those which are really of a productive nature, the discontinuance of which will cause loss. The whole list of Post-war Development Schemes was reviewed by a Committee of which the Hon'ble Minister, Development, was the Chairman. After proper scrutiny the Committee recommended that there should be a reduction in the



programme of the Post-war Development Schemes so as to ensure continuance of schemes the cost of which can be met from the Provincial revenue without very heavy strain on our resources. In the Budget for 1950-51 the provision for continuous post-war schemes was made in the First Edition Budget and a sum of Trs. 1,19,00 has been provided on this account as it constituted liability to which Government already stood committed. For entirely new schemes other than Intensive Cultivation Schemes, the provision admitted in the Budget for 1950-51 is only Trs. 28,88.

Now I give some details about the post-war grant from the Government of India.

Execution of post-war schemes started from the year 1945-46. In 1946-47, the Government of India informed us that their grants will be limited to the actual expenditure incurred on post-war schemes which are to be financed otherwise than by loan money and that the grant will be drawn quarterly in arrear. But as the quarterly payment was not actually given effect to, they paid us a block grant of Rs. 1 crore in March 1947 for post-war schemes subject to readjustment of any short or excess recovery in the accounts for 1947-48. The grant made was meant for the years 1945-46 and 1946-47 respectively. This grant was *exclusive* of Grow More Food Schemes and other schemes which were financed at that time from the *specific grant* of Government of India and not from *block grant*.

	Rs.
The expenditure for post-war schemes in 1945-46 was ..	8.92 lakhs
The expenditure for post-war schemes in 1946-47 was ..	73.46 lakhs
Total ..	<hr/> 82.38 lakhs <hr/>

The total expenditure of Rs. 82.38 lakhs was covered by grant. The balance of the actual grant of Rs. 1 crore was readjusted in the subsequent year's accounts.

For the year 1947-48 the Government of India promised early in 1947 a block grant of Rs. 2 crores to be paid in two instalments and not quarterly as in 1946-47 to finance post-war schemes. This grant was *inclusive* of Grow More Food and training schemes the cost of which was shared between Government of India and Provincial Government and no special grant was given for these schemes as in the year 1946-47. Meanwhile India was partitioned

into two Dominions and consequently the allotment of grant was changed. The following statement will indicate the grant promised and expenditure incurred for the year 1947-48 :—

*Grants promised*

Pre-partition period (1-4-1947 to 14-8-1947)	Rs. 75.00 lakhs	or the amount actually spent which-ever is less.
Post-partition period (15-8-1947 to 31-3-1948)	1,49.00 lakhs	(Provisionally adjusted in March 1948 accounts)
Total ..	<u>2,24.00 lakhs</u>	

*Expenditure incurred*

Pre-partition period (1-4-1947 to 14-8-1947) ..	Rs. 27.30 lakhs
Post-partition period (15-8-1947 to 31-3-1948) ..	1,33.00 lakhs
Total ..	<u>1,60.30 lakhs</u>

The accounts for these two periods were kept separate by the Comptroller. In this connection it may be mentioned that owing to our inability to spend the money to the full extent, we had to refund the excess amount to the Government of India every year, i.e., in another way it may be said that the amounts were re-adjusted in the successive years on the basis of actual expenditure incurred in previous years.

For the years 1948-49 and 1949-50 the grants sanctioned by the Government of India were Rs. 1.20 and Rs. 1.60 lakhs. The Government of India have discontinued their grant from 1950-51, though it is assumed that they would bear two-thirds of the cost of Intensive Cultivation Schemes.

It will be noticed that out of the estimated expenditure of Rs. 11.41.76 lakhs budgeted for under 'Expenditure charged to revenue' during 1950-51 the expenditure on new Post-war Development Schemes alone covers a sum of Rs. 1,32,75. In addition to this a sum of Rs. 1,19,00 has also been provided for continuous post-war schemes. I have mentioned above that the



total sum of Trs. 2,64,41 has been provided for new schemes both ordinary and post-war. They are distributed under these various major heads :—

	Trs.
Land Revenue ..	11
Excise ..	1,45
Forest ..	7,04
Irrigation ..	26,07
General Administration ..	10,02
Police ..	3,61
Education ..	37,25
Medical ..	5,37
Public Health ..	7,30
Agriculture ..	71,97
Veterinary ..	4,97
Co-operation ..	4,90
Industries ..	18,81
Miscellaneous Departments ..	6,32
Civil Works ..	42,34
Stationery and Printing ..	4,30
Miscellaneous ..	7,54
Extraordinary Charges ..	3,84

A brief note on the new schemes provided for under the various important major heads is given below :—

*Land Revenue*—The scheme of settlement of forest reserves was introduced sometime ago and since the inception of the scheme settlement of 18 forest blocks in Ganjam Agency has been completed and 12 more blocks are scheduled for completion in the current year. In 1950-51 some more blocks in Parlakimedi and Balliguda will be taken up for which an expenditure of Trs. 11 has been provided.

*Excise*—Special excise staff was appointed since 1945 in order to check effectively the smuggling of excisable articles and to protect excise revenue. The staff has justified its appointment for the last five years by detecting a good number of cases of inter-provincial and inter-district importance relating to smuggling of intoxicants. A sum of Rs. 64,000 has been provided for the maintenance of this staff in 1950-51. It has been the accepted policy of Government to replace the outstill system by distillery system wherever possible. In pursuance of this policy the outstill

system in the district of Sambalpur was replaced by distillery system two years ago and the result has been dissatisfactory. The States of Ranpur, Nayagarh, Khandpara and Daspalla had the outstill system in force prior to the integration of the States with the Province. It has been decided to convert the outstill system there into distillery ones with effect from the 1st April 1950. This conversion will bring a revenue of Rs. 44,000 per year. The provision of Rs. 4,000 has been made in the Budget for the introduction of distillery system in these States and another sum of Rs. 46,000 has been provided for the distillery, warehouse and the preventive staff in Sambalpur.

*Forest*—Forest Department is one of the nation-building departments. A sum of Rs. 2,39,000 has been provided for increase in labour wages in the Forest Department as owing to shortage and high prices of foodstuff, labour wages and cost of materials have increased considerably and as such it is not possible to execute the prescribed works with the proposed provision in the Budget of 1950-51 on the basis of normal rates. There was no systematic silvicultural operations in the States areas. It is essential to carry out these operations, such as thinning and cleanings in the selection working coupes according to the provision in the working plans. This is a revenue-producing operation. A sum of Rs. 9,215 has been provided for working additional areas in the States Divisions for systematic silvicultural works and by this operation an additional revenue of Rs. 10,000 is anticipated next year. Extension and improvement to forest roads in the States areas has been given top priority so that the forest in inaccessible areas can be exploited to add to the future revenues of the Province. The provision has been made for construction of extra roads and bridges in the States areas. For the construction of Marsuan Dam expenditure was sanctioned for providing irrigation facilities to the Bhuyans and Juangs at an estimated cost of Rs. 16,900 out of which Rs. 6,900 was incurred during Du bar administration leaving a balance of Rs. 10,000. A provision of Rs. 5,000 has been made in the Budget for the construction of the dam in the Keonjhar Division for the welfare of Bhuyans and Juangs. A sum of Rs. 4,700 has been provided in the Budget for reconstruction and repairs of boundary pillars in State Divisions as they are in a very state of repairs and it is proposed to maintain them properly. To meet the cost of opening new nurseries and planting trees on the river banks of Tel river on sandy inundated areas in Kalahandi and Patna and other Divisions of Sambalpur Circle a sum of Rs. 7,150 has been provided for in the Budget. In order to make fuller use of our bamboo resources and to ensure better working of the coupes some bamboo coupes in Angul, Rairakhol and Kalahandi



are proposed to be worked departmentally to meet the local demand. A sum of Rs. 20,000 has been provided for this purpose. A sum of Rs. 20,000 has also been provided for Bhuyan uplift and welfare in the Bonai Division. Before the merger there was a Khond colony in Rairakhol Division which was looked after and maintained by the Forest Department and it has been decided to continue the colony at a cost of Rs. 3,000.

*Irrigation*—The Budget provides Rs. 6,65,000 for maintenance and repairs to Orissa Canals and Rushikulya System in order to keep the canal system in proper working condition and to render all possible help to Grow More Food Drive by improvement of certain distributaries. A sum of Rs. 35,000 has been provided for strengthening the flood bank of the Machgaon Canal and diversion of Taldanda Canal which are urgent flood protection works. In order to maintain the existing Government embankments as well as private embankments as flood protection measure the Budget provides Rs. 1,87,000 for maintenance and repairs to Government embankments. A sum of Rs. 2,87,000 has been provided for installation of exploratory tube-wells. This is an Intensive Cultivation Scheme. The Central Ground Water Organisation of Government of India have since declined to undertake the exploratory work in Orissa and the Provincial Government have, therefore, decided to undertake the installation with the staff and resources of the Provincial Government. There will be six tube-wells per year from 1950-51. Each tube-well when completed will command 600 acres and additional production of 1,200 maunds per tube-well per year will be achieved. A sum of Rs. 10,136 has been provided for the scheme for installation of tube wells by rotary rig. This is also an Intensive Cultivation Scheme. The barge irrigation has been in force since 1946-47. It has been placed on self-financing basis this year and it is proposed to continue the scheme next year at a cost of Rs. 10,000 on the same footing. Under this scheme grounds in the coastal areas will be irrigated by means of power-pumping plants placed on barges which can move up and down the stream according to requirements. In order to provide irrigation facilities in State areas to Adibasis by excavating tanks and wells it is proposed that an expenditure of Rs. 1,00,000 would be incurred next year.

*General Administration*—The Gram Panchayat Scheme has already been put into force. More than 500 Gram Sabhas have been established in the Province including the integrated areas. According to the scheme Registrar, Co-operative Societies, will be the controlling officer and there should be an Assistant Registrar appointed under him for the supervision and control of Gram Panchayats. In order to ensure intensive supervision and control over the Gram Panchayats four Gram Panchayat Organisers will be



appointed. These Organisers will be of the status of Sub-Deputy Collectors and will be under the dual control of the Registrar, Co-operative Societies and also the District Magistrates. A provision of Rs. 32,782 has been made for this scheme. To improve the economic condition of the people in the ex-States areas it was considered that they should be instructed in the most efficient methods of agriculture and veterinary practices. It has, therefore, been decided to establish a number of Village Welfare Centres in suitable places throughout the ex-States areas including Mayurbhanj with a village welfare guide for each centre and some Village Welfare Inspectors for supervision of work. A provision of Rs. 83,600 has been made for this scheme. In order to induce the Adibasis to take to cultivation it is proposed to start four settlements during 1950-51. Each settlement will accommodate 100 families. In these settlements or colonies the Abibasis will be offered free lands with cost of reclamation and with amenities like bullocks, seeds, implements, subsidy for constructing houses and irrigation facilities. A provision of Rs. 3,12,648 has been made in the Budget for this scheme.

*Police*—The conditions of Police buildings in the ex-States areas is deplorable and a lump sum provision of Rs. 2,00,000 has been made in the Police Budget for departmental construction of buildings. Government have decided to give a grant of Rs. 7,000 to the Orissa Police Association for construction of a building. A sum of Rs. 10,00,000 has been provided for for Police buildings to be executed by the Public Works Department both in the Province as also in the States areas.

*Education*—Government have decided to provide a non-recurring sum of Rs. 1,00,000 in course of five years during 1950-51 for the opening of a good library by the Utkal University. The Budget provides for a sum of Rs. 20,000 for the purpose. There is no provision for the teaching of Commerce at the degree stage in any of the colleges in the States integrated to the Province. It is proposed to open B.Com. classes in the Rajendra College, Bolangir-Patna, from the next session. For this a sum of Rs. 4,200 has been provided in the Budget. There is no provision of teaching of Honours in any of the two colleges in the integrated States. To start with it is proposed to open Honours classes in Economics and Oriya in the Rajendra College, Bolangir, next year and a provision of Rs. 8,842 has been made for this purpose. In order to encourage collegiate education among the local people degree classes in English, Economics and Oriya in the Maharaja Purna Chandra College, Baripada, have been opened. The Budget provides Rs. 9,771 for the continuance of the third year class and opening of the fourth year class next year. It has been decided that a compulsory modern Indian language



paper should be introduced at the Intermediate and B.A. stages. It is proposed to concentrate Bengali and Telugu in Ravenshaw College, Cuttack and Maharaja Krishna Chandra College of Paralakimedi respectively. A provision has been made for creation of seven posts of Lecturers in these colleges at a cost of Rs. 26,880 in 1950-51. Government have decided that the employees of educational institutions except primary school teachers should be paid dearness allowance and they have decided to pay two-thirds of the cost of dearness allowance. A sum of Rs. 4,33,932 has been provided for the purpose in the Budget. A provision of Rs. 11,000 has been made for expansion of the Cuttack Training College as there is rush of applications for admission into this college. A provision of Rs. 1,10,500 has been made in the Budget for continuance of existing classes and opening of new classes in the various high schools and secondary schools in the Province including the integrated States. Out of this provision Rs. 60,000 relates to schools in the States areas. Government have revised the scale of pay of teachers of aided educational institutions in the Province. Government have agreed to meet their share of cost as grant-in-aid. A provision of Rs. 6,57,000 has been made in the Budget for this purpose. A sum of Rs. 80,000 has been provided as grant-in-aid to 18 non-Government high schools in the Provincial area. There is a great public demand for opening of L. P. schools and conversion of L. P. schools to U. P. schools at different places in the integrated States. In order to bring the ex-States areas to the standards of the Province 1,850 more primary schools should be started and if gradually these are not opened and continued it will take a very long time to bring about a parity between the two areas. Government have, therefore, decided to open 150 L. P. and U. P. schools in ex-States areas at a cost of Rs. 77,000 next year. There are a number of village Chatsalis in the integrated areas. Government have decided to give some help to the teachers of the Chatsalis otherwise many of them may be closed down. A sum of Rs. 68,000 has been provided for financial assistance to village Chatsalis in integrated areas. A provision of Rs. 1,00,000 has been made in the Budget for award of stipends to the students of ex-States areas. A sum of Rs. 9,900 has also been provided for continuance of stipends to students reading in Sanskrit institutions in the integrated areas. The present policy of sanctioning grant to village libraries has been continued as such libraries help a great deal in the development of mass education in the mufassals. A sum of Rs. 10,000 has been provided for such grant. It is proposed to sanction a grant of Rs. 4,620 in 1950-51 to the Utkal Prantiya Rashtrabhasha Prachar Sabha. There are 293 night schools in the ex-States areas which are run on grant-in-aid system. The Budget provides Rs. 20,850 for grant-in-aid to such schools. The L. P. and U. P. school buildings in the ex-States areas are badly in need



of improvement and a lump provision of Rs. 1,00,000 has been made in the Budget for this purpose. A provision of Rs. 75,000 has been made for departmental construction of temporary buildings urgently required in the integrated States. A sum of Rs. 30,000 has been provided for the fitting and furniture of Post-graduate Chemistry Laboratory in the Ravenshaw College and Rs. 6,000 for the purchase of apparatus and chemicals for that college. For the continuance of 30 L. P. and 14 U. P. schools started in 1949-50 in Mayurbhanj a provision of Rs. 19,250 has been made in the Budget. In order to encourage primary education among backward class students Government have decided to open 50 hostels attached to primary schools in certain selected areas where sufficient number of Adibasi and scheduled caste students will be available to reside in hostels. A provision of Rs. 35,500 has been made for this purpose. A provision of Rs. 33,250 has been made for opening of primary schools in the partially-excluded areas of Koraput, Sambalpur, Ganjam Agency including Khondmals and Angul. For the improvement of buildings and equipment of the existing non-Government primary schools in the Province a provision of Rs. 1,50,000 has been made in the Budget. A sum of Rs. 45,000 has been provided to supply clothing to poor backward class students in Sevashrams in the Province in addition to the provision of Rs. 3,59,920 made for continuance of the Sevashrams. Hundred new Adibasi Sevashrams will be opened next year for which a provision of Rs. 2,52,000 has been made in the Budget. For the continuance of 50 night schools and 200 night schools for adults opened in the current year the Budget provides a sum of Rs. 1,78,000. A further sum of Rs. 1,35,600 has been provided for opening of 100 night schools for adult education. A provision has been made for opening of 40 new basic schools in the compact areas of Bari, Angul, Sunakhala, Tudigadia and Mayurbhanj and a provision of Rs. 1,73,000 has been made for basic schools including basic training schools. The scheme of adult (social) education was introduced in the Province in 1949-50 and it was financed jointly by the Government of India and the Provincial Government. A sum of Rs. 3,50,000 has been made in the Budget for continuance of Adult Education Scheme on the assumption that the Government would give us a grant of Rs. 2,00,000.

*Medical*—A provision of Rs. 46,487 has been made in the Budget for establishment of a 20 bedded hospital attached to Gopabandhu Ayurvedic Institute, Puri. The Budget provides Rs. 16,900 for continuance of 8 Ayurvedic dispensaries in 1950-51. Government have adopted a policy for establishment of medical institutions for the benefit of the rural population on the basis of one dispensary for an area of 100 square miles or



a population of 20,000. It is, therefore, proposed to establish a total number of 140 dispensaries in the old district areas and 100 such dispensaries in ex-States areas. Of the total number of 240 dispensaries Government sanctioned the establishment of 51 dispensaries in 1949-50, viz., 36 in the old district area and 15 in ex-States area. The Budget provides for the continuance of 12 dispensaries in the old Orissa districts and 8 to be established in the ex-States area, i.e., for 20 dispensaries in all. A sum of Rs. 16,800 has been provided in the Budget for training of backward class candidates in homeopathy. An outdoor is to be attached to the Gopabandhu Ayurvedic Institute at Puri for which the Budget provides a sum of Rs. 2,000. Government have decided to provincialise Ghosal Hospital in Jeypore in the district of Koraput at a cost of Rs. 23,222. A sum of Rs. 3,000 per annum for the maintenance of this hospital will be paid by the Maharaja of Jeypore. The Padmapur Hospital in the district of Sambalpur has also been decided to be provincialised and the Budget provides for a sum of Rs. 6,368 for the purpose. A sum of Rs. 29,000 has been provided in the Budget for the purchase of X-ray plant and accessories for the T. B. Hospital at Bhowani-patna. A sum of Rs. 7,820 has been provided for the purchase of X-ray plant and accessories for the District Headquarters Hospital at Sambalpur. A provision of Rs. 8,100 has been made in the Budget for grant to District Boards for maintenance of Ayurvedic dispensaries and subsidies to Ayurvedic practitioners. The Inspectors of the Medical Council of India who visited the Medical College at Cuttack have stressed on the early provision of equipments, etc., for the institution and the Budget provides Rs. 50,000 for the purpose. A sum of Rs. 1,31,000 has been provided in the Budget for creation of certain extra posts for the Sriramchandra Medical College to give effect to the recommendations of the Third University Commission appointed by the Utkal University.

*Public Health*—Government have decided to allot Rs. 5,492 for the public health arrangement at Capital area, Bhubaneswar. A sum of Rs. 13,692 has been provided for the construction of public latrines at places in Bhubaneswar Notified Area. Government have also decided to provide Rs. 8,160 for B. C. G. vaccination to fight the T. B. infection. A provision of Rs. 20,400 has been made for Filaria Control Unit, Cuttack. A further sum of Rs. 22,685 has been provided for opening of a paying sanatorium at Chandpur in Ranpur in the Puri district. Government have also decided to provide Rs. 3,70,243 for the provincialisation of Health Services of Local Bodies to control epidemics effectively. A sum of Rs. 1,25,000 has been provided in the next year's Budget for supply of drinking water in the ex-States areas and a further sum of Rs. 5,700 has



also been provided for sinking of a well, erection of a reservoir and installation of a pumping system in the thickly-populated area of the Bonaigarh town. Again Rs. 12,000 has been provided for D. D. T. spray in Baripada during 1950-51 with a view to continue the scheme. Besides, Government provided Rs. 70,637 for the grant to the Provincial Malaria Organisation to tackle the problem of malaria.

### **Agriculture Department**

With a view to make the country self-sufficient in food by 1951, adequate provision has been made in the Budget for working the Intensive Cultivation Scheme in Orissa. For this purpose an area of 5 lakh acres of land comprised in compact intensive cultivation blocks included in 66 thanas and 25 subdivisions has been selected. All measures of agricultural improvements are proposed to be concentrated in these intensive cultivation blocks. Besides these, the normal activities of the Agricultural Department, which were started as a result of the operation of the Grow More Food Schemes, are being continued. Provision has also been made in the Budget for starting major and minor irrigation works throughout the Province. The execution of Minor Irrigation Schemes normally costing less than Rs. 25,000 have been entrusted to the Revenue Commissioner and the Commissioner, Northern Division, within their respective jurisdictions. The execution of Major Irrigation Schemes has been entrusted to the Chief Engineer (Irrigation). For educating and instructing the general body of cultivators in the most up-to-date and scientific methods of agriculture and for ensuring the willing co-operation of the cultivators in the successful execution of various food production schemes initiated by Government, provision has been made for the setting up of an Agricultural Extension Service in Orissa. This scheme is designed to set up an efficient organisation of farmers from the bottom upwards, which will work in close collaboration with the departmental agencies in order to eradicate the existing evils and handicaps in the efforts of Government in the direction of increased food production and which will act as non-official agency to advise Government in the immediate task of increasing food production in Orissa. This scheme consists of three parts, viz., (i) Field Organisation, (ii) Bureau of Agricultural Information Service, and (iii) Demonstration.

Under the scheme for Agricultural Extension Service which has been introduced since 1949-50, provision has been made for the setting up of one departmental demonstration farm in each of the 66 centres selected for intensive cultivation.

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. Accordingly it is



proposed to reorganise and reorient the work of the Department so as to meet the present overall food deficit of 10 million tons. The Government of India have, therefore, fixed target of additional production for provinces.

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 and B.Ag. training in institutions outside Orissa. The training of Sub-Overseers and Fieldmen Demonstrators has been arranged within the Province. The establishment of a Provincial Agricultural Research Station with facilities for conducting research on all the allied branches and agricultural science is in progress. High-yielding strains, better cultural practices, methods of control of crop pests and diseases will be evolved by research and experiments. The results of the research will be tried under local conditions in the experimental farms to be opened in every district and then propagated to the general cultivators through the staff stationed at each police-station.

The Intensive Cultivation Schemes have totally been reoriented and it has been taken up on war emergency footing. The following measures will be taken up to attain the objective in producing more food by the end of 1951 :—

*For increasing the area under cultivation—*(a) Reclamation of waste lands through Government agency at Sukinda by tractors.

(b) Grant of bonus to cultivators for reclamation of their fallow lands.

(c) Hiring of tractors to private parties

(d) Extension of double and triple-cropped areas by means of lift irrigation.

(e) Drainage of lands

(f) Mechanised cultivation of reclaimed lands

*For increasing the yield from existing cultivable land—*(a) Use of improved seeds.

(b) To increase the fertility of the soil by supply of sufficient manures, viz., Ammonium Sulphate, Oil-cake, green manure seeds, bonemeal, compost, etc.

(c) Maintenance of improved agricultural implements by Government for supply to the cultivators on sale and hire.

*For protection of crops and grains—*(a) Control of pests and diseases.

(b) Extermination of monkeys..

Subsidies have also been provided for those cultivators who will participate in the Food Production Campaign.

With a view to improve the economic condition of the agricultural tribes in the Agency, two model agricultural farms—one in the district of Ganjam and the other in that of Koraput—have been started. 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, a vegetable seed farm at the suburb of Cuttack town has been maintained.

To associate the tillers of the soil with the official organisation of the Department so as to secure their willing co-operation in the Food Production Drive, Krushi Samitis with subdivisional superintendents to organise them have been started in the areas selected for intensive cultivation. The question of awarding prizes to the best growers of different food-crops is under consideration so as to introduce a spirit of competition and also for attaining a higher and better standard of production.

### **Veterinary Department**

The schemes of the Veterinary Department relating to disease control and livestock improvement, which were in existence last year, will be continued during 1950-51. The only new scheme that will be operated during 1950-51 is the production of suitable bullocks by means of "Ranch" system for being utilised in connection with the increased Food Production Drive. Provision has been made for operating this scheme in a farm near Khariar Road.

### **Co-operative Department**

Due to financial stringency it has not been possible to provide any new scheme during 1950-51. All the schemes of Co-operative Department which were existing in 1949-50 will continue during the next year.

### **Industries**

The Industries Department of the Government of Orissa aims at the development of large-scale industries by the promotion of Joint Stock Companies and the development of small-scale cottage industries by the encouragement of Co-operative Societies. Of the large-scale industries for which Budget provision has been proposed the following will be of interest :—

(1) *Textile Mills*—Out of the four mills allotted to Orissa, only one has just gone into production and the rest three have done much progress. Another unit which was allotted to Mayurbhanj has purchased some machinery and some factory buildings have been constructed. It is not able to push ahead on account of financial difficulties.



(2) *Vegetable Oil Plant*—Only one unit has been allotted to Orissa and it has already started production.

(3) *Cement Factory*—One unit was allotted for Orissa. Necessary steps have been taken to instal it. It is likely to go into production in 1951.

(4) *Manufacture of Refrigerators*—The machinery, etc., have already been received and are being installed. Production is likely to commence soon.

(5) *Cold Storage for Seed Potatoes*—Under departmental supervision a Cold Storage Plant has been installed at Cuttack. Storage will commence from the middle of March 1950.

### **Cottage Industries**

The Textile Marketing Organisation which aims at the development of handloom industries in Orissa continues to work satisfactorily. The Khadi Scheme has been making good progress and production is on the increase.

Since the beginning of the scheme for the development of hand-spinning and weaving of Khadi in Orissa in the year 1948, a total quantity of 1,052 maunds of yarn and 771 maunds of Khadi have been produced both in departmental centres and in the subsidised co-operative societies up to the end of December 1949.

Goods including yarn, cloth and spinning implements amounting to a value of Rs. 2,60,600 have been sold to the public during the above period.

Hides are being collected through departmental agencies in Boudh, Sonapur, Bolangir, Kalahandi and Angul to give the maximum benefit to the producers by eliminating middlemen and to improve their quality by adopting better methods of preservation. A demonstration tannery is run at Boudh to train the people in bark-tanning. Manufacture of bonemeal, meatmeal, tallow and glue, etc., on a small scale is being done by the department.

Manufacture of utility articles, wooden and cane furniture, mats and baskets, clay-made toys, stone-carving, filigree work, horn-work, upholstery and needle-work, etc., are being organised through private agencies and technical and financial help is being given where found necessary.

*Technical training*—To provide man-power for the prospective industries, trainees are being helped by the department to receive training in all branches of Engineering, Sugar technology, Oil technology, Metallurgy, Mining and Geology, Chemical technology, Textile technology, etc. Most of them are awarded adequate stipends to meet their expenses. For training in trades like, carpentry, smithy, cane-work, tanning, shoe-making, tailoring, dyeing, weaving, etc., industrial schools are maintained by the

department throughout the Province. To provide work for the women in the villages and to utilise the locally available raw materials, training has been arranged in Craft Schools.

*Financial aid*—Provision has been made in the Budget for the grant of financial aid to private enterprisers for starting new industries. Provision also exists in the Budget for the grant of subsidies and loans to private parties for the development and organisation of cottage industries.

### **River Valley Development Department**

To expedite the execution of the work in connection with the Hirakud Dam Project the State Government have created a separate department called the River Valley Development Department in charge of the Hon'ble Chief Minister. This Department besides looking after the Hirakud Project also looks after the Land Acquisition work, etc., of the Machkund Hydro-electric Scheme which is being jointly executed by the Government of Madras and this Government.

So far an area of about 10,553 acres have been acquired for the Hirakud Dam Project and a sum of over Rs. 3.5 lakhs has already been paid as compensation. 720 acres of land have been reclaimed so far for the resettlement of the displaced persons. Due to non-availability of machinery progress in land reclamation work has been not up to expectations. So far over 1 lakh acres of land have been found out for resettling the displaced population.

Though the Government of India have previously agreed to allocate a sum of Rs. 10.42 crores for the Hirakud Dam Project during 1950-51, as a result of economy drive they have intimated the State Government that a sum of Rs. 3.5 crores only could be finally allocated to this project for the next year. The allocation for the current year was Rs. 3.93 crores but this has also been restricted to Rs. 3.47 crores. This will not affect appreciably the progress of the work during this year or the next.

### **Hirakud Dam Construction**

Investigation for the main dam, subsidiary dam and lower power-house and dykes are nearing completion. Nearly 40 miles of metalled road and railway line and a combined rail-road bridge across the Mahanadi river are in progress. Earthwork and embankments for these are nearly complete. Power canal is under excavation and alignments of right main canal and some of its distributaries have been done. The workshop along with the power-house to run it has been set up at site and the erection of a diesel power-station is nearing completion. Two sets of 345 K. W. have already been erected and are supplying power for



construction and other uses. Some of the transmission lines in the project area have already been laid while others are being surveyed. Machinery for earthwork of main dam, dykes and power channel has started arriving. Work of excavation of foundations in the river-bed has started.

*Rail-road Bridge*—The construction of the rail-road bridge across the Mahanadi which was started in November 1948 is expected to be completed by June before the next floods.

As regards Tikerpara Dam site some amount of tunnelling have been done at this dam site and the service road along the left bank from Tikerpara to Barmul has been completed and opened for traffic recently.

Gauge, discharge and silt observations are being continued at this site.

*Cement Factory*—The idea of locating a Cement Factory at Dungri limestone deposit to supply cement for the Hirakud Dam had to be given up on grounds of greater cost and an alternative site at Rajgangpur has been selected. Machinery for the factory is now under shipment and the work of construction of the Factory has started. The factory will have the production of 500 tons of Cement per day. A sum of Rs. 50 lakhs has been advanced to the cement Company to facilitate early completion of the factory which is expected next year. The company has agreed to supply cement for Government works at concession rates. Every effort is being made to start production by March next year.

### **Machkund Hydro-electric Scheme**

Survey of all villages affected by the temporary camp area, Flume Channel, Hubback Road, permanent camp, power-house, Diversion Dam has been completed. Lands in Chikenput, Nuapada and Kharsapada for temporary camp area, Flume Channel, Hubback Road, permanent camp and power-house have been acquired.

So far an advance of Rs. 12,000 has been paid as compensation.

About 49·363 acres of land has been selected for the rehabilitation of persons. At Gangavajugumma, 1,000 acres have been obtained where 50 families are expected to be settled down.

Masonry and concreting on all piers and shuttering for all vents of the Cofferdam works has been completed.

Work of the Diversion Dam and construction of Lambatapur-Machkund Road and Vizag-Araku-Jeypore Road are in progress.

Erection of a 345 K. W. set is nearing completion. A 170 K. W. set has been commissioned for regular service.

Tunnelling at both ends, i.e., at entrance and exit of the main tunnel to carry the pipe-lines that will feed water to the turbines of the power generators is now in full swing.

*Civil Works*—A provision of Rs. 97,00,000 has been made in the Budget for 1950-51 for works in connection with Capital Construction at Bhubaneswar. The Government of India have so far promised to give us a grant of Rs. 20,00,000 only. We are expecting about Rs. 40 lakhs from Government of India for the construction of buildings for the Accountant-General and his staff. The remaining has to be found out from the general revenues. It may not be considered by anybody that the construction of the Capital at Bhubaneswar is either the fancy or fad of any individual or of Government. The situation in Cuttack with regard to quarters and offices has been so critical that unless new buildings are constructed immediately, work will be seriously hampered. It is much easier and cheaper to construct buildings at Bhubaneswar than at Cuttack. If for any reason the construction of buildings at Bhubaneswar is slowed down, the situation will compel us to construct buildings at Cuttack which will be much more costly. To avoid this, construction of the new Capital is being pushed forward as quickly as possible.

Under Original Works (Buildings), provision has been made for the following important projects :—

	Rs.
(a) Improvement to the Jail building at Keonjhar ..	30,000
(b) Raising the enclosure walls of the Balasore Jail ..	7,000
(c) Construction of quarters for the Jail staff in the Koraput Jail ..	25,000
(d) Construction of second storey of the Geography Block of the Ravenshaw College to accommodate Physics Department ..	1,13,380
(e) Construction of Science Block with Headmaster's Office, etc., for the Ramai High School, Patnagarh ..	19,240
(f) Construction of quarter for the Headmistress of the Town High School, Keonjhar ..	3,153
(g) Construction of Dispensary building and staff quarters at Bhapur, Dhenkanal. ..	5,000



	Rs.
(h) Construction of buildings for Gopabandhu Ayurvedic Institute, Puri, with hostels for students ..	1,00,000
(i) Purchase of Chandpur Palace of Ranpur State for establishment of Leper Sanatorium ..	25,000
(j) Construction of buildings for the Pulse Research Station at Athgarh ..	23,650
(k) Construction of Public Works Department godowns at Rayaghada ..	11,000
Total ..	3,62,423

Besides the above a lump sum provision of Rs. 10,00,000 has been included for essential building works of the Police Department in various districts.

Under communications a total provision of Rs. 7,86,176 has been included in the Budget for important roads and bridges in the integrated areas as also in the Provincial area :—

	Rs.
(a) Improvement to Talcher-Barakot Road ..	1,00,000
(b) Improvement to Bhawanipatna-Khariar Road ..	
(c) Improvement to Bolangir-Sonepur-Boudh Road ..	70,000
(d) Improvement to Bhawanipatna-Parvatipur Road ..	1,52,000
(e) Improvement to Bhawanipatna-Rupkona Road ..	55,000
(f) Improvement to Bhawanipatna-Oilbhata Road ..	10,000
(g) Construction of link road from National Highway No. 5 to join Bhubaneswar-Balianta Road ..	80,000
(h) Bhawanipatna Town Road ..	15,000
(i) Construction of Inspection Bungalow at Bhuban, Dhenkanal ..	15,000
(j) Level-crossing on the Sohella-Nawapara Road ..	17,176
(k) Bridge over Nagavali river near Komatlapeta on Parvatipur-Central Provinces Road ..	1,65,000

	Rs.
(l) Construction of a bridge over Ranipathar Nala ..	10,000
(m) Construction of a second bridge over Ranipathar Nala ..	25,000
(n) Construction of a bridge over Jamunasagar Nala on Bhawanipatna-Karlapur Road ..	15,000
(o) Construction of a bridge over Ret river near Chattikunda in Kalahandi ..	50,000

The Government of India have tentatively agreed to finance certain schemes of communications from the reserve in the Central Road Fund. The cost of these roads will be borne half and half by the State Government and the Government of India. The provincial share of these roads is Rs. 2,00,000. Besides, there are other road projects relating to integrated areas for which money has been provided in the Budget as shown below :—

	Rs.
(a) Improvements to Bhawanipatna-Rayaghada Road ..	40,000
(b) Improvements to Chattikunda-Narla-Rampur-Mohangiri Road ..	10,000
(c) Improvements to Bhawanipatna-Pappadahandi Road ..	1,49,900
(d) Improvement to Chattikunda-Mohangiri Road (from Narla to Rampur border) ..	1,00,000
(e) Construction of Rest Shed at Anlabereni in Kamakshyanagar Road ..	15,900

Due to integration of States several buildings in the States areas are to be maintained by the Public Works Department. There are certain other buildings in the States areas which are in an extremely bad state of repairs. For improvement of these buildings a provision of Rs. 5,00,000 has been included in the Budget for repair grants of buildings projects. Similarly, a sum of Rs. 6,00,000 has been provided in the Budget for repairs to communication in the Provincial as well as in integrated area.

*Electricity*—Almost all the electrical projects are being financed from loan money. The main Hirakud Project is financed by means of a loan from the Government of India. The Budget provides for a sum of Rs. 3½ crores for this project as the Government of India will sanction a corresponding sum as loan to the State Government next year. This main project does not provide distribution and transmission by 33 K. V. and 11 K. V. lines. It has been felt necessary to make a project for distribution lines



at 11 K. V. and 33 K. V. sub-stations which would provide power to various industries, licensees, rural areas and for domestic purposes also. For this a provision of Rs. 5,00,000 has been made in the next year's Budget and this sum will also be financed from loan money.

*Food Bonus money*—The Government of India declared a bonus on imported foodgrains for procurement as well as exports undertaken by the Provincial Government and Orissa's share of the food bonus money from the 1st November 1947 up to the end of February 1949 was calculated at about Rs. 79 lakhs. The Government of India have actually granted a sum of Rs. 49.94 lakhs. The balance of Rs. 30 lakhs is under correspondence. The Government of India have laid down certain conditions on which the food bonus money can be spent. The Government of Orissa have decided that the money should be earmarked for Intensive Cultivation Schemes. The Budget for 1950-51 takes no account of the expected sum of Rs. 30 lakhs from the Government of India in the absence of any definite information. Government have decided that this money should be earmarked for Minor Irrigation Schemes and the Irrigation Department are formulating their proposal for such schemes so that they may be kept ready for execution as soon as the Government of India announce their decision to pay us the sum of Rs. 30 lakhs.

*Minor Irrigation*—With regard to the actual work so far, 847 projects have been undertaken, which will be done by the Revenue Department and 104 projects will be done by the Irrigation Department. These are the details of projects according to districts :—

### Revenue Department

Name of district	No. of projects
Boudh-Phulbani	8
Cuttack	20
Puri	23
Balasore	8
Ganjam	34
Koraput	34
Mayurbhanj	139
Sambalpur	78
Keonjhar	54
Dhenkanal	344
Sundergarh	72
Bolangir-Patna	33
	<hr/> 847 <hr/>

## Irrigation Department

No. of districts	Name of project
Cuttack ..	7
Balasore ..	9
Puri ..	16
Ganjam ..	15
Mayurbhanj ..	12
Koraput ..	2
Keonjhar ..	2
Dhenkanal ..	11
Sambalpur ..	7
Sundergarh ..	5
Patna ..	7
Kalahandi ..	6
Boudh-Phulbani ..	5
	<hr/> 104 <hr/>

*Rural Welfare Schemes*—The total provision for Rural Welfare Schemes made in the Budget of 1950-51 is TRS. 25 90 of which TRS. 12,15 relates to scheduled area in Mayurbhanj, Sundergarh, Ganjam Agency and Koraput. The new Constitution of India makes special provision for the welfare of the scheduled castes and scheduled tribes. It has been assumed that the entire cost of the schemes connected with rural welfare is recoverable from the Government of India. Due weightage has been given to the Rural Welfare Schemes and in fact all the schemes that were brought forward by the Departments have been accepted by Government. The total amount for new schemes provided in the Budget for 1950-51 is TRS. 2,64,40 and the sum allotted for Rural Welfare schemes practically constitutes about 10 per cent of the total expenditure on new schemes.

Apart from spending money on various welfare schemes Government have been taking steps according to a well-laid down plan to settle landless people on land as quickly as possible. Wherever new areas for cultivation are not available reduction is being made for various areas in order to make land available



for cultivation to those who are landless. Here are the figures to show the acreage leased out to landless people during the year 1949-50 :—

Name	Lands settled with Adibasis		Lands settled with landless non-Adibasis	
	Acres		Acres	
Athgarh ..	305		103	
Boudh subdivision ..	839		3,382	
Panposh subdivision ..	691.52		194.45	
Patna ..	525		820	
Athmallik ..	154		13	
Bonai subdivision ..	213		45	
Mayurbhanj ..	2,582.94		469.96	
Sundargarh Sadr ..	456.93		91.55	
Nilgiri ..	257.93		1.79	
Bolangir Sadr ..	227.97		257.55	
Keonjhar (Anandpur sub-division).	17.4		10.10	
Dhenkanal Sadr ..	331.35		357	
Rairakhol ..	1,112		1,651	
Sonepur subdivision ..	67.18		59.97	
Baramba ..	80.34		86.54	
Khandpara ..	28.25		..	
Baripada subdivision ..	265		31	
Champua subdivision ..	470		74	
Deogarh subdivision ..	10		288.70	
Keonjhar Sadr ..	699.50		116.00	
Ranpur ..	19.31		49.57	
Kamakhyanagar sub-division.	76.36		20	
Tigiria ..	..		10.10	
Pal-Lahara ..	38.8		181.55	
Narasinghpur ..	215.55		492.89	
Nayagarh ..	209.33		53.59	
Hindol ..	63.00		391.00	
Talcher ..	68.20		693.74	
Daspalla ..	667.17		199.66	
Bhawanipatna (Kalahandi)	234.00	(both Adibasis and non-Adibasis).		
Total ..	10,926.03		10,144.71	

While discussing our present position, we must not forget our inheritance also. Situated as we are, we cannot compare ourselves with other provinces in all matters. We have to take into account

our own beginning in 1937-38 and our present position today has to be considered in relation to the position we had in 1937-38. Expenditure on one head in Orissa should not be compared with the expenditure on that head in provinces like Bombay and Madras. We have to take into account our own expenditure on that head in 1937-38. Then we have to see how far we are trying to improve our affairs.

In order to give you a clear picture of our expenditures on various heads, as they have developed since 1937 up to date, I give here the figures from which it will be clearly seen how we took a jump in 1946-47 and have been steadily maintaining our position since then in spite of financial difficulties. Here, I may say that the expenditure on the nation-building departments is bound to go up year by year and we have to find out finances for the same. There is no question of going back. We cannot think of it. We have therefore to seriously consider all proposals for increase of revenue. The alternative is closing down nation-building work which I am sure people will not tolerate.

I shall take this opportunity to reaffirm the policy which we have been pursuing so far as administration is concerned. Administration is divided into two parts—one is maintenance of law and order, and the other is development. These two must go on simultaneously. Law and order without development has no meaning and development without law and order is impossible. The position with regard to law and order last year in the State of Orissa is satisfactory and I congratulate the people of the State on their willing co-operation with the Government for maintaining law and order. So far as development is concerned, our policy has been as it ought to be, to start from the lowest stratum. Our attention first goes to those sections of the society which have remained backward for various reasons.

We have not dropped any scheme which is intended to improve the conditions of the backward classes and tribes of the States. Similarly we have not dropped any scheme which is intended to develop the areas which are considered as backward. You will find in the Explanatory Memorandum that although schemes relating to the original districts of the State have been dropped, schemes relating to the added areas have not been dropped. The coming year will be one of concentrated activity in the backward areas and for the backward classes. Since all the areas have to move together as members of one family, the areas which are in a better position should agree to wait a little, till the other areas come up to the same level.



I have refrained from discussing in details the necessity or otherwise of the provisions made in the Budget Estimate at this stage, for I know the most important points will be raised by the hon'ble members during the Voting on Demands and I shall then have an opportunity of placing all available materials before the House in support of the provisions made in the Budget.

I take this opportunity to convey my thanks to the Finance Department, particularly the Secretary, Finance and the Deputy Secretary Sri D. Das, for the energy which they have put in in preparing the Budget itself and the figures for the speech. But for their sincere assistance it would not have been easy to present the Budget in its present shape.

With these words, I would urge upon the hon ble members to consider this Budget after taking into consideration the facts that there is a serious financial crisis staring at us and at the same time there is the necessity of continuing the work of development which has been started.

## Growth of Expenditure in Nation-building Departments

Year	Forest	Educa- tion	Medical	Public Health	Agri- culture	Veteri- nary	Co-ope- ration	Indus- tries
	Trs.	Trs.	Trs.	Trs.	Trs.	Trs.	Trs.	Trs.
1937-38 .. (Percentage of total expenditure)	4,32 (2.5 %)	26,05 (14.8 %)	8,27 (4.7 %)	2,48 (1.4 %)	1,63 (.9 %)	1,03 (.6 %)	1,08 (.6 %)	2,06 (1.2 %)
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 ..	24,61	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	63,15	23,42	11,42	11,16	5,28	3,64	10,59
1947-48 ..	12,22	78,23	26,68	15,28	31,46	7,71	5,14	16,67
1948-49 ..	13,19	91,28	30,95	37,16	42,39	9,84	10,38	22,46
1949-50 (Revised) ..	32,08	1,40,61	53,50	16,27	89,02	22,02	13,07	31,71
1950-51 (Budget) .. (Percentage of total expenditure)	34,22 (2.9 %)	1,51,77 (13.4 %)	51,01 (4.5 %)	17,04 (1.5 %)	79,45 (6.9 %)	20,68 (1.8 %)	14,17 (1.2 %)	31,31 (2.7 %)
Percentage of increase in 1950-51 over 1937-38.	692 %	482 %	517 %	587 %	4,774 %	1,907 %	1,212 %	934 %



# Growth of Expenditure on Civil Administration

Year	General Administration	Administration of Justice	Jails	Police
	TRs.	TRs.	TRs.	TRs.
1937-38 .. (Percentage of total expenditure)	28,32 (16.1 %)	7,02 (3.9 %)	2,78 (1.6 %)	24,21 (13.7 %)
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 ..	57,49	9,76	9,19	65,34
1948-49 ..	75,86	16,01	10,55	73,66
1949-50 (Revised) ..	1,12,85	20,27	19,48	1,38,69
1950-51 (Budget) .. (Percentage of total expenditure)	1,09,11 (9.5 %)	21,21 (1.8 %)	18,93 (1.6 %)	1,35,61 (11.9 %)
Percentage of increase in 1950-51 over 1937-38.	285 %	202 %	580 %	460 %