

Chandrasekhar

For Dy. Secy (Sr. Nanda)

Statement
of
The Finance Minister, Orissa
On the Budget for 1952-53

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IT FELL to the lot of Hon'ble Shri N. K. Chaudhuri, our Chief Minister, who held the portfolio of Finance in March last to lay before the House the Annual Financial Statement for the year 1952-53 in accordance with Article 202 of the Constitution, and it has now fallen to my lot to pilot the same as his unworthy successor as I have to stand on the floor of this House as a Minister of the State in charge of Finance which is the *sine qua non* of public administration of a State more specially when it becomes a Welfare State. Before I deal with the subject at issue, I would first seek the kind co-operation, goodwill and confidence of this august Body who are the final arbiters of the fate of this State and its people. In the Vedic age when the democratic Legislature used to meet, the administrator's first prayer used to be—

“सभा च मा समिति श्रावतां प्रजापते दुहितरौ संविदाने ।
येना संगच्छा उपमा स शिक्षा चारु वदानि पितरः संगतेषु ॥”

“May the Samiti and the Sabha, the two daughters of Prajapati, concurrently aid me. May he with whom I shall meet co-operate with me; may I, Oh Ye, Fathers, speak agreeably to those assembled.”

The Sabha was rightly called “Narista” (नरिष्ट) which was explained by Sayana (सायन) as a resolution of many that cannot be broken or violated and the Speaker, therefore, used to say, “All those that sit assembled in Thee, utter speech in harmony with me”.

I similarly hope and trust that all the hon'ble members, irrespective of their parties and denominations, will kindly extend their hand of co-operation to me and may I speak also agreeably to those assembled here today.

This Legislative Assembly, which is the first of its kind constituted on adult franchise under the new Constitution of India, is not only a Legislative Body or Sabha but also discharges a very great responsibility as a Samiti which controls the nation's purse and this is a right which in the older democratic countries like England and France was wrested from the Executive not

without a long struggle. When the powers of administration were first taken away from the British King in the 12th century it was rightly declared that—

“ The source of all Government is the people ; that the people by their agreement together create the Government ; that they have the right not merely to clothe the Government with powers, but also to fix limitations upon its action, which it must not exceed.” The new Constitution of the Democratic Republic of Free India, which has brought about this Legislature of today, is the instrument of administration which has been framed by the accredited representatives of the people and by this Constitution the people have clothed the Government with powers and responsibilities which are to be exercised within the limitations laid down by them in the said Constitution for the welfare of the State and its people. That is why it is now called a Welfare State. Under this Constitution, the House of the People, the Council of State at the Centre and the Legislative Assemblies and in certain States the State Councils have been constituted and the representatives of these august Bodies have now elected the President and Vice-President of the Great Indian Republic. This is a unique event in the history of India. I take this opportunity of extending our warmest congratulations to our newly-elected President and Vice-President and the newly-constituted Parliament of India and the Hon'ble the Prime Minister and his colleagues of the Indian Cabinet. I also take advantage of this opportunity to welcome our Governor-designate who comes from the realm of Judiciary with a very great reputation. I cannot also help recording our warmest gratitude to our out-going Governor who has so long steered our State clear of various difficulties with his wisdom and loving care for the people. It has been the proud privilege of the members of this Assembly to have participated in the election of India's first President and Vice-President and now it is my privilege to seek their approval for the first Budget presented by the post-election Government of this State of Orissa. As the hon'ble members are aware, after the election, the Assembly had its first meeting on the 4th March last and the budget for 1952-53 was presented by the Hon'ble the Chief Minister on the 13th March 1952 along with a white paper which explained the financial position in detail. But the Hon'ble the Chief Minister gave an assurance that since this Assembly met almost immediately after the election was over and since the present Government was constituted on the 20th of February, there was hardly any time for the Government to review the Budget in the light of its revised policy and programme. The result was that Government had to present a Budget wherein expenditures in respect of continuing schemes only, were incorporated and the new schemes which were

either included in the Five-Year Plan or were supplementaries thereto, could not be considered or incorporated into it. There was, therefore, no indication or enunciation of any new policy and programme of the new Government. The Hon'ble the Chief Minister also gave an assurance that in May-June, 1952, a revised Budget would be presented to the Assembly and that any change in the policy of administration or any additional programme of development work would be indicated in the Budget speech. Having that assurance in mind I had tried to review the programme of work of the Government of Orissa for the year 1952-53.

But unfortunately I have been confronted with a constitutional difficulty in respect of revising the Budget and re-presenting it to the Assembly. We consulted the Government of India on the subject and we have been advised that since under Article 202 of the Constitution the Annual Financial Statement for the year 1952-53 has already been laid before the newly-constituted Assembly and a vote on-account has been obtained on the basis thereof, it will not be constitutionally correct to revise and re-present that statement. In case of the Central Parliament the position was different. There it was that the annual financial statement was laid before the provisional Parliament and on the basis thereof a vote on-account was taken. Thereafter when the provisional Parliament itself was dissolved all business including the annual financial statement before the House lapsed. So before the new Parliament a fresh annual financial statement has to be laid. But in the case of Orissa it is different. We are now advised that the annual financial statement having already been once laid before the new Legislature and a vote on-account obtained on the basis thereof, it will not be correct to present another financial statement. There is no provision to do so twice. As we have already acted as required in Article 202 actions that are to follow in pursuance of subsequent articles remain to be performed.

In the circumstances we were advised that the appropriate course would be first to complete action on the original Budget, that is, on the voting of the balance of the demands and passing the connected Appropriation Bill. We had also thought of coming forward with supplementary demands in the current session in respect of new schemes and additional expenditures, but we were further advised that it would not be constitutionally proper to deal with the original and the supplementary demands simultaneously. All that we can do at present is to effect reduction in respect of specific demands and ask for reduced grants in case we wish to effect economy in respect of any expenditure. Therefore, where the amount required is now estimated to be less than what is shown in the original Budget, demand for the reduced amount

will only be moved. After this present Budget is passed and the Appropriation Bill is enacted, supplementary demands may again be presented where amounts required are more than that shown in the original Budget or any new expenditure to be incurred in respect of new schemes. Such being the constitutional position I have no other alternative but to tender an apology to the House as I am not in a position to implement the assurances given by my predecessor the Hon'ble the Chief Minister to present a revised Budget so as to indicate the new policy of the Government. I, however, venture to suggest that in certain departments we are determined to effect economy and thereby reduce expenditure and with the money so saved we can go ahead with the new schemes or incur expenditure in respect of essential needs for which we had not adequately provided in the original Budget. We would, therefore, ask for reducing the demands in respect of certain heads. After careful consideration of the matter we have decided to effect economy in expenditure in several fields which will result in a net saving of Rs. 39.17 lakhs under the various heads as detailed below—

			Rs.	
10—Forest	..	..	1.77	lakhs
37—Education	..	..	.45	,,
40—Agriculture	..	..	1.35	,,
41—Veterinary	..	..	.40	,,
50—Civil Works	..	..	35.20	,,
Total	..	..	39.17	,,

This, however, is not final and we will continue our efforts in effecting further economies in expenditure wherever possible and practicable consistent with the efficiency of administration. Due to want of time, this scrutiny could not be finalised.

I am, however, not going to be content with mere reduction in expenditure or tentative economy, but I feel along with my hon'ble colleagues in the Government that our policy should definitely be laid before the Legislature, in respect of the further programme of work we propose to undertake. We had not had sufficient time to examine in detail the various new schemes we propose to introduce during the current year in accordance with the revised policy and programme of the new Ministry. Some of the schemes were examined at a previous stage while some others are entirely new and are under scrutiny of the Finance Department. It may, however, be broadly stated that we want to provide additional funds for the improvement of communication, specially village roads, rural water-supply, minor irrigation

projects, primary and secondary education, welfare of scheduled tribes, Community Projects, Public Health, improvement to Government Press, provision for buildings, etc., for colleges, schools, and hospitals, abolition of zamindari, development of forest, agriculture, industries, animal husbandry and provision for a polytechnic school, etc.

After centuries of foreign domination our country had been bled white and the bulk of the population have become semi-starved. The old village economy has almost been shattered, the social order based on spiritualism and moral duty to man and God is being torn to pieces. In its place materialistic conception of life and property has permeated into our thoughts to such an extent that moral values are being forgotten and the present day human mind is more obsessed with the idea of economic rights and comforts than with anything else. The result has been that there is a craze for wealth, power and materialistic comforts, nay, there is a mad race for appropriation—if I am permitted to say so, misappropriation—of all avenues or opportunities so as to monopolise them. The effect of this conception is the exploitation of the poor and ignorant millions and we know that these poor gullible millions mostly consist of the rural population of our country. If under the leadership of that great leader Mahatma Gandhi we had fought for the freedom of our country, it was not to establish a brown oligarchy in place of a white oligarchy, but to establish a real democratic State in which the interests of the masses should predominate. Explaining the objective of our struggle for Swaraj, Gandhiji said, "I claim to live for the semi-starved paupers of India and Swaraj means the emancipation of these millions of skeletons. Purna Swaraj denotes a condition of things when the dumb and lame millions will speak and walk. According to me the economic constitution of India, and for the matter of that, the world should be such that no one under it should suffer from want of food and clothing. In other words, everybody should be able to get sufficient work to enable him to make the two ends meet. And this ideal can be universally realised only if the means of production of elementary necessities of life remain in the control of the masses. This should not be made a vehicle of traffic for the exploitation of others".

This being our ideal and having pledged ourselves to the electorate of free India to translate this ideal into action we can now ill afford to forget the needs of our rural people and continue the expenditure of our precious little money for construction of magnificent buildings and that mostly for an ever expanding administrative machinery, even though there is imperative need for the same. The poor ignorant tax-payer is our real master. Can and should we forget and forsake him?

If there is no communication to his village; if there is no well or tank or even a small dug-out to provide him with water for bathing and drinking; if there is no irrigation facilities to get the legitimate production out of his land; and if in an agricultural State like Orissa where according to the last Census 80 per cent. of the people depend on agriculture, land reforms are not immediately introduced and landless people provided with some land by reclamation of waste lands, etc.; if national expenditure is not diverted towards the rural areas in order to provide labour to the agricultural labourers and poor cultivators who remain unemployed half of the year; and if such cultivators and labourers are allowed to be drained out to distant towns and industrial cities in quest of living thus starving agriculture of working personnel; and if there is no institution where the villager can learn the alphabets and discharge the elementary responsibilities as a citizen of the State; if he has no straw on the roof of his shed and no rag on his back and not even one square meal a day nor a drop of medicine when he is on the sick bed, leave aside the question of amenities or raising the standard of living, how can we afford to develop modern townships for providing an administrative machinery with all sorts of modern comforts and amenities and would it be humane to do so in utter neglect of the common man? With this end in view I venture to seek the kind co-operation of the hon'ble members in effecting a substantial reduction for the time being in the expenditure for the construction of the New Capital so as to save whatever little is possible in order that it may be diverted for improvement of village roads, rural water-supply, minor irrigation, primary and secondary education, medical relief and public health, as also cottage industries and development of agriculture and animal husbandry. With this end in view we have reviewed the Budget and have come to some tentative conclusions which would be reflected in the cuts we propose to effect in individual demands.

Just as the world is passing through a crisis, so are we in the Indian Union and in this little State of ours. There is a continued conflict in the international arena between two contesting ideologies. The world is already divided into hostile blocks. The continued Korean War is one of the results of such division fraught with great danger to the whole world. Our country is not far from the troubled spots of the world and being mid-way between the two conflicting interests we are trying on the basis of Gandhian philosophy to harmonise these two different ideologies and revitalise our ancient but dismembered society in which there should be economic equality based on spiritual background and supported by moral values. This would practically mean rehabilitating the ancient Indian nation in the modern advanced scientific set up. This can be done only if we provide proper

amenities and education with a moral outlook and economic stability to our village population and if we can inspire the youth of our country with a dynamic objective which could activate their minds, canalise their energies and create confidence in the development of their personalities so as to enable them to take up the leadership of the country and the community. This is the ideal we stand for and this is the ideal which we should work for. With this ideological background we, on behalf of the Great Indian National Congress, are trying to re-orient our programme of work and switch on the administrative talent of our patriotic services to give the best in them in this regard.

Having said so much about the ideologies I now come to the difficulties we have now been encountering in the practical field. The lot of a Finance Minister is unenviable. He discharges a very important function of the State since he has not only to provide money for development but also to control the purse with a view to effect strictest economy. If public administration is the art and science of management as applied to a State, Financial Administration is the part of Public Administration which deals with all the financial aspects of the State management. Financial Administration on its practical side is "that part of Government organisation which deals with the collection, preservation and distribution of public funds, with the co-ordination of public revenues and expenditure, with the management of credit operations on behalf of the State and with the general control of the financial affairs of the public household". Sound financial administration demands unity of organisation. It has been rightly said that to enable democracy to function, financial administration has to be systematised and simplified so as to be intelligible, efficient and amenable to public control. The Parliamentary system on the question of financial control hinges on the Finance Department. Thus the primacy of the Finance Department is guaranteed by the Rules of Business; for all matters which have a financial bearing must first be submitted to that Department for examination and scrutiny before being sent for Government's approval. It is this Department which watches the working of the taxation schemes and controls receipts; hence it is the best instrument to reduce expenditure so as to strike a balance between income and outgoings, and thus maintain solvency and Government credit. Besides, as the Finance Department is not entrusted with any expenditure work, it is in a good position to judge the merits of proposals from different departments and evaluate, as far as is humanly possible, their importance in the general scheme of Government expenditure, which must always aim at maximising social welfare.

It, therefore, follows that the financial administration of the State should be so organised that it can exercise proper control over the spending departments and maintain the equilibrium between revenue and expenditure. During this brief period, I am in charge of this portfolio, it has been my experience that the Finance Department is the most hard-pressed Department. Its efficiency depends to a great extent on the co-ordination and co-operation of other departments, which again, on their own parts, should have a standard of efficiency in the matter of their administrative duties and financial responsibilities and accounting activities. In course of the work which the Finance Department was called upon to discharge in connection with the Finance Commission it was found that statistics and information pertaining to the financial side of some departments were not readily and properly available as each department has not been properly and adequately organised so far as their financial and accounts sections are concerned. The result has been that there are wide possibilities for wasteful expenditure, non-essential expenditure, accumulation of work, want of proper control over finance and therefore application of strict economy. Even in respect of certain departments stock accounts could not be prepared for years and the audit objections are multiplying from time to time. In the Accountant-General's Appropriation Account and Audit Reports for the past few years and for the year 1948-49 certain very pertinent observations have been made in this respect. The Public Accounts Committees have also invited the attention of the House to many such irregularities. Recently, I had an occasion to enquire into the working of the Tractor Scheme and the administration of the Grow More Food Loan. I am constrained to observe that even though these schemes have been in operation for the last 8 or 9 years, correct verified accounts and stock balances could not be made up-to-date. I do not mean to say that all our officers and men are not doing their best. In certain cases the work has so much multiplied and the responsibilities are so diverse that each officer turns out to be a multi-purpose officer and therefore hardly finds time to exercise proper control over the financial aspects of the department's activities and it is more so because the department itself is not properly organised and responsibilities properly divided. The organisational weakness is widening.

As was pointed out by my predecessor Hon'ble the Chief Minister in his last Budget speech, our constitution has adopted generally the British financial modes and procedures, but our organisation of administrative machinery has not been on the basis of the British system. Regarding the working of the financial system in the United Kingdom certain features analysed by experts, may

be referred to here for our consideration. The first duty of each department is to do its work. The second duty is to observe economy. The second duty can of course never get predominance over the first, but in importance it is only second to the first; in fact, efficiency and economy go together so much that one is a condition of the other. In spite of this close affinity between the financial and executive efficiency of a department, the two sides of a department are often at variance. It has, therefore, been said that if the work of enforcing economy is to be done with efficiency, human nature being what it is, it cannot be left to those whose power and reputation depend upon spending. It must be given to somebody else, whose whole work it will be and whose power and reputation will depend upon his efficiency in economising; hence the need for a division of function and as much independence as is possible in the position of the economist. The harmonisation of the functions of the economist and the executive is the delicate task of the financial system. While the economist must have independence, he cannot obviously have the right to over-ride the executive. In that case the need for getting work done will suffer. If again the economist was an outside agency, constant frictions would arise and would paralyse execution. In the financial system of the United Kingdom harmonisation of the two functions has been attempted by organising each department with two independent sides up to a certain point. Every executive department has its financial side. The financial hierarchy is independent of the executive hierarchy except at the very top. The lowest official in the financial hierarchy is controlled by his side of the office and the executive side cannot over-ride him. Any objection raised by him can be over-ridden only by somebody in his own line. The chief man on the financial side, however, is dependent on the head of the office, usually the Minister, but is dependent only upon him and nobody else. The Minister can over-ride the objections of his financial side with his eyes wide open, but nobody else in the department can. Thus there are organised financial sides in every department and they are an integral part of the ministries themselves, but at every stage of their work they have an organised connection with the corresponding executive stage of the work. The two sides are connected throughout their organisation, and each side understands the other perfectly well. The financial side examines the estimates as they are prepared and before they are sent to the Treasury. They give advice on economies at every stage in the operation in all its details. When their advice is over-ridden they have got the right to take it higher, but not beyond the Minister of the department, who will resolve all conflicts between the two. These financial offices are not the branches of the Treasury. But these offices always take note of the instructions issued by the Treasury, the functions of which are discharged here in our country by the

Finance Department. There is, therefore, an integrated system of financial control running from the Treasury down to each department through its financial side.

This system is said to have worked very well in the United Kingdom and is to a great extent responsible for the high standard of efficiency in the financial administration of Great Britain. Sometime back the Government of India got this question examined and introduced some similar system at the Centre. But in our State there is no such scientific division in the financial administration of each department. In a few departments, such as P.W.D., Transport, Supply and Relief and Rehabilitation there are financial advisers. There was one such adviser in the Development Department for a certain period. Though strictly speaking, the work of the Financial Adviser has not been based on a scientific division of work and consequent internal organisation in the office, there is no doubt that he has been doing some good work. My idea is that the work of each department will be so organised that its financial aspects may be independently attended to by a separate definite section in the office so that expenditure might be scrutinised properly at every stage and economies might be effected *pari passu* with the execution of the work. If this means a little extra expenditure on establishment and training of necessary personnel we should not mind it as ultimately it would lead to greater economy. The unusual savings in expenditure in various departments, excess expenditure in contravention of rules, incurring expenditures before plans and estimates are sanctioned and administrative approvals are obtained and other constitutional or procedural preliminaries are gone through, may not take place, and rush of expenditure towards the fag end of the year may not be repeated, if the financial administration of each department is so organised. There is no doubt that this will greatly help the Finance Department in exercising proper control and in obtaining ready up-to-date information. My impression has been that due to want of such organisation many irregularities are found in various departments in spite of the best efforts of our officers. This must be avoided and difficulties overcome. We are going to examine if something definite can be done in this direction.

Now I may be permitted by the House to refer to some of the schemes which are going to be implemented during the current year and which would broadly indicate the new policies of the Government.

Abolition of Estates—The Estates Abolition Act has received the assent of the President. Orissa has five districts with distinct systems of land revenue. The South Orissa system inherited from Madras is confined entirely to the districts of

Ganjam and Koraput. In these two districts there are many permanently-settled zamindari estates including the Jeypore Estate in the Koraput district and 15 other estates in the district of Ganjam. In addition, there are Muttah Heads in the agency areas of Ganjam, who have their special tenures. There are also Inam estates in Ganjam, the holders of which are intermediaries. All these come under the Abolition Scheme under the Estates Abolition Act. For the present, it is not proposed to touch the Muttah Heads nor is it contemplated to take up the abolition of Inams which may come at a later stage.

In North Orissa, where we have inherited the revenue system from Bihar and ultimately from Bengal, there are a number of permanently-settled estates and also numerous temporarily-settled estates covering small and large areas. There are also revenue-free estates.

The Sambalpur group of estates with distinct land tenure have large and small estates on Gountia tenures.

Considering the varieties of land tenures as well as the tenancy laws and regulations that are in force Government consider it desirable that abolition should proceed in stages and each stage should cover the entire system. Thus, Government have decided first to abolish the estates in South Orissa in the districts of Ganjam and Koraput in the first stage; in North Orissa in the districts of Cuttack, Puri and Balasore in the second stage and in the Sambalpur group of districts in the final stage. According to the Estates Abolition Act, abolition will have to take place with effect from an agricultural year. In Ganjam and Koraput, agricultural year commences at the beginning of the fasli year, i.e., 1st of July. It has, therefore, been decided to issue necessary notification for abolition of estates in the districts of Ganjam and Koraput with effect from the 1st July 1952.

The picture of administration of abolition has been laid down in the Act as Anchal Sashon. The hon'ble members are aware that abolition of estate is not an end in itself. It is a step towards wider agrarian reform and the establishment of Anchal Sashon not only in the estate areas but also throughout the State is the ultimate objective and as such, the Anchal Sashon Bill is being drafted. Until the Anchal Sashon Bill becomes law of the land the collection of revenue will be in the hands of the Anchal Adhikaris, who will correspond to Taluk Officers of South Orissa. Anchals are being demarcated for Ganjam and Koraput and there will probably be 23 Anchals in these two districts. There are already 9 Taluks in Ganjam and 6 Taluks in Koraput. They will be split up into 12 and 11 Anchals respectively.

In the district of Kalabandi there is a small estate named Kasipore, which abuts into the Rayagada subdivision of the Koraput district. This is to be abolished along with Jeypore zamindary.

The gross assets of these estates roughly work out to a little over Rs. 47 lakhs and considering the amount of pascus, cesses, agricultural income-tax, chaukidari tax, etc., paid by the outgoing intermediaries which will no more be revenue to Government and adding their annual compensation to be paid to the outgoing intermediaries and considering the cost of management and providing funds for works of benefit in these areas, it is calculated that the whole scheme will be a self-financing scheme and at least for the first few years may not give much of surplus revenue to the State, but will be in no way an additional charge on the exchequer of the State. The Board of Revenue is examining the whole question of organisation of services in these areas. The question of securing the co-operation of the outgoing intermediaries and the raiyats in respect of Anchal Sashons is also being considered. By abolition of zamindaries extensive waste lands and some other classes of lands will come under the possession of Government and it is the desire of Government to settle such lands with the landless and small cultivators. The Adibasis and other poor agricultural labourers, who are either without land or have got some nominal land, are expected to be benefited by this scheme. In order to help such landless people and for development of agriculture the question of constitution of a Land Development Corporation is under consideration. This question has been placed before the Finance Commission and as soon as the plan is ready in its detail legislative steps will be taken to implement the same. The Land Utilisation Board, the Orissa Agricultural Act and the Co-operative Organisation—all these avenues will be utilised for the purpose. In ex-State areas, which are mostly Khasmahal areas, similar steps will be taken in order to reclaim and develop the waste lands and lease out the same to landless people. In this revolutionary endeavour Government expect that fullest co-operation would be received not only from the intermediaries, who are going to be compensated as provided in the Act but also the raiyats and cultivators. Because ultimately the income from land revenue and land rent will go to the people themselves through their Anchal Sashons in order to be utilised on welfare activities to be controlled and regulated by these democratic bodies themselves. In certain quarters it has been contended that land rent might be abolished and recourse may only be taken to agricultural income-tax. But it should be noted that in vast areas of the State of Orissa there has been no land settlement, even there are no records-of-rights and no agrarian reform can be effective until and unless the settlement operations are gone through and the records-of-rights are prepared.

The hon'ble members are aware that settlement operations in ex-State areas alone would cost over a crore of rupees. Government had decided to go ahead with these operations but considering the financial situation Government had to go slow. But as soon as funds permit this will have to be speeded up and the sooner the better. So any revolutionary change in the land tenure and land revenue system must be preceded by these preliminaries. Each step to be taken will be carefully considered before it is ultimately given effect to. We can, however, assure the House that we will allow no grass to grow under our feet to give effect to the agrarian reforms as indicated above and which are so essential.

It may be stated here that in the Northern Division about 41,000 acres of waste land have been leased out to about 14,000 land-less people or small cultivators, mostly Adibasis and Schedule Castes, during the last three years.

In the raiyatwari and Khasmahal areas some reforms in the tenancy rights are already under examination. The Khasmahal Manual is going to be revised and when Anchal Sashons are established many of the difficulties will automatically be removed.

Since the abolition of zamindari scheme is now being undertaken and Anchal Sashons will be established as contemplated in the Land Tenure Committee Report, better known as Chaudhuri Committee Report, Government do not think it wise to have fresh elections for the District Boards nor do they think it wise to constitute new District Boards when it is to be replaced shortly by Anchal Sashons in a year or two. In the ex-State areas the scheme for having extensive Grama Panchayats are being experimented in one district, i.e., in Dhenkanal. These Panchayats are given sources of revenue from the Hats, Ghats, fisheries and ferry and are also being given some reclaimed lands to start with and to undertake the responsibilities that may come to the Grama Panchayats after which they will find out sources of revenue for themselves by suitable methods of taxation if necessary for rural development and improvement and extension of education, etc. Provision for education cess has been made in local Government and Municipal Acts. The money that the Government are going to provide in larger measure for improvement of the sources of drinking water, construction of village roads will as far as possible be placed in the hands of the Grama Panchayats so that better work with less expenditure may be done with their assistance. These Anchal Sashons and Grama Panchayats are expected to be useful agencies for effecting agrarian reforms.

The present Grama Panchayats have unfortunately not been functioning quite satisfactorily due to some amount of lack of enthusiasm on the part of certain class of officials and the public. Steps will be taken to improve the position.

Community Development Projects—The need for converting India into a Welfare State is paramount. If democracy is to survive and the teeming millions of India have to be stepped up to a relatively higher standard of life it is important that Government should give far better attention to the problems connected with agriculture, animal husbandry, public health, education and community development. Ever since independence Government have been devoting progressively greater attention to these problems. But the experiment has not met with the desired success because the various departments that have been engaged in the task of development have been functioning as so many water-tight compartments. There is considerable over-lapping in their sphere of activities. The result has been that though here and there some improvement of agriculture, animal husbandry or of education or sanitation has taken place there is no doubt that official attention has not yet reached large masses of the population. There has been acute scarcity of food and the problem will become still more acute if we fail to take care of the large masses of the rural areas, which are engaged in producing all our necessities. In order to give a more effective practical shape to the development work it has been proposed that instead of each department trying to attempt spasmodic items of reforms throughout the length and breadth of the State it would be better if an overall area consisting of 300 villages is made to intensify all developmental work through a co-ordinating agency. This is the fundamental scheme of the Community Project. Under this scheme it is contemplated to take up intensive work in the selected project areas which in the first instance will be treated as pilot projects. The emphasis would be on creating in the villagers an urge for a better living and not so much on the actual work that will be taken up in the project in these areas. This better living we should be able to achieve with the assistance of Government in co-operation with the people. In this work the co-operation of the villagers is essential. It is not the authoritarian attitude of Government but the helpful attitude which would be important. It has been felt that the attempt to carry through the development activities over a large area with limited resources of men and money has not produced any tangible result so far and that the approach contemplated under the Community Project should secure tangible and lasting result. More and more Community Projects will be taken up in the coming years until the whole country is covered. As regards the method of work the emphasis should be on the multi-purpose workers on the village level. They will be specially trained and with the proper spirit and approach they will go to the villages to serve the people there and would aim at gaining friendship and confidence of the people and thus securing their co-operation and not through their official position or influence. These village-level workers will

have at their elbows experts in the various fields, such as, agricultural, veterinary services, co-operation, public health, social education, etc., to give them guidance. This will be somewhat like Sarbodaya work. The training to be given to the workers will aim at imparting knowledge in the special branches of their work in development of personality, leadership and spirit of service to the people. As regards preparing a programme of work for the project areas this would be determined after a survey of the area, the amenities existing there and also the requirements of the villages. After taking into account what exists and what is needed and judging that against the blue print of services aimed at, the programme will be prepared. In determining the priorities of the work consideration will be as to what is most needed by the villagers. In the beginning the work will commence in one block of each project. Three projects have been allowed to the State of Orissa. Each project will have three blocks of one hundred villages each. It should be remembered that the Planning Commission has been appointed by the Government of India as the Central Committee under the Indo-U. S. Technical Co-operation Agreement and these Community Projects are the outcome of Indo-U. S. Technical Co-operation Agreement. The purpose is that there should be fullest co-operation between these Community Projects and the Development programme included in the Five-year Plan. The Planning Commission, which is the Central Committee for the purpose, will lay down broad policies and provide general supervision under which these agreed projects of technical co-operation will be executed. Since the Government of India are going to give high priority to the Community Projects and the State Governments have been asked to have organisational set up so as to ensure fullest co-ordination between the Community Projects and the general development programmes included in the Five-year Plan the administration of financial procedures for Community Projects should be such as to avoid delay and departmental routine and the implementation of Community Projects should be effective and speedy. As regards the details of organisation specific instructions have been received and our Government are just considering to set up the necessary machinery. An experienced high-ranking officer known as the Development Commissioner is proposed to be at the helm of affairs in addition to his present duties and a special officer has already been placed as Director of the scheme. The Development Commissioner and the Director recently had been to New Delhi to participate in the conference which was held there under the leadership of Shri S. K. De, Administrator of Community Projects, under the Central Government. We are taking steps to prepare a blueprint wherein draft outline of the Community Projects will be found in all details. Each project of the basic type will cost in

course of three years Rs. 65 lakhs in round figures including recurring and non-recurring expenses. Since Orissa will have three such projects the total expenditure is calculated to be Rs. 195 lakhs out of which Rs. 167 lakhs will be non-recurring and about Rs. 28 lakhs will be recurring. Of this total of Rs. 195 lakhs about Rs. 89 lakhs in the nature of loans and about Rs. 16 lakhs will be in the shape of grants. The expenditure on the three schemes in Orissa will be spread over three years.

According to the scheme the whole of the non-recurring expenditure of Rs. 167 lakhs has to be spent in the first two years. But since we have already passed several months of the financial year we expect that we will only have to spend about one third of it during the current financial year which may amount to about Rs. 56 lakhs out of which we will get back about 75 per cent. from the Centre, that is, roughly about Rs. 42 lakhs. Similarly, we are due to spend about Rs. 8.7 lakhs under the head "Recurring" in the first year and since four months of the year have already passed we are expected to spend not more than six lakhs of rupees during the current year. Out of this six lakhs we will also get 75 per cent. from the Centre which will be roughly about Rs. 4.5 lakhs. The total contribution, therefore, which our State will have to make in respect of recurring and non-recurring expenditure will be roughly Rs. 15.5 lakhs during the first year. As regards the division of the Central contribution between the loans and grants the proportions seem to be in the order of 167 : 89. This is roughly about 2 : 1. In other words, we may expect about two-thirds of the Centre's contribution as loan and one-third as grant.

I think, I should better keep the House fully informed about the financial implications of these projects. Under the Indo-United States Technical Co-operation Agreement a fund known as Fund A has been established in which the Government of the United States of America will deposit, up to the 30th of June 1952, a sum of Rs. 50 million dollars. This fund will be jointly administered by the Ministry of Finance, Government of India and the Director of Technical Co-operation representing the United States Technical Co-operation Administration. The Government of India have also established a special Development Fund which amounts to Rs. 25 crores. These two funds together constitute the fund from which finances would be provided for the execution of these projects.

This, I hope, will give an idea to the hon'ble members about the financial implications of these Community Projects which are going to be undertaken in our State. It appears that after three years the annual recurring expenditure excluding those which will

be self-financing schemes may amount to Rs. 4.5 lakhs only which will have to be met from the State revenue. It is likely that as a result of these developments the economic condition of the area will so much improve that the State may get good return by way of revenue. We have not taken that into account at the present moment. As regards the selection of project areas a tentative programme has been made and after the surveys are completed it will take a definite shape. It has been decided in the Delhi Conference that by the end of July survey work will be completed and the schemes will be forwarded to the Central Government by the 15th August and that after approval the execution of the schemes will be started from the 1st of September in right earnest.

Education—Hon'ble members are already aware that unemployment in the rank of our educated young men is rapidly increasing and the present system of education is mostly responsible for this. This year the Utkal University admitted 5,224 students to the Matriculation Examination of whom only 42 per cent passed. In the year 1950-51 the percentage was 51.8, in 1949-50 it was 55.2, in 1948 it was 60, in 1947 it was 46, in 1946 it was 59.5, in 1945 it was 63.4 and in 1944 it was 59.2. It would thus be clear that percentage of pass is gradually coming down and the percentage of failure is rapidly and steadily going up. So is the case with the Intermediate Examination. The percentage of pass in the Intermediate Examination since 1944 is as indicated below :—

1944	..	..	47.7
1945	..	..	59.8
1946	..	..	47.1
1947	..	..	53
1948	..	..	49.7
1949	..	..	48.2
1950-51	..	..	36.9
1951-52	..	..	24.4

We can just imagine how distressful this picture is. Reviewing this state of affairs the University Commission have said "that the annual wastage due to failures should range on 37.5

per cent. to 60 per cent. is staggering, if we bear in mind the fact that the Intermediate Examination is preceded by a similar process of screening two years earlier at the high school stage. But even with this high percentage of failure, the average standard of teaching and examination is not high enough, since we know that the minimum marks required for a pass are only 33 per cent. and a large majority of candidates pass in the third division. There is little doubt that this enormous wastage is due, firstly, to the large number of unsuitable entrants coming to the Intermediate classes, secondly, to the poor average quality of teaching provided in the Intermediate classes and thirdly, to the laziness of, or insufficient work put in by, the students themselves". The Commission further proceeding have said, "that the annual wastage at the Intermediate Examination is so inordinately large and must be avoided has not been adequately realised either by the teachers or by parents or even by the Government which directly or indirectly finances Intermediate and University education to a large extent. A deplorable wastage of public funds goes on year after year but what is worse, there is an unconcerned complacency about this serious loss of public funds on the one hand, and wastage of time, energy and funds of students and their parents, besides terrible frustration of their hopes and aspirations on the other. Secondary schools and intermediate colleges form the foundation of University work. Any re-organisation of our Universities without a corresponding improvement in school and Intermediate college teaching will not produce the hoped-for results. Our high school and Intermediate standards are undoubtedly low and in order to improve them we should not only exact a higher standard in these examinations but also considerably improve our teaching. We cannot raise examination standards unless we improve the quality of teaching first".

The University Commission has not only uttered a word of warning but has thrown out almost a challenge to the conscience of our country-men and the Government. They have frankly and boldly said, "Our provincial Governments are naturally keen on 'Basic Education' and are financing schemes for its wide extension, but unfortunately they do not seem to be equally keen on secondary education which is the *real weak spot* in our entire educational machinery. They have not fully realised that the army of competent teachers needed for the rapid expansion of Basic Education must be provided by our secondary schools and Intermediate colleges. Further, any University reform will remain largely ineffective unless the level of secondary education is raised so as to furnish the necessary foundation of a sound University system".

In the context of the aforesaid remarks can we as responsible citizens of the State ignore the state of affairs any longer ? The problem is now so serious that its solution cannot brook any further delay. The Commission have rightly said, "The function of a school is not merely to prepare students for the University but also to provide a suitable education for the large number of pupils who have no intention of proceeding to a University. From the figures available to us, we find that of the students that pass the high school examination 50 to 55 per cent. actually go up for the Intermediate, while the remaining 45 to 50 per cent. do not. The education of these two sets of students must be combined together in most multi-purpose schools to mutual advantage, while there will be other uni-purpose schools where students will be trained for work in Agriculture, Industry and Commerce".

These are not only the advice and conclusions of a band of educationists, who sat on the University Commission, but these are our own experiences and as such demand a re-orientation of our educational policy and enforcement of positive action in order to remedy this deplorable state of affairs which unless remedied soon will lead us to greater disaster. It is dangerous to allow people to run after a prevailing fashion of education to the exclusion of attention to common needs. Conceding that there must be room for freedom of choice we shall have to so mould our policy and programme of education that such freedom must work within the limits of the approved lines which are to be laid down for the common good.

The policy of education would be so moulded that it properly serves the village community, since the large majority of our people live in villages. The University Commission have rightly referred to the remarks of Sir Charles Metcalfe about the village community of India. He said, "They seem to last where nothing else lasts. The union of the village communities, each one forming a separate little state in itself, has, I conceive, contributed more than any other cause to the preservation of the people of India through all revolutions and changes which they have suffered, and it is in a high degree conducive to their happiness and to the enjoyment of a great portion of freedom and independence. I wish, therefore, that village constitutions may never be disturbed and I dread everything that has a tendency to break them up". Reviewing the present position the Commission have pathetically admitted and have said, "They (village constitutions) have been broken up. We have to revive them today and make them, as far as possible, self-sustaining".

Now how to do it? Through education and education alone. This is why basic education was conceived by Mahatma Gandhi. The education must be associated with agriculture, cottage industries and training in machines which may lighten the labours of men living in cottages. They have in this connection referred to the remarks of Mahatma Gandhi in which he said, "if we could have electricity in every village home, I shall not mind villagers plying their implements and tools with electricity". Having said so much about the problem of education before us and having analysed the situation in the inimitable language of the Commission I now feel called upon to suggest a solution for the same. I submit that we as a Government are bound to accept this moral challenge of the situation and are, therefore, determined to convert the existing primary education into basic education by immediate introduction of basic features in our existing primary schools and thereby co-ordinate and harmonise the relationship between the primary and basic institutions. We propose to reconstitute and widen the Board of Basic Education so as to extend its jurisdiction over all the existing primary schools as well. The idea is to enforce almost the same type of curriculum and to guide the entire policy on the advice of this Board. Since in course of time the Local Bodies will be abolished and Anchal Sashons will come to the picture, the control and conduct of primary, i.e., basic education should be regulated by the Education Department under the advice of the Board. The administrative and technical responsibilities will devolve upon them. The Anchal Sashons will co-operate in the furtherance of this objective. With this end in view I shall come forward with proposals to reorganise the Board of Basic Education.

Secondly, we are determined to reorganise the secondary education in our State. All middle English and high schools that are already in existence or that may come up in future, should be under the control of the Board of Secondary Education which will be constituted under a statute to be enacted by the legislature for which proposals will be brought forward. The idea is that secondary education besides general education should include agricultural, industrial, commercial education in their practical sides as well and this would also include training in Animal Husbandry, Agricultural farms, industrial institutes, etc., will, therefore, be integrated and associated with those secondary schools wherever they are available or will be made available. The trained qualified personnel of these technological institutions will be part-time teachers of the said institutions so that the boys and girls get the benefit of their knowledge and may acquire experience by demonstrative education in the said institutions. This, it is hoped, will provide projections to young learners at the secondary stage according to their tastes and aptitudes either for

work or for a higher standard of living or for higher study in different stages. This education should be so far self-sufficient as to qualify these students not only to live a better life in villages but to take up the leadership in the village and give the village community the benefit of their knowledge and experience of this general and technical education. That is why it is contemplated to request the University to relinquish the Matriculation Examination to the Board of Secondary Education and the University will of course be adequately reimbursed to make up whatever loss it would sustain and also to pursue its activities for the improvement and expansion of University education. The whole idea is to have an integrated and co-ordinated system of education beginning from primary right up to University. Primary education has been long neglected. Under the directive clause of the Constitution we are to provide universal free and compulsory Basic Education to the entire State within a period of ten years. The present population of school-going age between 6 and 11 is over 23 lakhs, whereas only $4\frac{1}{2}$ lakhs are on the roll. This number may not also be faithful and accurate. We have only 10,000 primary schools besides 177 basic schools and only about 18,000 teachers of whom about 10,000 are untrained with more than 50 per cent of the schools as single-teacher schools. This is a lopsided state of affairs. We are, therefore, determined to improve and expand primary education. The ex-State areas are far behind the old districts of Orissa. We have to bring them up to the so-called higher level of the parent Province and, in addition, provide larger number of schools in the State as a whole. I have, therefore, drawn up a programme of establishing round about 1,000 primary schools a year out of which 400 will be in ex-State areas and the rest in the entire State. To train up teachers for the purpose the existing 12 elementary training schools will take 240 students more and additional 7 training schools will be established to train up additional 420 students at the rate of 30 per class. This would mean that 680 more teachers will be trained up. This is in addition to the existing 6 basic training schools which are also going to be increased in number. This will provide avenues for the Matriculates, who are coming out and for the untrained teachers, who are already in service. This number will gradually increase from year to year because we will need 68,000 trained teachers to make primary education free and compulsory. Expansion of primary education will entail greater expense on inspection as well. I am not going to repeat the farce of the so-called compulsory education as it worked in Banki Union and Parlakimedi Municipality. It is likely that we may take away their management to our direct control and may have to take stringent measures to make it effective. In order to encourage the primary teachers provident fund system will be introduced, definite steps will be taken to pay them stipends

regularly every month and a system of reward is contemplated to be introduced to encourage better standard of teaching on the basis of the results of centralised examinations which will be regulated by a Board of Examination. Steps will be taken to encourage greater attendance of students. As regards V. M. teachers in aided schools they will be given an initial starting pay of Rs. 49 per month with effect from the 1st April 1952. In all, 122 teachers will be benefited and cost will come to about Rs. 15,500. Hon'ble members are aware that the local bodies are empowered to levy education cess and under this statute primary education funds have to be constituted. We hope that local bodies and their would-be successors, the Anchal Sashons, will discharge these responsibilities and if they do not, Government may have to take up the responsibilities themselves. Because on the existing level of expenditure free and compulsory primary education will cost us annually Rs. 6 crores whereas our present annual expenditure is only Rs. 52 lakhs. Having said so much about primary and secondary education I should speak a few words about collegiate education. We are going to help the University as far as we can. We are going to give more money for the college libraries, for training, excursion and survey parties of students; we are going to provide better accommodation to colleges with due attention to economy and if possible, quarters for the staff and equipment and building grants, etc., to some of the private colleges. The local bodies of North Orissa are being given additional grant of over Rs. 1 lakh as grant-in-aid for about 75 middle schools and towards dearness allowance of teachers thereof. I am, however, going to effect as much of economy as is possible in the Education Budget and utilise the same for better purposes. The present Adult Education Scheme spread over the entire State is gradually dwindling as the promised contribution from the Centre has not been received, even though three years have elapsed and even though we have spent the entire money from our State revenue. I am going to revise the scheme so as to do intensive work in particular areas and gradually spread it over to other areas by rotation. I am also trying to bring about co-ordination and integration between the ordinary schools and Sevashram and Ashram schools in the tribal areas. The Hon'ble Minister in charge of Rural and Tribal Welfare Department has been good enough to consider the proposal. This is just to avoid overlapping and to further the co-ordinated educational policy. The selection of text-books has become a matter of controversy. The only solution that suggests itself to me at present is to nationalise the compilation and publication of text-books. The matter is under examination.

Development activities—The question of re-organisation of the Development Department and the co-ordination of the same with

the Planning and River Valley Departments is under examination. The work of the Food Commissioner and the Development Commissioner in charge of Community Projects together with all development departments, namely, Forest, Agriculture, Veterinary, Animal Husbandry, Fishery, Co-operation, Land Reclamation and Community Project are sought to be co-ordinated in a manner, which will produce the maximum result. The objective is that team work would be better effected under this reorganisation scheme, so that the activities of different sections of a department may be integrated; for example, Plant Protection, Compost making, seed distribution, seed multiplication and extension activities, etc., can be done through common agents instead of putting officers exclusively for different works under different schemes. There are certain difficulties in the way of such reorganisation which are due to certain conditions being imposed by the Government of India in respect of different schemes. The Government are going to take up this matter with the Government of India so as to effect economy in personnel and speedier and more effective execution of work in a co-ordinated manner.

In order to secure more and better service to the people, it is being examined whether an Agricultural College can be established with the least expenditure by utilising the existing personnel in the Research Branch of the Agriculture Department and by providing more work for the fieldmen demonstrators by teaching them pump driving, providing more apparatus for castration to the stockmen in the Veterinary Department, etc. Government are also examining the introduction of working plans in the Forest Department and to have better control over the forest products and check smuggling from reserved forests. The final plans will be duly published. For relieving the distress of middle class people living in urban areas, Government are examining a scheme of Co-operative Housing Society and the question of acquiring lands in the town sites so as to establish colonies for middle class people by giving them facilities to pay off the money to be invested in easy instalments and ultimately own the houses scientifically constructed to suit modern conditions of life.

Some foreign Governments have offered to get our fishery experts trained in the marine fishing and we are going to take full advantage of these schemes and improve marine fishing in Orissa, since Orissa has got extensive areas for sea fishing.

An American Institution, namely, Ford Foundation, has offered some money for rural development work in Agriculture Extension Branch. This will also integrate the work of public health, cattle improvement, etc.; in the rural-cum-urban areas.

The American Government have offered an Agriculture Extension Expert for assisting us in that work and in consultation with that Expert the Ford Foundation Scheme is going to operate in Kendrapara where there are facilities for irrigation and consequent cultivation of larger number of crops. The preliminary work has already been started and the scheme will shortly be gone through.

Plans are being prepared for the development of mineral wealth of the State. The Government of India, it is understood, have tentatively decided to establish steel works in Sambalpur district. Recently a Japanese Mission consisting of the Consul-General for Japan and the Head of the Fuzi Iron and Steel Factory of Japan paid a visit to Orissa and after making a survey of Bonai and other ex-State areas are preparing a plan as to how best the iron and manganese ores might be exploited and used for industrial purposes. There are possibilities to lay railway lines right from Bonai up to Meramandeli and from Cuttack to Paradip at the mouth of the Mahanadi where in course of time a port might be developed. The Government of India requisitioned the services of some French Experts who are famous port engineers and they have also made a survey of the Mahanadi basin and have prepared a report which is under the consideration of the Government of India. If this report is accepted and the scheme is worked out, Orissa may be provided with a first class port which may ultimately prove to be a far better scheme than some other schemes which have been examined and accepted by the Central Government. Very recently in the Parliament of Japan a reference was made to the visit of the Japanese Mission to Orissa, and it is reported that this matter will be taken up with the new Indian Ambassador at Tokyo.

The Hirakud and Machkund Projects—Along with the development of Hirakud Project in the north and the Machkund Project in the south of Orissa, industrial development must take place. It is understood that the Central Railway Board are favourably considering the construction of two railway lines between Rourkela and Meramandeli and Sambalpur-Titlagarh and Kantabanji. It is hoped that the construction of these two lines will be taken up in the current year. The Technical Committee appointed for the Hirakud Dam Project have strongly recommended that the State Government should follow a bold policy of industrialisation of putting into full use the Hirakud power by the time it becomes available. The hon'ble members are aware that the subsidiary dam which was under construction and which was expected to provide electricity during the current year has been postponed under technical advice; but the Government of Orissa have approached the Central Government to reconsider the question because Government are anxious to get

electricity at the earliest opportunity. The question of providing greater state-aid to industries and inviting foreign capital for industrialisation in the Hirakud and Machkund areas is being seriously considered.

The hon'ble members are aware that the Government of India appointed two different committees to examine and review the execution of the Hirakud Project. One was to examine the financial aspect and the other the technical aspect. Both the reports are now under consideration of the Government of India who have in the meanwhile in response to our request agreed to the constitution of a Control Board, in which both the Governments will be represented along with the experts on behalf of the C.W. P. C. who are executing the Project. Efforts are also being made to switch over a number of technical personnel from our P. W. D. to be absorbed in the Hirakud Project. The overall estimate for the project has now swelled to Rs. 93 crores. This, of course, includes enhanced rates of compensation to the displaced persons. Since all these matters are still under discussion with the Government of India, I do not propose to dilate on them further at this stage. So far as the financial position, however, is concerned, I may assure the House that we are going to have the closest touch with the project authorities, with a view to seeing that the strictest economy is effected. Vigorous efforts are being taken to rehabilitate the displaced persons. The Member, Board of Revenue at Sambalpur, is in charge of this. Government hope that Members of this House who hail from that part of the State and the local people will be fully associated with these efforts, so that the rehabilitation of displaced persons may be effected without the least dislocation and to the satisfaction of the people.

There is a proposal to establish a Polytechnic Institute at Hirakud. The idea at present is that a small but well-equipped institution will be first established which will grow into a full-fledged Polytechnic along with the development of the Hirakud industrial areas. This may train up roughly about 400 students at a time and this scheme may cost about Rs. 8 lakhs both recurring and non-recurring taken together. This will provide employment to our youngmen in industries at Hirakud.

The development of the Engineering School to an Engineering College has also been under the consideration of the Government. As soon as funds and necessary technical personnel are available this will be taken up. Increasing facilities are also being provided for training in various technical institutions in foreign countries and in and outside the State. Steps are also being taken to provide greater facilities for training in various cottage industries including Khadi. Some of these schemes are also under review.

The Orissa Textile Mills is the first industry of its kind in Orissa. It has now 50,000 spindles and 864 looms. Its present production is 900 bales of cloth and 500 bales of yarn per month, this is expected to rise to 1,800 bales and 600 bales respectively. Government have purchased shares worth Rs. 10,60,000 in the Mills. A sum of Rs. 30 lakhs was granted to the Orissa Textile Mills after obtaining a loan from the Government of India to whom loan has been repaid last year in full. While granting the loan to the Orissa Textile Mills it was stipulated that they will repay the loan in three instalments with $3\frac{1}{2}$ per cent. interest. The Company have already repaid Rs. 10 lakhs and on a representation from the Firm the State Government have decided to modify the terms of repayment in the following manner:—

				Rs.
31-3-1953	..	..	..	5 lakhs
30-9-1953	..	..	..	5 lakhs
31-3-1954	..	..	..	5 lakhs
30-9-1954	..	..	..	5 lakhs

A penal interest of 5 per cent. has been prescribed for deferred payments.

A Cement Factory has been established at Rajgangpur with a production capacity of 500 tons of cement per day. Its capital cost is over Rs. $1\frac{1}{2}$ crores. The Government of Orissa hold preferential shares worth Rs. 40 lakhs. In 1949-50 the State Government sanctioned a loan of Rs. 50 lakhs to the said Cement Factory. Recovery was to be effected in shape of supply of cement for Hirakud Project. No interest was to be charged on this account as the company would give a rebate of Rs. 7 per ton of cement supplied for the said purpose. An agreement on the above lines has been executed. The amount was borrowed from the Government of India and has since been included in the Hirakud Loan. On the share capital of Rs. 40 lakhs, Government will get dividends just like other share-holders.

The Refrigerator Factory at Jobra with Government assistance of about Rs. 10 lakhs has gone into production and is at present manufacturing refrigerators, steel cabinets and some special items of furniture which have been put in the market.

Road Transport—As regards the Road Transport Scheme, the State Transport Service has proved to be financially successful. There are at present two systems—one of nationalisation and the other rationalisation. Rationalised transport service in the district of Ganjam has not been quite satisfactory and Government are now examining whether nationalised transport service should be extended throughout the State. As soon as the scheme is finalised and the financial aspects are thoroughly examined, steps will be taken in that direction. The Jajpur Road—Jajpur Section and other sections in different areas are contemplated to be acquired for the purpose.

The recent regrouping of Railways has been a matter of deep concern of our Government, inasmuch as the proposed re-organisation of the Central and Regional headquarters, etc., may deprive Orissa of its necessary and legitimate facilities. The State Government have, therefore, made representations to the Central Government in this regard.

Minor irrigation and rural water-supply—Government are now going to give the highest priority to the question of road communication and provision of irrigation and rural water-supply. In the current year's Budget we have provided Rs. 25 lakhs for major irrigation as against Rs. 20.15 lakhs last year. For minor irrigation we have provided Rs. 45 lakhs in the current year as against Rs. 45.75 lakhs last year. The question of providing further funds for the purpose is under consideration.

As regards road communication, last year's Budget provision was Rs. 13.15 lakhs whereas in the current year it has been Rs. 20.55 lakhs. For village roads Rs. 2.85 lakhs was provided last year and the current year's provision is Rs. 3 lakhs. Government have now decided to give another Rs. 10 lakhs for development of roads including village roads in rural areas. Only a sum of Rs. 1 lakh was provided for rural water-supply last year and the same amount has been provided in the current year. Government have decided to supplement it by a further grant of Rs. 10 lakhs. Besides, a provision of Rs. 1.74 lakhs has been made in the Budget for water-supply in the tribal areas. Government are aware that the people in rural areas have been greatly suffering for want of water and communication. They are, therefore, determined to draw up a programme of expenditure for five to ten years so as to develop the rural areas by a road communication and provision of rural water-supply. This provision for rural water-supply will be in addition to the minor and major irrigation projects for which in the current year, as already stated, a sum of Rs. 70 lakhs is being provided.

Lately, there has been greater fire accident in different parts of Orissa and a larger number of people have been distressed on that account. In the current year's Budget Rs. 1.95 lakhs is provided for relief in fire distress. A proposal for a further grant of Rs. 2 lakhs is under consideration. Government are also considering to form voluntary squads in villages to fight the fire accidents and to render relief. Instructions have been issued to District Officers to render prompt help to the people in this respect.

Medical Relief and Public Health—Additional equipments and teachers are being provided for the Sriram Chandra Bhanj Medical College and the attached Hospital. A revised scale of pay has also been provided with retrospective effect for the second grade Assistant Surgeons who would be recruited from amongst the junior Assistant Surgeons including medical graduates who would get gazetted status. A sum of Rs. 50,000 is being provided for the building of the Balasore Headquarters Hospital which is in a very bad condition and additional funds may have to be provided to complete the work. Provision is being made to open up the Fourth Year Class in the Gopabandhu Ayurvedic Bidyapitha, Puri. A number of new hospitals are also proposed to be established.

Government are considering to augment the resources of some of the local bodies such as the Sambalpur District Board, etc., which are in financial difficulties. Government are also considering to make a contribution of Rs. 1½ lakhs for the improvement of roads in the town of Cuttack, provided the Municipality makes over the roads to the Public Works Department. The idea is to draw up a five-year programme for the improvement of roads in Cuttack which are in extremely bad condition provided the Municipality comes forward with their contribution. Government are further considering to have a Town Planning Act and establishment of a Town Improvement Trust and when plans are ready necessary proposals and bills will be placed before the Legislature.

A sum of about Rs. 12 lakhs is being spent for constructing and establishing grain godas in different parts of the State out of the funds available from the Supply Department. These godas would be an insurance against scarcity. They will be controlled and regulated with the help of Grama Panchayats.

Co-operation—Government are going to lay greatest emphasis on development and expansion of co-operative activities. Recently a short-term loan of Rs. 50 lakhs has been obtained from the Reserve Bank of India to be paid as agricultural loans to the

cultivators. The Reserve Bank are also making a survey in the rural areas of Orissa. The expansion and activities of co-operative institutions in this State in recent years are very encouraging.

Law and Judiciary—A proposal to re-organise the Law Department of the Government is under consideration. It is proposed to provide one Law Secretary and one Legal Remembrancer to facilitate better work as work in connection with legislation and litigation arising out of the new Constitution has increased in volume. The question of effecting economy in the provision of Courts is also under examination as a result of which the cadre of Munsifs and Sub-Judges may be refixed and their jurisdictions re-organised in a manner without impairing efficiency and inflicting any hardship on the litigant public. The judicial system prevailing in Koraput district is being reformed and the Koraput district is being brought under regular judicial administration. Necessary provisions are being made for the repairs of the Civil Court building and Additional Judge's residential building at Jeypore. Drastic steps are being taken against officers responsible for bad workmanship.

Jagannath Temple—The management of the Jagannath Temple, Puri, has so much deteriorated that early steps have to be taken to improve the situation. Government are now drafting a Bill for the purpose, in consonance with public opinion so far expressed. The Hindu Religious Endowment Act which has received the assent of the President is being reviewed and may shortly come up before the Legislature.

General Administration—The report of the Estimate Committee about re-organisation of the Police Department has been under the consideration of Government. In pursuance of its recommendations one post of Additional Superintendent of Police in Ganjam district has been abolished. Another post of Additional Superintendent of Police in the district of Puri has been extended only for six months, pending final decision; and as regards other recommendations, the departmental comments have been received very recently and are now being examined. Government are going to examine the question of re-organisation of District Offices. Greater economy in personnel and office establishment, as pointed out in the Ibeon Report, are under examination. The Board of Revenue are being asked to submit their reports on the subject, on receipt of which a final decision will be taken. Regular inspection of district and subdivisional offices and speedy disposal of routine duties and cognate subjects are also receiving Government's attention. Government are also awaiting the recommendations of the new Estimate Committee.

After the constitution of the Board of Revenue, the Revenue Department was to be abolished and amalgamated with the Board's office. But this re-organisation has not yet been completed. It was originally thought that it would lead to greater economy and saving. How far that expectation has been fulfilled is now under examination. The Board of Revenue themselves are also considering this question in order to improve efficiency and effect economy. Government have abolished the post of the Special Officer who was looking after minor irrigation in Northern Division. The services of more technical personnel, such as Engineers, may be drafted to help the Board of Revenue in carrying out the minor irrigation projects and other development works. The minor irrigation works have become very popular and the Board, the officers and people are taking much interest in this. Barring a few areas and projects others are reported to be very useful.

Another innovation which is being contemplated is to create a subdivision of the Malkangiri taluk of the Koraput district, to develop the Koya areas.

Excise—Last year when Hon'ble the Chief Minister introduced his Budget, he, while dealing with the Excise policy of the Government, said, "Personally speaking it is a tragedy in my life to find myself today directly responsible for all that is being or not being done in the Excise Department. I hold very strong views about the drug and drink habit. But when it comes to take action on the Governmental plane the problem at once becomes difficult. It is not merely a question of losing large revenues when from all sides there is demand for more money for all kinds of urgent development work. As an individual I may have a sort of puritanic satisfaction if I wash my hands clean of any money tainted by this vice but Government will have no justification for losing revenue from this source if it cannot at the same time effectively stop brewing and distillation on a large scale". Lastly he said, "I am trying my best to effectively stop illicit distillation and illicit trading throughout the State with a strong hand. If public spirited workers help me to succeed in this I shall be able to think about complete prohibition with greater confidence. I have warned officers of the Excise Department that if large-scale illicit distillation and trading continues unabated in Ganjam, Sambalpur, Koraput and other places I shall be compelled to take very drastic action".

With this background of Government policy so far followed, I was trying to understand the present position. The Finance Department have calculated and shown, as submitted to the

Finance Commission, that "prohibition of liquor has been introduced in some parts of the State from the year 1947-48. Excise revenue of the State could have increased by the amounts as noted below had not the above measure been taken". The figures they have given in respect of the years 1947-48 to 1951-52 show that the loss has been Rs. 12.70 lakhs. Then, again, under the scheme of reducing consumption of opium according to the accepted policy of the Central Government in pursuance of the international convention, the supply of opium is being cut at the rate of 10 per cent annually from the year 1949-50. This reduction in opium is definitely bringing down the revenue. But for this scheme of reduction, the revenue of the State would have further increased between the years 1949-50 and 1951-52 to an amount of Rs. 63.50 lakhs. The Excise revenue of Orissa in 1946-47 was Rs. 1.11 crores and after the merger of the States it increased to Rs. 1.81 crores and the peak revenue was in 1950-51 amounting to Rs. 2.13 crores. Thereafter the revenue is falling and falling rapidly and in 1951-52 it became Rs. 1.92 crores and in the current year, according to the Budget Estimates, it will further go down to Rs. 1.67 crores. This would show that reduction of opium and prohibition of liquor are to a large extent responsible for the falling revenue. The established policy of Government is that in course of ten years opium must go. There has been no turning back on that policy. The precarious financial position of the State has precluded the State Government from introducing wholesale prohibition but that gradual prohibition will be followed there is no doubt. It is, therefore, necessary that other avenues of income should be thought of. Madras, along with enforcement of prohibition, has introduced multiple point sales tax and thereby has been able to make up the entire loss of Excise revenue. We could make an attempt in that direction, but it requires very careful consideration and study. As has been pointed out in our Memorandum to the Finance Commission, on account of the restrictions imposed in respect of sales tax on commodities involved in inter-State trade, our State is losing revenue annually to the extent of Rs. 72 lakhs. Similar has been the experience of many other States. So this question of having a unified system and rate of sales tax throughout the Indian Union is reported to be engaging the attention of Central Government. Until this question is considered and decided we cannot make any venture in this direction. By multiple point, the incidence of single point sales tax will be reduced. The question of prohibition of illicit distillation and smuggling of opium and sale of opium at higher rates than the scheduled price are receiving the attention of Government and it is expected that it will have better and healthier effect.

Relief and Rehabilitation—At present there are about 7,000 displaced persons left in our rehabilitation colonies. After the existing vacancies in these colonies are filled up, it is expected we shall have a little under 8,000 persons. The majority of them are agriculturists, the second largest number are petty traders settled in urban areas. There are also a few families of weavers, betel-leaf growers and fishermen. The weavers have become self-supporting and some of them have started repaying their loans. The fishermen are also reported to have become self-supporting and it is hoped that the betel-leaf growers will become self-supporting within a short time. But the future of the bulk of the traders is still uncertain, though a certain number of them have become self-supporting. Most of them are clamouring for more and more loans on various grounds. Most of these families have to a smaller or greater extent eaten up the capital that was advanced to them as loans for business and have presented a problem which we do not see how we can solve. Experience shows that there are not good prospects for business of this class in the small towns of Orissa where the purchasing capacity of the people is very low and limited. Many of the displaced persons who have taken to business under the scheme, had no previous experience of the same. Either they have chosen a wrong profession or circumstances have compelled them to take to such new profession or, in their anxiety to get greater loans, they have chosen this profession of traders. In certain cases genuine difficulties have driven them to eat up their capitals and ask for further loans. Taking a humane and sympathetic view, one would feel that they should be helped as far as possible towards rehabilitation. But our hands are tied down by the rules and conditions laid down by the Government of India who ultimately bear this expense. We have been trying to persuade the Government of India to give us some discretion so as to provide better facilities to the displaced persons whenever and wherever necessary. There is no doubt that the small single rooms assigned to the displaced persons for their residence are very inadequate. We have therefore asked the Government of India to provide additional funds and they have agreed. Steps are being taken to expedite the construction work. As a member of the Committee appointed by Government to enquire into the grievances of the urban displaced persons of Cuttack, I had made enquiries and submitted interim reports to Government. A number of recommendations have been carried into effect and on other points steps are being taken. The services of the former Deputy Commissioner of this Department were terminated as his term expired and a new officer has taken over charge. The Commissioner of Relief and Rehabilitation is now paying personal attention to individual cases. Many have been given additional loans and the cases of other deserving ones

will certainly receive consideration. But there are some who do not appear to take seriously to business. So long as maintenance loan is given to them, they will continue and the moment it is stopped, they may desert the houses and go away. For these recalcitrant elements the vast bulk of the displaced persons should not be made to suffer. As regards agriculturist displaced persons, we had contended with the Government of India in the beginning that agriculturists cannot be self-supporting after one year's harvest. Whatever can be done subject to the instruction of the Government of India we will do. There are a number of idlers who appear to be hanging on and the moment the maintenance loan is stopped, they will either desert or agitate. In regard to such cases a definite policy has to be adopted. This goes against their own interest because ultimately they will never be rehabilitated and would have to quit. So far as deserving cases are concerned and those who suffer from *bona fide* difficulties, every effort will be made to help them. Government are watching the situation and enquiring into the condition from time to time. It is hoped that with co-operation and discipline the problem will be solved to a great extent.

Taxation enquiry—Government are contemplating to set up a Taxation Enquiry Committee which would enquire as to how the present system of taxation is reacting on different classes of people, whether there is any scope for relief and what other resources could be tapped in order to augment the revenues of the State. Under the Taxation Enquiry Committee, a small party or parties may be engaged to make intensive economic survey in certain classes of areas to collect data, which will not only be useful in determining incidence of taxation, but may indicate lines of development to be followed.

Capital Construction—Hon'ble members are aware that the new Capital at Bhubaneswar is under construction for the last five years. The foundation was laid by the Prime Minister of India. The master plan was prepared by a German expert. The object is to develop a modern city with provisions of modern amenities befitting the capital of a State. The original estimate of expenditure was Rs. 6½ crores. It was estimated that the Government of India would give about Rs. 2 crores as grant and the rest as loan. In his Budget Speech for the year 1949-50 the then Chief Minister stated that "the assumption has been that the Central Government will make available the full promised additional grant of Rs. 132 lakhs for the new Capital in the course of the current and next years and will assist us with loans up to the required amount to complete the project". With that expectation arising out of certain assurances this project was

undertaken. But unfortunately excepting the grant of Rs. 132 lakhs spread over five years no loan was forthcoming from the Government of India. As a result we had to spend money out of our revenue account. Hon'ble members might be aware that up to now we have received from the Government of India Rs. 85 lakhs as grant; the balance of Rs. 47 lakhs is expected to be received during the current year. But by the end of the current year we will have spent about Rs. 4 crores on the project, which means that we are spending near about Rs. 3 crores on the Capital out of our revenues. On a reference to page 48 of the Explanatory Memorandum of the current Budget, hon'ble members will find that our revenue deficit has reached the figure of Rs. 285 lakhs and according to the March preliminary Actuals the revenue deficit will further increase by about Rs. 38 lakhs. This would mean that our overall revenue deficit will be over Rs. 3 crores. After the merger of the States the deficit has increased. This accumulated deficit of Rs. 3 crores may in a way be attributed to our expenditure on Capital construction from our revenue account. The question, therefore, arose can we afford to spend continually out of our revenue account to complete this project thereby increasing our revenue deficit from year to year and that at the cost of almost all nation-building activities in other parts of the State including the rural areas? Government felt that they could not do so even though the construction of Capital is absolutely necessary. So Government had decided to round it off this year with an expenditure of Rs. 93 lakhs during the current year's Budget, which shows a deficit of about Rs. 29 lakhs in revenue account and an overall balance of Rs. 50.45 lakhs only including the contingency fund of Rs. 3 lakhs. This contingency fund should always be maintained under the Statute. So only Rs. 15 lakhs are available out of the overall balance with a revenue deficit of Rs. 285 lakhs. Hon'ble members are aware that not a single new scheme has been incorporated into the Budget placed before the House. We had to be satisfied with the expenditure on old continuing schemes. If we undertake any work involving any extra expenditure it would further add to our revenue deficit and would mean

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Under these circumstances I had to take up this question with my hon'ble colleagues and I am grateful to the Hon'ble Chief Minister and the other members of the Council of Ministers for the decision they have taken. As already stated we are determined to render a little more service to our rural people by way of road communication, minor irrigation, rural water-supply, primary and secondary education, public health and medical relief, etc. But where to get the money from? The only way

is to effect strictest economy in the existing expenditure and divert the saving for the above purposes. We had, therefore, to revise the expenditure on Capital Construction and effect further economy in other departments. We had budgeted to spend over Rs. 30 lakhs on sewerage scheme at Bhubaneswar, Rs. 27 lakhs on the scheme for permanent water-supply, Rs. 15.5 lakhs on providing water-supply connections to residences, Rs. 1.55 lakhs for the construction of food market, Rs. 3.65 lakhs for a high school building, Rs. 7.5 lakhs for hospital building with staff quarters, Rs. 4.30 lakhs for a Record Room and Library, Rs. 15.70 lakhs for M. L. A. quarters and Rs. 4.62 lakhs for alterations in some existing residential quarters and further amounts for nine senior officers' quarters, six Deputy Ministers' quarters, buildings for sub-treasury, police-station, Branch Press, etc. On a scrutiny we found that we have already built 1,880 residential quarters as per master plan against our requirement of 1,334 quarters in connection with the location of the Secretariat. We have, therefore, stopped further construction of quarters and reduced expenditure on sewerage and partly on the house connection for water-supply and partly of M. L. A. quarters, Deputy Ministers' quarters and some other constructions including food market, etc., and reduction of expenditure on high school building. We are examining whether the present residential and non-residential buildings could meet all our immediate requirements. But compelled by circumstances and as an imperative necessity, we have now reduced this budget by over Rs. 35 lakhs. I am thankful to the Hon'ble the Chief Minister and the Deputy Minister, Works, and the Department for the co-operation they have given me in this matter. With this saving in expenditure along with savings in other departments I am not only balancing the Budget but also providing a surplus of Rs. 10 to 12 lakhs in order that we may spend some little money on some essential works in the neglected rural areas as already stated. I am expecting that with further scrutiny in expenditure of other departments, we may be able to save a little more so that we may meet the barest demands for new schemes.

I know that this reduction in the expenditure of Capital Construction may cause much inconvenience and some amount of dislocation to ourselves including our officers and employees and even hon'ble members. But there appears to be no other go. We had explained this helpless position to the Finance Commission and they seemed to have appreciated our difficulty. That is why they went round the new Capital and our Secretariat at Cuttack to see things for themselves. We hope that the Commission will make some consideration to meet our difficulties in this regard. We are hoping that with the help of the Central Government we will be

able to complete this Project. Until then we will have to put up with some amount of difficulties and inconveniences and it is hoped that we will have the full support of the hon'ble members for the steps we have been forced to take.

Drive against corruption and black-marketing—I can assure the hon'ble members that vigorous steps are being taken against corruption and black-marketing. Some cases have already been started and some others are under close and careful investigation. But I may be permitted to say that the morale of services has, in no way, suffered. There is no want of patriotism in them. The rise of prices has added to their difficulties. We have given the fourth grade employees an extra dearness allowance of Rs. 5 per month. As regards others that matter is still under consideration. The responsibilities of the services are also increasing. We, therefore, fully sympathise with them and trust they will continue to work hard and enhance their reputation as the patriotic servants of the State and the people.

The Five-Year Plan—Hon'ble members are aware of the Five-year Plan. With the help of the post-war grants we had undertaken certain schemes which involve an annual recurring expenditure of Rs. 1.73 crores. This post-war grant was stopped from 1950-51. We have been left to our own resources to meet this recurring expenditure. We thought that the Five-year Plan will meet our difficulty. We had prepared a plan of Rs. 61 crores which was reduced to Rs. 33 crores; but the Planning Commission again whittled it down to Rs. 15 crores to be spread over five-years. This Five-year Plan does not even include all the continuing post-war schemes, because out of Rs. 1.73 crores only continuing schemes costing Rs. 1.52 crores have been included in the plan. So there will practically be no further development under the Five-year Plan. We have, therefore, prepared a revised plan of Rs. 38 crores which we have submitted to the Finance Commission and which we are going to place in the hands of the Planning Commission as well. This is the minimum that we need for Development. We naturally look up to the Government of India for substantial help for the execution of this plan. If India is to exist and progress, the poor, backward and weaker States like Orissa should be first looked after or else these little sore spots will infect the entire system of the Indian Union. Orissa's claim and difficulties have been frankly stated. It is for the statesmen of India to understand and appreciate them and do justice.

Budgetary position—Here I would like to say a few words regarding the forecast of revenue and expenditure as given in the Budget Estimates and the Explanatory Memorandum already presented to the Assembly. In the Explanatory Memorandum it

has been explained that according to the Revised Estimates for 1951-52 the deficit on Revenue Account would be Trs. 9,57 only and the transactions under the Capital Head would yield a surplus of Trs. 1,64,52 and that as a result of the combined transactions on the Revenue Account and the Capital Account during the year 1951-52, the overall balance would be a plus balance of Trs. 42,46. We have just received the March Preliminary Accounts for the year 1951-52, according to which the deficit on revenue account would increase to Trs. 46,68 and the surplus on Capital Account would increase to Trs. 2,80,22. Hence according to the Preliminary March Account figures the year 1951-52 would close with an overall plus balance of Trs. 1,21,05 against the overall plus balance of Trs. 42,46 forecast in the Explanatory Memorandum. It would be seen from this that there would be a net improvement of about Trs. 78,59 in the overall balance according to the March Preliminary Accounts. It may, however, be made clear here that these are only provisional figures and when the March Final Accounts are compiled, there may be some adjustments between the Revenue and the Capital Accounts, though the closing balance may remain unaffected.

In the Budget for 1952-53, which has been presented to the Assembly, it has been assumed that there would be a deficit in the Revenue Account to the extent of Trs. 28,84 and in the Capital Account there would be a surplus of Trs. 36,83, leaving a net surplus of Trs. 7,99. Accordingly the year 1952-53 which was expected to open with an overall balance of Trs. 42,46 was to close with an overall balance of Trs. 50,45. But as would be seen from above, according to the March Preliminary Accounts, the year 1952-53 would close with an overall balance of Trs. 1,29,04.

Price fluctuations—The misery of the common man, specially that of the middle class and lower middle class with fixed incomes is miserable indeed. The abnormal rise of prices is primarily responsible for this. A few months back the price level showed an easier trend and it created a sense of relief. But it has again been halted. Of course this temporary relief did not reach the ultimate consumer effectively. Any way the future is not certain. There might be a slump as the worldwide situation indicates. If it so happens our revenue position may be further affected. Consequent lower yields from sales tax, agricultural income-tax, registration fees, stamp duties, etc., may thereby bring about further dislocation in our Budget Estimates. It may be contended that the expenditure of Government in various departments should also be reduced correspondingly. But the nature of our expenditure is such that any substantial reduction is not likely

in near future. As regards the programme of work, since we have not been able to provide the barest minimum of national services reduction in this sphere would mean starvation and stagnation.

Finance Commission—The most outstanding event that has happened after the Assembly adjourned in April last is the visit of the Finance Commission to Orissa. Hon'ble members know how financially and economically backward we are. Even though we have taxed ourselves to almost the saturation point as would be evident from the fact that some of our taxes are highest in India, still we are not able to make our both ends meet. We have neglected our roads, neglected the villages and towns in respect of drainage, water-supply, etc., and, have not been able to discharge the primary duties in respect of primary education, public health, etc. We are not in a position to balance our Budget in spite of drastic economy, and everywhere we are confronted with want and discontent. The backward condition of tribal areas and ex-State areas is the greatest headache. We have, therefore, to pin our faith in the Finance Commission. Accordingly we submitted our Memorandum to the said Commission which was supplemented by a separate Memorandum of my own, copies of which are now placed in the hands of the hon'ble members. I am grateful to the Hon'ble the Chief Minister for the interest he has taken in the whole matter. We are also grateful to the Finance Commission who are really a Commission of Financial Jurists appointed by the President to take into account the conditions of different States along with fundamental principles of Federal Finance and recommend fair and legitimate apportionment of revenues between the Federal Union and the States *vis-a-vis* the States themselves. In a Memoranda we have shown a revenue gap of Rs. 6.16 crores on the basis of existing level of revenue and expenditure. I hope my Memorandum circulated to hon'ble members will give a clear picture and therefore I need not go into further details. We have laid bare everything boldly and faithfully before the Commission. They, too, had given us a very patient hearing and we feel confident that we have been able to convince them about our hard lot and the justifiability of our submissions. We hope and trust that this Commission of Financial Jurists will do justice to us.

I must record my sincere sense of appreciation of the help and co-operation I have received from the Finance Department together with the Chief Secretary, Deputy Secretaries, Budget Officer and the staff as also the Secretaries and Heads of other Departments and the Board of Revenue. The Chief Secretary and his deputies have done their best to collect materials and prepare the case. The previous Memoranda of the then Hon'ble Chief Minister were also very helpful. I am grateful to the

Hon'ble the Chief Minister and my colleagues for the support they have given me on the approach I have made to the problem. Let me again record our sense of thankfulness to the Commission for the patient hearing they gave us and the trouble they took to go round some of the backward areas of the State. Let me tell you, hon'ble members, frankly that the fate of this State hangs on the recommendations of this Finance Commission.

My thanks are also due to the Finance Department in connection with the preparation of my statement on the Budget.

JAI HIND

