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Speech of Shri Radhanath Rath, Finance Minister,
Orissa, in introducing the Budget Estimates
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SIR,

I now rise to place the Budget for 1953-54 before this august Assembly which I should in all humility acknowledge to have so far accorded the co-operation for which I extended my prayer, when I last made my statement on the revised Budget proposals for the year 1952-53. That Budget was virtually prepared by the outgoing Government just in the thick of a general election. It could not, therefore, fully reflect the policy and programme of the Government that came into office thereafter. I, however, indicated partly the revised policy and programme and stated that there were certain schemes which were to be launched upon in course of the year and they referred to various developmental activities mostly in rural areas. All those schemes were brought before this House and passed when supplementary demands were moved in the last October Session for which I record my grateful thanks.

The present Budget, however, must be said to be indicating the policy and programme of the present Government in a wider context. Let me state unequivocally that the policy and programme laid down hereunder has the fullest support of the Chief Minister and other colleagues and I am very thankful to them. I can say without any mental reservation that we have tried our best to satisfy the various pressing needs permissible under the circumstances and possible under the limitations with which we are confronted. In this, however, efforts have been made to usefully spend money in rural areas whereby the labourers and the middle class people can get better employment.

I should not pretend to claim that all that we desired could be done or all that we expected could be fulfilled, or all that we asked for were secured. While quoting Mahatma Gandhi, the Father of the nation, I had stated that if we had fought for the freedom of our country, it was to establish a real democratic State in which the interests of the masses should predominate. I had, therefore, submitted that we would so direct our economy that the masses, who constitute the bulk of the rural population, should be served better and that the poor ignorant tax-payer should be made the real master and that corruption should be fought with determination and the services, the class and the mass, should be so inspired that their talents and experience and strength and resources should be harnessed to be best utilised for the good of the people. In brief we visualised a silent peaceful revolution in the country. This naturally envisaged a situation in which, in the words of Emerson, "The absolute balance of Give and Take, the doctrine that everything has its price, and if that price is not paid, not that thing, but something else is obtained, and that it is impossible to get anything without its price, is not less sublime in the columns of a Ledger than in the Budgets of States, in the laws of light and darkness, in all the action and reaction of nature."

Unless every section of the Society pay the price and strike a balance between give and take the objective cannot be obtained. For the real price of labour is knowledge and virtue, whereof wealth and credit are signs. The ends of labour cannot be answered but by real exertions of the mind, and in obedience to pure motive. The cheat, the defaulter, the gambler cannot extort the knowledge of material and moral nature, which his honest care and pains yield to the operative. The law of nature is—
"Do the things and you shall have the power; but they who do not the

thing, have not the powers." These memorable words of Emerson are very true today. As, however, no man had ever a point of pride that was not injurious to him, so no man had a defect that was not somewhere made useful to him. In consonance with this universal truth I must admit that the country at large could not do the thing fully and adequately and therefore, could not duly rehabilitate itself morally and materially in the region of power and advancement. Therefore, the poverty still persists, the shortcomings of the administrative machinery still exist. But may I venture to remind ourselves that "Our strength grows out of our weakness". Not until we are pricked and stung and sorely shot at, awakens the indignation which arms itself with secret forces; the same guards which protect us from disaster, defect and enmity, defend us if we will refrain from selfishness and fraud."

Sir, before I proceed further I should like to refer to a very sad incident which has happened a few days back and it is the death of our Defence Minister late Shri N. Gopalaswami Ayyangar. We mourn his death which has been an irreparable loss to India. His wisdom and sagacity in handling international affairs was of very great help to our country indeed

ECONOMIC SITUATION

The darkness in the international situation is growing thicker day by day. The disturbance of peace which took place two and half years back in Korea still persists even after the election of the new President of the United States of America and even though the most sincere and honest efforts of India under the leadership of the Prime Minister to bring about a settlement have almost universally been appreciated and applauded. It appears as if the area of conflict is going to be extended. All around the Indian Union signs of disturbance are growing. But to the credit of India there is not only peace and tranquillity, but greater harmony between the different sections of the people. Conflict in the neighbouring countries is bound to have its reaction in the overall economic position of the world and for the matter of that, of our own country and of our own State. The menace of inflation had created a very uncertain situation resulting in a spiral of rise of prices against which the Government of the country had to fight hard. It is a matter of congratulation that the anti-inflationary policy of the Government of India has yielded definite results. The inflation has now been checked; prices of certain articles are slowly but steadily going down. The production has been rising. In certain commodities such as Jute and Gur the prices have rather fallen very rapidly and drastically. This helps to a certain extent the consumer no doubt, but it may tend towards a depression. The anti-inflationary policy should not, therefore, obscure the fact that the Government has to be equally committed to an anti-depression policy. It has been rightly said that "Curbing inflation is the first step towards preventing depression." Under mixed economy the State has to be very careful to overcome inflation and prevent depression as otherwise the fall in the purchasing capacity of the people will inevitably cause fall in revenue of the State resulting in an economic disturbance which may bring about disaster. Kautilya, the great Statesman of ancient India, had rightly said—"कोषपूर्वाः समारम्भाः । कोषमूलो दण्डः । तस्मात् पूर्वं कोषमवेक्षेत । अल्पकोषो हि राजा पौरजानपदान् एव अस्ते ।" According to Kautilya, it was the duty of the State to help individuals

and industries as well as the various sections equitably and rationally through the resources at its disposal. As such, the prosperity of the community contributed to the prosperity of the State, while the distress of the latter led to their poverty. He had rightly said that well-filled treasury was a prime requisite for the progress of a prosperous State (कोषपूर्वाः समारम्भाः) since, upon it depended the defence of the country, the safety and prosperity of the people. The State or Government's poverty, according to Kautilya, led to the economic ruin of the country and it was sure to devour the people (स्वल्पकोषेहि राजा पौरजानपदान् एव ग्रसते)। We should, therefore, grimly take note of the fact that the finance of the State, particularly of a welfare State, should not be allowed to be seriously affected by actions which would do positive harm to the State and the Community.

STRUCTURE OF TAXATION

It is true that taxation should be commensurate with the paying capacity of the tax-payer. The simplification and modernisation of the entire system of taxation in the country is a task which is now proposed to be enquired into by a Taxation Enquiry Committee to be constituted by the Government of India shortly. In our own sphere also an economic survey together with an enquiry into the incidence of taxation in the State is going to be undertaken soon. In my last Budget statement I had announced that such a Taxation Enquiry Committee would be set up and that it would start working very soon. But unfortunately we could not complete its constitution owing to delay in securing the services of some eminent economists whom we thought to be most fitted to undertake such survey and enquiry.

After my statement on the subject I am glad that the Finance Minister of India announced the idea of having a Central Taxation Enquiry Committee, and in the last Finance Ministers' Conference the scope of this enquiry was discussed; and it is understood that the proposed Taxation Enquiry Committee to be appointed by the Government of India will enquire into the system of taxation in the Centre, in the States and under Local Bodies. Since this enquiry will be a comprehensive one, I had to revise my idea of a Taxation Enquiry Committee in our State. I had prolonged correspondence on the subject with Professor D. R. Gadgil, Director, Gokhale Institute of Economics and Politics, Poona, who is a member of the National Income Commission appointed by the Government of India and who had been asked by the Central Power and Irrigation Commission, Government of India, to prepare a scheme of economic survey of Hirakud Project. I have also had correspondence and discussion with some other experts and our Chief Minister and have now decided that we should have a thorough and scientific economic survey on regional basis in our State which would include enquiry into the incidence of taxation and for this I am enlisting the co-operation of Professor Gadgil and Dr. Sadasiva Misra, Head of the Department of Economics, Ravenshaw College. Never has such economic survey and enquiry been made in Orissa up till now. Professor Gadgil, with regard to economic survey arising out of the Hirakud Project, has indicated that "this type of investigation is best exemplified by the Columbia Basin Joint Investigations. This is stressed here because the absence of planning in these matters would make a great deal of difference to the process of adjustment and the costs involved in it and the direction and

pace of development of the tract. Quick adjustment with the minimum cost can be planned. If not, the adjustment would be by trial and error. It will involve higher costs, require more time and may even take wrong directions." He further said, "Lack of planning will involve lower levels of total benefits, greater costs, undesirable and harmful development, etc., and therefore, basically we will have to take stock of the economic conditions at the time of construction with which comparisons can be made of the economic conditions after the completion of the project. The present conditions can be gauged by the carrying out of the survey of the area affected by the project. Conditions after completion have to be projected on the basis of available data, contemplated policies, etc. As has been indicated above, two pictures of economic conditions after completion, one after five years and one after 25 years, will have to be built up to see the problem in the short and long-term perspectives. An enquiry bearing on all these can be planned and completed in three stages as detailed." Since such a valuable economic survey is contemplated, I thought that we should integrate it with our own economic survey and enquiry into the incidence of taxation. I am glad to note that Professor Gadgil has written to me that when we begin our survey work he shall try and help us with the resources of the institute to the largest extent that he can. He would be available for consultations and the work of his survey staff may be integrated with the work of our survey party, so that the different regions of Orissa, according to economic groups, might be scientifically surveyed and incidence of taxation may also be scientifically enquired into and data collected and placed before us. I am expecting that the matter will shortly be finalised and an announcement will be made.

With regard to Taxation Enquiry, I know there are friends who feel impatient about it. I concede it to be natural, because they are as anxious as we to readjust and rejuvenate the economy of the State. I may state that it has been our sincere desire and earnest endeavour to effect economy and prevent wasteful expenditure as far as we can. Some steps have no doubt been taken in that direction, though I would not say that we have been quite successful as yet. But the determination is there and in certain respects economy has been effected. Efforts are being made to make the best use of money for the welfare of the people and I may humbly claim that the Budget which I am presenting will reflect our efforts in that direction. In view of this I would appeal to every section of the House and the public at large that we should not do anything which would undermine the financial stability of the State.

EXEMPTION OF SALES TAX

Pending the results of the proposed Economic Survey and Enquiry into incidence of taxation I may indicate here that regarding Sales Tax we are awaiting the decision which the Government of India will take regarding uniformity in Sales Tax in consultation with the different State Governments. The Finance Minister of the Government of India has already stated in Parliament that definite conclusions would be reached only when an authoritative interpretation of the Supreme Court was available regarding the interpretation of clauses (1) and (2) of article 286 of the Constitution.

As regards the exemption of certain goods declared to be essential for the life of the community, it is to be noted that though the Central Act does not affect the existing list of commodities either exempted or taxed in Orissa, the Government of Orissa in consideration of the economic reaction obtaining in respect of certain commodities involved in trade in and outside the State, have decided that cocoanut, text-books, meat and eggs would be exempted from Sales Tax from the 1st April 1953 and that for hearing revision petitions arising out of Sales Tax cases a separate Tribunal would be constituted. Regarding various other points they are being examined and we may await the recommendations of the Economic Survey and Taxation Enquiry Committee.

FINANCIAL POSITION AND PROBLEMS ARISING OUT OF IT

India is striving hard to consolidate her economic position by pursuing a constructive policy of work and advancement. The Five-Year Plan, the Community Projects and even the Bhoodan Yajna of Acharya Vinobha Bhave are the different aspects of that effort. These are conceived in a spirit of silent peaceful revolution and we should, therefore, bend our energies in these fruitful channels. I don't say that there is no room for improvement in the plans and projects; that the plan is adequate and satisfactory; that way constructive proposals and criticisms would be welcome. But may I suggest that political considerations should not be brought in or impediments and obstructions created to undermine these efforts.

So far as this State is concerned, we have heard the speech of the Governor, whose wise counsel and guidance we value most. This speech indicates nothing but the constructive efforts for the development of the State and amelioration of the condition of the common man however limited they may be.

I am afraid, I have taxed your patience by presentation of certain problems which are abstract in their nature. I should now come to practical details with which we are at present concerned. It is said that Monday is Parson's holiday; but I will be troubling you with intricate figures which may be a little boring and may mar the jovial atmosphere prevailing in the House up till now, as legislators we have to face the realities and deal with them.

Sir, the Budget I have presented to the House will be a landmark in the budgetary history of Orissa inasmuch as the total expenditure it involves is the highest ever reached in this State. When this Province of Orissa was first constituted on the 1st April 1936, the first Budget represented a total revenue of TRS. 1 68,63 and expenditure of TRS. 1,71,63. In course of time and after the war in 1946-47, the total revenue came to Rs. 4 crores and 43 lakhs and expenditure to Rs. 6 crores and 9 lakhs. The revenue and expenditure went on steadily rising up to 1948-49 and as a result of the merger of the States the total revenue in 1949-50 was Rs. 8 crores 90 lakhs as against expenditure of Rs. 8 crores 76 lakhs and the highest revenue-expenditure was reached in 1951-52, revenue being, according to the Budget estimate, Rs. 10 crores 56 lakhs and expenditure Rs. 11 crores 31 lakhs. But in 1952-53 the revenue was originally estimated at Rs. 11.78 crores and expenditure at Rs. 12.6 crores and the revenue deficit at the end of the year was estimated to be Rs. 2.30 crores. But according to the revised estimate of the current year we find that the revenue has gone up to Rs. 13.60 crores and expenditure to Rs. 12.40 crores

and as would be evident from the Budget presented today the hon'ble members will find that for 1953-54 our total revenue is estimated at Rs. 13 crores 56 lakhs and expenditure at Rs. 14 crores 45 lakhs. This revenue and expenditure is the highest figure ever reached in the history of Orissa and the revenue deficit has been brought down to Rs. 72 lakhs. Of course this is due to the windfall of revenue received from the Centre out of the recommendations of the Finance Commission and some increased taxes in the State. But still it should be presumed that the State is making steady progress and we will be able to go ahead provided we handle our finances very carefully and always look to economy without impairing efficiency. This improvement in budgetary position, I must respectfully submit, is not much due to the improvement of our provincial resources. I would rather seriously invite the attention of the House to the fact that the overall Provincial revenue position has been deteriorating on account of the rapid fall in the excise revenue and agricultural income-tax arising out of abolition of zamindaris. Prohibition being the established policy of the Government excise income is bound to go down. But income from this source was over Rs. 2 crores amounting to one-third of the total Provincial revenue. How to fill up this gap is the problem. Is it by reducing expenditure in an undeveloped State like Orissa in respect of development activities? It is impossible and undesirable to do so. Then there would be no justification for the existence of a State. By effecting economy in administration we could do to a certain extent no doubt; but to what extent? This is a matter which is receiving our utmost attention. Each individual scheme is being examined so as to effect economy and avoid unnecessary or wasteful expenditure. We have considerably reduced recruitments to Orissa Administrative and Subordinate Administrative Services this year and are re-examining the cadre strength of Superior and Provincial Services. The report of the Estimates Committee is under examination. There are certain matters on which Government of India are being consulted and information from other States are being collected. The question of revision or abolition of special pay is also being examined in consultation with the Government of India. But to the low-paid Government servants drawing pay up to Rs. 300 an additional dearness allowance of Rs. 5 is being granted.

In certain departments, such as, Agriculture, certain schemes of commercial nature, known as Tractor Scheme, etc., have been abandoned as they were found to be losing propositions. This has effected substantial economy. Similarly in Supply Department substantial economy has been effected resulting in a saving of Rs. 2 lakhs by retrenchment of surplus staff. In respect of Works Department new and cheaper types of construction of Roads and Buildings are being experimented. Even then our expenditure on pay, allowance, etc., of staff is about Rs. 5 crores 60 lakhs. This is the basic expenditure so far we have to meet out of revenue. Out of the Provincial revenue of Rs. 6½ to 7 crores, if this is deducted there is hardly one crore or one and half crores available for effective services to the people and development of the State. It is a tragedy that in spite of the inexhaustible mineral and forest resources and over 50 lakhs of acres of cultivable fallow land and so much of man-power in our State, we are so poor, backward, under-fed, under-clad, undeveloped. Large sections of our people have hardly a house to live in both in the urban and rural areas. They cannot have two square meals a day even though they feed the other deficit States with

their foodgrains, which they have to sell as the only money-crop and that again at a price which is cent per cent cheaper than the imported foodgrains and 50 per cent cheaper than what it is in other States of the Union. If the economic resources of our State are not developed, communication is not extended, proper price is not obtained and employment is not provided to the half-starved millions and if the people are steeped in ignorance and illiteracy, how can we expect to exist and develop? How can the income of the State come up to its requirement? Poverty is our greatest enemy, but how can we fight it out without financial resources? If Orissa goes poor, India will go poor, because any weak spot in the body-politic of India will be a hunting ground for those who would like to fish in troubled waters. It may undermine law and order, peace and tranquillity and bring about disaster. Disaster here will ultimately mean disaster everywhere. Orissa is, therefore, one of the most baffling problems and it is not an easy task to guide the financial destiny of this State under the handicaps indicated above. The very fact that agricultural income-tax, sales tax, petrol tax and several other taxes have reached the maximum in contrast with other States, and the consumption of opium and liquor is heavy, but still the State finance is not adequate to meet its bare administrative needs, should make us think seriously. I wonder why should it be so? Our minerals are being sold at very high prices in the market as would be evident from one illustration that manganese is being sold in the market at Rs. 120 per ton when the State Government get only Re. 1 to Rs. 2 as royalty per ton; whereas the middleman makes a profit of Rs. 80 to Rs. 90 per ton. We are neither allowed to levy any sales tax nor enhance the rate of royalty which is fixed by the Centre in so-called all-India interest. This is just one illustration. I could give many more. But are we to be subjected to these handicaps at the cost of our existence and ultimately at the cost of peace and tranquillity and development of the country? Pray, tell me where can I lay my hand on as Finance Minister to find out money for development if these sources are denied to us. Where can we find the capital for vigorously pursuing the establishment of industries as recommended by the Hirakud Expert Committee and supported by the Planning Commission? Is it any wonder, therefore, that we have been looking up to the Government of India to come to our rescue and provide us with necessary finance on a fair and equitable basis that in course of time we may rehabilitate ourselves by expansion of Industry and Agriculture? There are hardly any other independent avenues available to us to augment our resources. If we go to the open money market we have to get the approval of the Government of India and of the Reserve Bank. We are very grateful to Government of India for having been financing the Hirakud Project on our behalf on the basis of loan and for having been advancing us small loans for schemes like Duduma Project. But pray, tell me how are we to utilize the electric energy to be generated, utilize the water to be stored and discharged from the Dam, if we cannot exploit our mineral and forest resources and utilize other raw materials by establishment of industries and opening up of Railway and Road communications. About Orissa Mr. Fox, the Director-General of Geological Survey, Government of India, says, "In the States of Keonjhar, Bonai and Mayurbhanj there exists one of the major iron ore fields of the world, in which enormous tonnage of rich ore are readily available. In one tract alone comprising the areas of Singhbhum, Bonai, Keonjhar and Mayurbhanj, the reserves of iron ore, with upwards of 60 per

cent iron content, are computed at no less than 3,000 million tons by one careful geologist and as probably as much as 20,000 million tons of high grade iron ore by an experienced American iron master. Since this area is very close to Hirakud, it is an irony of fate that there are no industries nearby to utilize these resources. Similarly, in the matter of Road and Railway communication, Orissa is the worst sufferer. In Bihar there is one mile of road for every $2\frac{1}{2}$ square miles of area, in Assam for every five square miles, in Madras for every three square miles, but in Orissa it is one mile for every 8 square miles. The Eastern Railways comprising of 7,000 miles of railway line serves 2 lakhs 10 thousand square miles of area and 67 millions of population of Uttar Pradesh, Bihar, West Bengal and Orissa. Orissa's population is about one-fourth of this total and in area it is one-third of the total. But in Orissa the railway line is only 665 miles, i.e., one-tenth of the total. Ex-State areas and Koraput and Ganjam Agency remain almost inaccessible. The Partially Excluded Areas Committee Report had particularly stressed the opening of communications. But it is for the Railway Ministry and the Planning Commission to do justice to us in the matter. In absence of these, the projects may ultimately prove to be liabilities. There is a saying in Bengali, “সবিত্তে উচিত ছিল প্রতিশ্রুত বসন”. When these projects were launched upon, the financial implications must have been visualised and ways and means thought of to utilize the same. There are at the Centre statesmen with wider vision, sound knowledge of finance and statecraft who must have visualised the future picture associated with these projects. Should we be wrong if we say in perfect humility that they should primarily help us in working out these integrated projects to their ultimate fruition? We are their debtors, they are our helpers; but to what purpose? The English poet had said—

The Lord let the house of a brute to the soul of a man,

And the man said, “am I your debtor?”

And the Lord—“Not yet; but make it as clean as you can;

And then I will let you a better.”

If this be the command or consolation, God knows how we would help ourselves. The idea of constituting an Industrial Financial Corporation was included in the Five-Year Plan and our Government proposed to invest 25 per cent of the entire capital amounting to Rs. 20 crores for organising industries, but only Rs. 30 lakhs has been provided for the purpose in the Five-Year Plan which is a drop in the ocean. Unless the Planning Commission helps to raise the sum to 5 crores as suggested by the Government of Orissa it will be difficult for us to organise industries.

Having emphasised some of the very pressing and baffling problems I will now pass on to review the recommendations of the Finance Commission.

FINANCE COMMISSION

Sir, in my last Budget statement I had submitted that the Finance Commission were a Commission of Financial Jurists and were 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. I had further submitted that it was

our hope and trust that this Commission of Financial Jurists would do justice to us. While concluding my statement I had expressed myself in the following terms, "Let me tell you, hon'ble members, frankly that the fate of this State hangs on the recommendations of this Finance Commission". I remember some Hon'ble Members laughed at me and in a way said, "मगि आणिला तिअण सुद्धु काए." "Beggar's bowl only deserves a penny."

I however never lost hope and trust. Now that the Finance Commission have submitted their report after their hard labour and the same has been laid before the Parliament, it is now public property. But the President has accepted the recommendations. We have, therefore, taken their recommendations into account and framed our budget accordingly. Whatever may be the opinion held by States, parties and individuals, I must frankly state that the Commission has at least established one principle which has been the basis of their recommendations and which should guide the future Finance Commissions. Never in the history of financial adjustments and devolution of revenue such a principle had been laid down or followed.

All previous settlements and awards were rather arbitrary and subject to hazards of politics and expediency. But the Finance Commission appointed by President under the provisions of the Constitution have discharged their responsibilities on different premises. They have accepted certain principles which should govern the distribution of revenues to be shared between the Centre and the States. They have candidly stated:— "We could not refrain from enquiring into..... *needs* as we had to discharge the duty placed upon us by the President to make recommendations to him in regard to all States in *need* of assistance." They have further stated, "The States laid before us an impressive case for increased assistance to meet their growing *needs* and our discussions with the State Governments have left us in no doubt about the imperative *need* for a substantial augmentation of the revenues now available to them." As regards the method, they have said, "We have used methods both of devolution of revenue and grants-in-aid for securing this transfer. We have recommended general grants-in-aid to some of the States to whom our scheme for the devolution of revenue does not provide adequate resources." They have again said, "We have also recommended grants-in-aid to some of the less developed States to enable them to make some progress in one of the important social services of national interest." In giving effect to their considerations, they have devised a concrete formula which has been applied to all States uniformly. This is with regard to distribution of Income Tax and Union duties of excise. As already stated, in all previous awards no such formula was adopted. In Otto Niemeyer award Orissa got the least, in spite of the fact that Sir Otto Niemeyer admitted "it is impossible to ignore the fact that the existing standard of expenditure in Orissa is extremely low and the scope for expansion in the province's own resources in the early future is unusually limited." His award gave only 2 per cent of Income-tax to Orissa and only Rs. 40 lakhs as annual subvention. After freedom and partition Orissa's share was increased to 3 per cent along with Assam and the Desmukh award only reiterated the same. No consideration appears to have been given to merger of the States. When this Finance Commission was appointed some powerful States started vigorous propaganda and submitted memoranda

urging that income-tax should be distributed on collection basis. Of course, a few others suggested distribution on population basis, but some bigger and more influential States were so vociferous that smaller States like ourselves were completely scared away. The Expert Committee appointed by the Constituent Assembly of which the Chairman was late Shri Nalini Ranjan Sarkar, lately Finance Minister of West Bengal, whose death is mourned by all of us as a great loss to the country, recommended 60 per cent of the Income Tax to be distributed among States, on a certain basis. But even this formula was given a go-by and only accrual basis was emphasised. The Government of Orissa, however, took the most rational view that "Needs should be the sole criterion for distribution between the Centre and the States and *vis-a-vis* the States themselves of revenues including Income Tax so as to afford a national minimum of social service". The Mahtab Memorandum and the memoranda of Government and of myself made certain fundamental assertions. We also referred to Nehru-Adarkar Report. The Finance Commission have now recommended that Government of India should set apart 2.75 per cent of the net proceeds of the Income Tax as attributable to Part 'C' States which are directly under their care and of the rest 45 per cent will go to the Central Exchequer and 55 per cent to be distributed among 16 Part 'A' and 'B' States on percentage described at pages 66 and 67 of their Report. 80 per cent of this distribution is on basis of need, i.e., on basis of population and 20 per cent on the basis of collection. It is true that this distribution is not in accordance with Nehru-Adarkar Report which devised a scientific formula on the lines of Australian Settlement, because it has still included the basis of collection as an element in its formula. We had clearly submitted that even in the United States of America and other countries, population was considered the basis for distribution of revenues. But the fundamental principle virtually accepted by the Finance Commission is *needs*, since they have said that "We could not refrain from enquiring into needs as we had to discharge the duty placed upon us by the President to make recommendations to him in regard to all States in *need* of assistance. We have therefore enquired into the needs of Sourashtra, as of all the other States, by standards and criteria which we have applied without discrimination". They have taken into account not merely the needs of the States, but the ability of the Centre as well to assist. There might be difference of opinion on the point as to how far Centre can bear and whether the proportion fixed is reasonable or not considering the necessity of development needed in the States particularly under-developed or undeveloped States. But there is no doubt that they have conceded to the principle of *needs* of the States as the criterion. This is what we had respectfully submitted. We may not be fully satisfied with the present formula but I am happy that the principle enunciated by us has been accepted as reasonable. The fantastic claims of some others have been rejected. The other important point is that 40 per cent of union excise revenue has been assigned to the States, distributed on the basis of population. This innovation is not only a welcome one but the scope of it should be further widened so as to enable States particularly under-developed States to come up a little ahead economically to be at par with others. This recommendation is in accordance with Article 272 of the Constitution, provision under which had not been made as yet. Unfortunately, of course the share of jute export duty has been reduced from 62½ per cent to 32½ per cent and distribution has been on the basis of revenue of 1949-50.

If the income of later years had been taken into account, we would have probably received a larger quota.

I would now come to the question of grants-in-aid. Hon'ble members are aware that we were getting an annual subvention of Rs. 40 lakhs only. The Finance Commission have recommended a sum of Rs. 75 lakhs as grant-in-aid. They have in this connection observed at page 102 of their Report—"We are satisfied that the devolution of revenue and the grant in lieu of jute export duty will not leave Orissa a margin for further development. Orissa has in recent years been unable to make an advance in the field of social services owing to want of adequate finance. It has had a large accession of relatively backward territory in its "merged areas." It has a substantial element of scheduled tribes and other backward classes and in certain directions like communications, the State is very poorly served. Taking these various considerations into account, we recommend that the present grant-in-aid of Rs. 40 lakhs be raised to Rs. 75 lakhs."

Considering the grants-in-aid given to the Punjab and Assam and even to Sourashtra which has almost 1/4th of the population of Orissa, the grant-in-aid recommended for Orissa is, I must frankly say, very inadequate indeed. In view of the fact that 28,000 square miles of ex-State areas with 50 lakhs population, undeveloped and backward, have been added where only to bring the administrative and developmental activities at par with the old districts on the existing scale would cost Rs. 2 crores annually, this meagre grant may be only a token recognition of our needs. We had specifically submitted this case to the Finance Commission. In addition to this the backward areas of Koraput and Ganjam Agency comprising 15,000 square miles are a problem in themselves. There is neither road communication, railway, nor irrigation and industry. These are highly undeveloped areas full of natural resources inhabited by Adibasis. The development of these areas as well as the ex-State areas is a serious responsibility which the State Government of Orissa cannot discharge out of its own financial resources. The taxable capacity of these people is extremely limited whereas the development of these inaccessible areas needs enormous recurring and non-recurring expenditure. While recording my thanks to the Finance Commission for appreciating our difficulties in respect of these essential problems, I cannot help expressing my grave disappointment on this score.

The Commission, however, have stated in para 23 at pages 8-9 of their report that "During the course of discussions, a number of State Governments drew our attention to the finance required for meeting expenditure on capital schemes. We are primarily concerned with the distribution of revenues between the Centre and the States and the determination of grants-in-aid of the revenues of the States...no devolution of revenue or grants-in-aid which we could suggest would in present circumstances be able to satisfy such needs. We are, therefore, making no recommendations in regard to grants for meeting the capital requirements of the States." Orissa had, however, expected that some specific recommendation of grant and loan would be made to work out the development programme which we placed before the Commission involving an expenditure of Rs. 38 crores. We had also anticipated that we would be recommended some grant and loan for the completion of our capital project at Bhubareswar which was undertaken on assurances of help of grant and loan from the Centre. Unfortunately no loan was sanctioned and the grant was considerably reduced. The Commission, however, took the view that it was beyond the purview of their recommendations.

Our strong and emphatic grievances on account of application of Central Mining Rules resulting in serious handicaps in collecting the most legitimate amount of revenue and the very low prices paid to us for the rice and foodgrains supplied to the deficit States have, of course, been referred to by them, but they have stated that they do not fall within the general scope of their work. They have, however, stated, "We have brought some of these complaints to the notice of the Central Ministries." Now let us see how the Central Ministries react.

Another important recommendation of the Commission is the special grants-in-aid for primary education. We are thankful to the Commission for having realised and emphasised the essential necessity of taking large strides in the field of primary education. Out of the 16 different States, 8 including Orissa, Bihar, Madhya Pradesh, have been listed to be backward in primary education and they have, therefore, recommended progressive grants-in-aid to each of them for primary education for four years beginning from 1953-54 to 1956-57. The grant-in-aid for Orissa is 16 lakhs for 1953-54 rising by 5 lakhs each year to 32 lakhs in 1956-57. Considering the expenditure involved in making primary education free and compulsory in terms of the directive clause of the constitution, this little grant is no doubt a drop in the ocean. This is a responsibility which involves an annual expenditure of Rs. 5 to 6 crores in Orissa. That being so this little grant does not solve the problem, but this at least supports the principle that such responsibility should be shared by the Union Government as well. Let me state clearly that compulsory primary or basic education to children up to the age of 14 involves an expenditure of such a magnitude that it should be met not merely by token grants but by some sort of devolution of revenue and evolution of new resources.

To sum up, there has been an accretion of additional revenue to our State to the extent of one crore seventy-five lakhs (1,75 lakhs) for the year 1952-53 and Rs. 2 crores for the year 1953-54 on account of the recommendations of the Finance Commission. In place of 3 per cent of income-tax our share has increased to 3.50 per cent. In respect of Union Excise revenue, our share on population basis is 4.22 per cent which may come to Rs. 75 lakhs. By application of the formula of distribution of income-tax uniformly Orissa has gained by 50 per cent while all other Part 'A' States have suffered more or less reductions. There being no discrimination whatsoever, this definitely proves that Orissa had suffered a good deal on this account in the past and that in future the rational distribution of income-tax and Union Excise should be based on needs and population so as to provide minimum standard of social services. As regards the work of the Commission, I should better quote Narada who said to Vasudeba :—

नमहापुरुषः कश्चिन्नानात्मा नसहायवान् । महतीं धुरमादाय समुद्यम्योरसा वहेत् ॥

सर्वे एव गुरुं भारमनङ्गान्वहते समे । दुर्गे प्रतीतः सुगवो भारं वहति दुर्बलम् ॥

"None but a great man, one of master mind and commanding a following can successfully exert himself in carrying on high political responsibility."

"Every ox can bear upon him a heavy burden and carry it on plain grounds. It is only a noble and experienced animal that can carry a difficult burden through difficult path."

Whatever may be our feeling on details, this Commission have performed their work nobly by carrying a very difficult burden and through very difficult path. That way they deserve our congratulations.

Budget of 1952-53

I would now, Sir, refer to the budgetary position of the State. Last year an unusual procedure was adopted and though the annual Budget was presented to the Assembly in the usual way, the Legislature was asked in the first instance to vote the on-account grant for three months only. To enable the normal administration to be carried on pending preparation of the full Budget by the new Cabinet, the provision of Article 206 of the Constitution was invoked and the Assembly was requested to make a grant in advance to cover the estimated expenditure of only a part of the financial year 1952-53. This time the usual budgetary procedure has been followed and no on-account Budget has been prepared and the Assembly is being asked to vote funds to carry on administration for the full financial year.

Before the Budget of the ensuing financial year is discussed it is necessary to state briefly about the accounts of the year that has already passed. Therefore a brief account is being given about the year 1951-52 which has already been closed. In the last Budget speech an idea was given to the House about the March Preliminary Accounts for the year 1951-52 according to which the year 1951-52 would close with an overall plus balance of Trs. 1,21,05. The overall balance of Trs. 1,21,05, therefore, remained unaltered in the March Final Account. This was made up of the balance of (—) Trs. 1,03,54 in the Revenue Account and the balance of Trs. 2,24,59 in the Capital Account. In other words, the year 1951-52 actually closed and the year 1952-53 actually opened with the following balances :—

	Trs.
Revenue Account	(—) 1,03,54
Capital Account	(+) 2,24,59

Revised Estimate for 1952-53—In the Budget for the year 1952-53 which was finally passed by the Assembly the total revenue was estimated at Trs. 11,78,07 and the Expenditure charged to Revenue at Trs. 11,67,74 thus disclosing a revenue surplus of Trs. 10,33. In the original Budget of 1952-53 the closing balance at the end of the year was estimated to be Rs. 2,30,13,000 in Revenue Account and the total deficit was estimated to be Rs. 2,85,73,000 after adding the Capital Expenditure on its Revenue Account. But by revising the Budget and effecting economy in May last, the position slightly improved. Now according to the Revised Estimates the total revenue would be Trs. 13,60,24 and Expenditure charged to Revenue would be Trs. 12,40,28 thus disclosing a revenue surplus of Trs. 1,19,96. Thus it will be seen that the revenue surplus which was estimated at Trs. 10,33 is likely to go up to Trs. 1,19,96 in the Revised. As a result of the recommendations of the Finance Commission the State of Orissa would be getting an extra income-tax of Rs. 56 lakhs in the current year. An extra subvention of Rs. 35 lakhs will also be received by the State Government this year. Further, the Government of Orissa would be getting Rs. 10 lakhs more for Jute Export Duty and Rs. 74 lakhs as their share of the Union Excise duty. Thus the total increased receipt expected from the Centre comes to Rs. 1,75 lakhs. The Excise revenue showed an upward tendency this year and we expect to get Rs. 14 lakhs more than what was anticipated. Similarly, receipts from Sales Tax will improve by

Rs. 15 lakhs. On the other hand, the receipt of Rs. 16 lakhs estimated on account of Federal revenue gap will not be received this year from the Centre. For Tribal and Rural Welfare schemes we estimated to get a grant of Rs. 30 lakhs from the Centre while actually the Government of India have sanctioned a grant of Rs. 22 lakhs. These factors mainly account for the increased revenue receipt in the Revised which is more than the sanctioned estimate by Rs. 1,82 lakhs.

On the expenditure side the Revised is put at Trs. 12,40,28 against Trs. 11,67,74 in the original estimate. Thus the Revised provides for an increased expenditure of Trs. 72,54. It will be remembered that the supplementary demand of Rs. 92 lakhs was taken in the October session of the Assembly for several items of new expenditure not provided for in the original Budget. The increased expenditure estimated in the Revised is well within the supplementary grant obtained in the Assembly and no further substantive supplementary demand in the current year will be necessary. Certain items of new expenditure provided for in the current year for which supplementaries were taken in the October session are as stated below :—

- Rs. 10 lakhs for improvement of village roads.
- Rs. 10 lakhs for rural water-supply.
- Rs. 17 lakhs for repairs to roads and buildings.
- Rs. 10 lakhs for other expenditure in connection with the Civil Works.
- Rs. 2 lakhs for revision of electoral rolls.
- Rs. 3 lakhs for construction of the Sambalpur and Puri Zila School Buildings and opening of 500 new Primary Schools.
- Rs. 4 lakhs for purchase of 750 K. W. Sets.
- Rs. 2 lakhs for State Transport (Workshop).
- Rs. 7½ lakhs for Community Project.
- Rs. 6 lakhs for management of Zamindari Estates.
- Rs. 2½ lakhs for irrigation expenses.
- Rs. 10½ lakhs for Education.
- Rs. 2 lakhs for the schemes of Tribal and Rural Welfare Department.
- Rs. 4 lakhs for other miscellaneous schemes.

As stated above in the Revenue Account the Revised Estimate discloses a surplus of Trs. 1,19,96 against Trs. 10,33 originally sanctioned.

Capital Account—By Capital Account we mean the Government Account (i) Capital Account under Consolidated Fund, (ii) Contingency Fund, and (iii) Public Account. The heads in the Capital Account deal with the receipts and expenditure which are not classified as revenue receipts and expenditure and are met from deposits, loans, etc., to go to the Capital Account of the State. The total receipts were estimated at Trs. 49,22,78 and the expenditure not charged to revenue Trs. 48,85,95, the net surplus being Trs. 36,83. According to the Revised Estimate, the total receipts come to Trs. 43,12,85 and the disbursements to Trs. 43,20,71. Thus the transactions of the year under the Capital head will finally yield a deficit of Trs. 7,86 against the surplus of Trs. 36,83.

As a result of the combined transactions in the Revenue Account and the Capital Account the year 1952-53 which opened with an overall balance of TRS. 1,21,05 is expected to close with a balance of TRS. 2,33,15 as shown below :—

	TRs.
Actual Opening Balance	1,21,05
Revenue surplus	1,19,96
Deficit in the Capital Account	(—) 7,86
Estimated Closing Balance on the 31st March 1953 ..	2,33,15

Budget Estimate for 1953-54

Revenue Receipts—The total revenue for 1953-54 has been estimated at TRS. 13,56,89 against the Revised Estimate of the current year TRS. 13,60,24. The Revenue estimated under different heads are shown below :—

	Revised Estimate TRs.	Budget Estimate for 1953-54 TRs.
(1) Income-tax including Agricultural Income-tax.	2,22,44	2,15,30
(2) Land Revenue, Excise, Stamps, Forest, Registration, Motor Vehicles Taxes and Other Taxes and Duties.	6,18,22	6,06,78
(3) Subvention from the Government of India, including other grants.	1,12,00	1,27,00
(4) Extraordinary Receipts including Orissa share of the Central Excise Duties.	2,42,52	2,83,68
(5) Other items ..	1,65,06	1,24,13
	13,60,24	13,56,89

Expenditure charged to Revenue—The total revenue expenditure for the year 1953-54 has been estimated at TRS. 14,45,67 against the Revised Estimate of 1952-53 at TRS. 12,40,28 thus showing an increase of expenditure by TRS. 2,05,39. Important increases under certain heads are as given below :—

	TRs.
12—Charges	13,92
23—Appropriation for Reduction or Avoidance of Debt ..	9,44
25—General Administration	5,41
Police	10,29
37—Education	33,96
Medical	7,69
Civil Works	71,05
Interest on Capital Outlay on Electricity Schemes..	4,29
57—Miscellaneous	20,45
57-B—Capital Outlay on Road Transport Scheme financed from Ordinary Revenues.	10,55
Community Development Project	22,93

The reasons for the variations between the Revised Estimate of 1952-53 and the Budget Estimate for 1953-54 have been explained in the Finance Secretary's Explanatory Memorandum in the Budget. A few important points are, however, brought to notice.

12—Charges—The increase is mainly due to the fact that a sum of TRS. 13,56 will be transferred from the revenue to a fund called the Orissa

Road Fund. This represents 50 per cent of the net proceeds from collection of taxes under Motor Vehicles Taxation Act.

23—*Appropriation for Reduction or Avoidance of Debt*—The increase under this head is due to the provision of Rs. 10 lakhs made for transfer from the revenue to the Sinking Fund for repayment of Electricity loans.

25—*General Administration*—The increase of Rs. 5 lakhs is mainly due to Rs. 3 lakhs under District Administration and Rs. 2 lakhs for additional dearness allowance.

Police—An increased expenditure of Rs. 6 lakhs has been provided for under District Executive Force in the Police Department and an extra provision of Rs. 3 lakhs has been made for additional dearness allowance.

57—*Education*—The details of new expenditure amounting to Rs. 33.96 lakhs provided for under this head are given in the paragraph under '37—Education' in the Explanatory Memorandum.

Medical—Several items of new expenditure amounting to Rs. 7.96 lakhs have been provided for under this head, the details of which will be found in the appropriate para of the Explanatory Memorandum.

Civil Works—For repairs to Roads, Communications and Buildings an increased provision of Rs. 50 lakhs has been provided for in the Budget against Rs. 33 lakhs in the Revised. For original works the Budget provides Rs. 1.37 lakhs against Rs. 75 lakhs in the Revised.

Interest on Capital Outlay on Electricity Schemes—More interest payment will be necessary next year on account of more investments on Electricity schemes.

57—*Miscellaneous*—The increase under this head is mainly on account of transfer from the revenue to the Zamindari Abolition Fund.

As the estimate of revenue in 1953-54 is shown at Trs. 13,56,89 and the expenditure charged to Revenue at Trs. 14,45,67 the expenditure being more than the revenue there would be a revenue deficit of Trs. 88,78. The balance in the Revenue Account, which is the sum total of surpluses and deficits carried from year to year, is as shown below :—

			Trs.
Opening Balance in the Revenue Account in 1952-53 (Actuals).	(—)	1,03,54	
Revised Estimate of 1952-53	.. .. .	1,19,96	
Budget Estimate of 1953-54	.. .. .	(—) 88,78	
Closing Balance on the 31st March 1954	.. .. .	(—) 72,36	

Under Capital heads the receipts are estimated at Trs. 45,97,52 and the outgoings at Trs. 45,77,93. Thus there will be a net surplus of Trs. 19,59. The transactions both in the Revenue and Capital Accounts will have the effect of reducing the total overall balance to Trs. 1,63,96 at the close of the year as shown below :—

			Trs.
Opening Balance 1953-54	.. .. .	2,33,15	
Deficit in the Revenue Account	.. .. .	(—) 88,78	
Surplus in the Capital Account	.. .. .	19,19	
Closing Balance on 31st March 1954	.. .. .	1,63,96	

The provision made in the Budget for new schemes may be classified as follows :—

	Trs.
Schemes both continuing and new included in the Five-Year Plan.	.. 2,09,80
Schemes continuing and new not included in the Five-Year Plan	2,32,98
	<hr/> 4,42,78 <hr/>

So far as the schemes included in the Plan are concerned, provision has also been made for certain schemes in the First Edition Budget. The amount included in the First Edition Budget is Trs. 87,93 including Tribal and Rural Welfare Schemes. Thus the total provision for schemes included in the Five-Year Plan comes to Trs. 2,09,80+87,93=Trs. 2,97,73. In the Capital Account the provision for Electricity Schemes which is Rs. 1,22 lakhs has been included in the Five-Year Plan. Thus it will be seen that the total provision for schemes included in the Five-Year Plan has been made in the Budget of 1953-54 at Rs. 4,20 lakhs in round figures. In preparing our Budget we have assumed that we will be getting a grant of Rs. 1,86 lakhs for the schemes debit to the Revenue Account and a loan of Rs. 1,22 lakhs for the schemes debit to Capital Account, i.e., the total sum of Rs. 3,08 lakhs. The balance of Rs. 1,12 lakhs will be met from our general revenues.

It will be remembered that the ceiling figure of Rs. 15 crores for Five-Year Plan has since been revised to Rs. 17,84 lakhs and the idea was that of the amount of Rs. 15,00 lakhs originally included in the Plan the Government of India would give Rs. 10 crores and the State Government will have to find the balance of Rs. 5 crores from their revenues. Now that the amount has been revised to Rs. 17.84 crores the understanding is that the balance of Rs. 2.84 crores will be met by the State Government from their own resources. As stated above we have budgeted for a total receipt of Rs. 3,08 lakhs both on account of grant and loan from the Centre in respect of Five-Year Plan. We are now awaiting instructions from the Government of India in this regard.

We visualise that by the end of 1953-54 our overall balance will be Trs. 1,63,96 as against Trs. 50,54 in the current year's Budget Estimate and Trs. 1,21,05 in the Revised Estimate of 1952-53. I am extremely sorry that we could not wipe out the revenue deficit without seriously starving the development activities.

HIRAKUD PROJECT

Sir, I would like to share with the hon'ble members of this House some of the outstanding problems which have been exercising the mind of the Government at present. The execution of the Hirakud Project has been phased into different stages and the first stage envisages an expenditure of Rs. 62 crores and odd to be completed by 1955-56 and the ultimate expenditure, according to the Revised Estimate, will be Rs. 92.08 crores. The estimate is being further revised. The actual expenditure up to the end of 1951-52 on the project was Rs. 16.27 crores. In the current year a provision of Rs. 14 crores was made for the project which has been revised to Rs. 12 crores in the revised. For the next year a provision of

Rs. 14 crores has been made for this project. The rising expenditure on this project would naturally be a matter of concern to the Government of India and ourselves since we are responsible for the loan and we will have to run it for the benefit of the country. There have been persistent criticism in the Indian Parliament about the financial control and execution of this project. A number of committees including a sub-committee of the Central Public Accounts Committee had been appointed and they have made enquiries on the spot and submitted their report. The Expert Committee's report is responsible for this enhanced Revised Estimate of Rs. 92.08 crores. Shriyukta Gulzerilal Nanda, Minister for Planning, Irrigation and Power, and Deputy Chairman of the Planning Commission, has been at Hirakud for last two weeks and has been examining the working of this project. A Control Board has been constituted with our Chief Minister as Chairman on which representatives of the Government of India and of the Finance Department of Orissa Government have been members. The House will find a separate detailed Budget for the Hirakud Project placed before them prepared by the River Valley Development Department for their information. In our general Budget we have only given an abstract or summary of that Budget because the expenditure will have to be voted by this Legislature. But I must frankly state that with regard to the details of expenditure we have had virtually no contact. It is proposed to have a separate section in the Finance Department of the Government of Orissa to examine the Budget and estimates, etc., in collaboration with the Financial Adviser of the Hirakud Project. The question of land reclamation and rehabilitation of the displaced persons of the submerged area is another very knotty problem. This land reclamation is being executed by the Government of Orissa in charge of the Member, Board of Revenue, Sambalpur. It has got a separate organisation of its own, and up to the end of June last 15,364 acres of jungles were cleared and 3,376 acres made ready for cultivation and Rs. 25 lakhs 57 thousand had been spent. The State Government feel that this work should be carried through expeditiously so as to provide land and accommodation to the displaced persons on usual terms of payment. We have also been impressing upon the Project authorities to see that the displaced persons are provided this employment. There is no gainsaying the fact that the situation at Sambalpur has become more and more acute on account of large influx of people to the town and suburbs in connection with Hirakud work and Sambalpur is so much congested and the need for water-supply and drainage is so imperative, that it needs immediate attention. It has, therefore, been felt that the development of Sambalpur, which is the nerve centre of the district, should be included in the Hirakud Project and whatever amenities by way of water-supply and housing are provided for Hirakud, might as well be extended to Sambalpur so that when the project is completed the local people may get the advantage of the housing and other amenities along with those who may come in in the wake of establishment of industries and expansion of trade and commerce. The Deputy Minister of the Government of India, Power and Irrigation, while visiting Orissa appreciated this point and we are hoping that definite action would be taken in this regard. Government are also alive to the fact that Orissa should have an army of trained personnel to run the show when it is completed and for that training facilities should be provided from now onwards. I am glad to state that the Hirakud authorities now appreciate this point and are now asking for larger number of engineers, overseers

and other men from Orissa. I have been informed by the Chief Engineer that a circular has been issued that the persons, who would be displaced by the Dam, should be given preference for employment and the local Employment Exchange should help them in that regard. The Chief Minister, who is in charge of the River Valley Development Department, has been mindful of these problems. With regard to payment of compensation the larger number of cases are reported to have been compromised and the Arbitration Court is trying to dispose of cases as speedily as possible. It is hoped that matters should definitely improve. The execution of the project will be a matter of pride to our Indian engineers and our country indeed.

CAPITAL CONSTRUCTION

As a result of Government decision to construct the New Capital at Bhubaneswar the cost was estimated roughly at Rs. 5,40 lakhs. The Government of India finally promised to give a grant of Rs. 1,32 lakhs only for the purpose. This grant has now been fully received and the total expenditure including revised expenditure for 1952-53 would be Rs. 3,22,77,292.

It will thus appear from above that till the end of current year Trs. 1,90,77 has been met from the State Revenues over and above the aid from the Centre. As the last instalment of the promised grant from the Centre has been taken into account during the current year, the entire expenditure on New Capital Project next year will have to be met from the State Revenues. In the Budget for 1953-54 a provision of Rs. 37,89,339 has been made for Capital Construction Project. Out of this provision, Rs. 17,65,000 relates to Temporary and Permanent Water-Supply, and Sewerage Scheme. The balance of the provision is meant for Buildings both non-residential and residential, Road Construction, Electric installation, Establishment and Tools and Plant, etc.

The completion of this project involves the question of additional finance. By the end of next year Rs. 3 crores 60 lakhs would have been spent and on the basis of the original estimate Rs. 1 crore 80 lakhs more will have to be spent. But it is understood that owing to rise of prices and in view of larger requirements arising out of expansion of Government machinery, the cost of this project may go over to Rs. 7 to 8 crores. The Government are examining as to whether the buildings so far constructed would be adequate to remove the Secretariat to Bhubaneswar. Government are also examining whether the plan can be revised so as to effect economy both in the type of buildings and the specifications, etc. The more the constructions are widened the more money will have to be spent on drainage, roads, water-works, electricity, etc. Cheaper types of construction, which are now being experimented at Sambalpur, may also be adopted here provided it proves successful. Government are led to believe that this framed type of structure will effect definite saving and economy. Since it has been the policy of Government to have the Provincial headquarters at Bhubaneswar, where so much money has been spent, it has been our constant worry as to where to find money to complete this project. Let me state here frankly that it is not possible within our Provincial resources to spend another 4 crores of rupees to complete this project. We have, therefore, taken a decision that we will so revise the plan that we may round off the Capital Construction to accommodate all the Secretariat Departments at an additional cost of 50 lakhs

only and we have also taken a decision that we may have to provide housing accommodation at Cuttack so that the Heads of Departments including staff may be conveniently accommodated here. Cheaper and more economical type plans will have to be devised, and our estimate is that by an expenditure of Rs. 20 lakhs we will be able to provide accommodation at Cuttack. We are determined to see through in order to finalise the matter and I am very thankful to the Chief Minister and my colleagues for having taken a decision in the matter.

REORGANISATION OF FINANCIAL CONTROL

In my last Budget statement I had dealt at length with the proposition of organising financial sides in every department so as to bring about harmonisation of the functions of the economist and the executive. In order to give effect to this scheme I had discussions with the Comptroller and Auditor-General of India who recently paid his first visit to Orissa. I am very thankful to him that he has appreciated our proposition and has agreed to remove the Accountant-General's office from Ranchi to Bhubaneswar where sites for the office building and staff quarters have finally been selected. Provisions would be made, he said, in the appropriate department of the Government of India to start construction from early next year. I am glad that the Auditor-General has been kind enough to assure me to prepare a scheme in which we will have our necessary personnel trained so as to equip every department with financial sections. During the next year this scheme is expected to be worked out.

The Accountant-General is statutorily responsible for auditing all expenditure of Government moneys. All paid vouchers are sent to him and he conducts the audit in his office. Petty vouchers not exceeding Rs. 25 are not, however, sent to him but are kept with the drawing officers.

Government decided that the vouchers and initial records that are not sent to the Accountant-General should also be checked with a view to detecting irregularities and preventing wasteful expenditure. The scheme was introduced with a nucleus staff in November 1949. The Internal Audit Organisation has in the meantime detected some cases of fraud, misappropriations and other financial irregularities and has succeeded to a great extent in bringing down expenditure on contingencies, travelling allowance, etc. Its work has also been appreciated by the Accountant-General. It has so far audited the accounts of about 40 offices.

At present the treasuries and sub-treasuries are managed by officers of Orissa Administrative and Subordinate Administrative Services as part-time officers. But to minimise all cases of financial irregularities and in fulfilment of the recommendations of the Rural Banking Enquiry Committee some of them are proposed to be under the officers of the Orissa Finance Service, who have special training in accounts. Out of 12 treasuries and 52 sub-treasuries, the District Treasuries of Ganjam, Cuttack and Sambalpur would be placed in charge of three officers of the senior branch of Orissa Finance Service immediately. The question of other treasuries and sub-treasuries are being reviewed separately.

DEARNESS ALLOWANCE

There was a persistent demand from all Service Associations to increase the rates of dearness allowance of low-paid Government servants. Government have decided that a flat rate increase of Rs. 5 a month should be allowed as dearness allowance to Government servants drawing

pay exceeding Rs. 44 and not exceeding Rs. 300. The cost on this account is Rs. 12.68 lakhs and the necessary provision has been made in the Budget for 1953-54. A similar sum will also be required for expenditure in the current year.

ZAMINDARI ABOLITION

The most outstanding event of the year 1952 is the abolition of zamindari in Orissa. The 27th November 1952 will be a red-letter day in the annals of this State. Although the Orissa Estates Abolition Act became law in February 1952, action under the Act was delayed on account of cases before the High Court. Cases are still going on—but the scheme of abolition is in motion. 355 estates have so far been abolished. They are, however, permanently-settled estates, their proprietorships being regulated by the law of primogeniture. Thus the liquidation of feudal system, which was started with the integration of States on the 1st January 1948, has nearly been completed in Orissa on the 28th December 1952. It would have been totally completed had it not been for 8 cases of Ganjam district which are now before the Supreme Court.

In order to watch the financial effect of acquisition of these estates, the revenue collected from the estates is being kept in a separate fund constituted for the purpose. All expenses connected with the management of these estates, inclusive of works of benefit and payment of compensation and payment to the staff and the intermediary, are being met out of the balance in the fund, although these are being exhibited under different service heads for obtaining the sanction of the Legislature. The estates taken over are being managed by the Anchal Administration constituted in those areas. The financial implication of the scheme is that the 355 estates abolished will fetch a net income of roughly Rs. 60 lakhs. Deducting from it Rs. 15 lakhs as land revenue, cess and agricultural income-tax which were due from the ex-proprietors before abolition, and deducting roughly Rs. 7 lakhs payable to the ex-proprietors annually as compensation, Rs. 15 lakhs as cost of management, Rs. 12 lakhs as irrecoverable in the first year and Rs. 5 lakhs as cost of administration of the Act, the net saving in the first year of administration is expected to be Rs. 6 lakhs.

In the last Budget statement, I had stated that abolition of zamindari is a step towards wider agrarian reform, and the establishment of Anchal Sasan not only in the zamindari areas but also throughout the State was the ultimate objective. A Bill for implementing the same is almost ready and will be placed before the Legislature during the current session. These Anchal Sasans will be Democratic Bodies charged with many important primary responsibilities of development work and when they are brought into being, the existing Local Bodies will go. The creation of a separate fund will give us a complete picture about the financial reactions of the scheme. This has been done in consultation with the Auditor-General of India. The employees of the estates taken over have not been thrown out of employment. They have been allowed to continue and those who are found efficient may be permanently absorbed.

I may, in this connection, refer to another important matter. The village officers in South Orissa are an important element in the revenue administration of the estates. Along with the abolition of zamindaris the importance of their work is bound to increase. Pending review of the

whole organisation, it is contemplated that the village officers will be paid an extra dearness allowance from the year 1953-54. It is hoped that it will give them some relief.

BHOODAN JAJNA

I have already referred to the efforts of Acharya Vinobha Bhave in course of his Bhoodan Jajna which is creating an atmosphere in favour of voluntary distribution of land in our country. The fair and equitable distribution of land amongst the tillers of the soil and the landless people had been a slogan of many. In our State some Governmental efforts have been made in that direction and in the Northern Circle alone over 45,000 acres of Nayabadi land have been leased out to landless people. By the Tenants' Protection Act the interests of the under-tenants are being safeguarded to a certain extent. But this Bhoodan Jajna is a noble effort whereby the haves are made to gracefully sacrifice in the interests of the have-nots. So far as Government are concerned they are trying to further the object of the mission as far as possible.

DEPARTMENTAL TRIBUNAL

There has been persistent criticism that corruption in services still persists. I do not claim that this charge is baseless. Efforts are being made to eradicate corruption and to deal with delinquents firmly. But there are serious limitations both enjoined by law and procedure. It must be said that the average serviceman is trying to play his part well ; but number of cases have come to notice where prompt and serious action is called for. Formerly for small little things stringent departmental action could be taken. Now in order to deal with such cases of delinquency and corruption a departmental tribunal was constituted and there are a number of cases pending before them. Unfortunately this tribunal could not find time to deal with them speedily. Even some Heads of Departments had not been able to discharge their responsibilities within due time. Government have, therefore, decided to constitute a single-man tribunal to look into these and such other cases to facilitate speedy decision. The Public Service Commission of course would be taken into confidence in this matter. The Chief Minister is paying personal attention to this problem. In this connection I would remind one thing. The services and the people jointly constitute the State. There should, therefore, be perfect co-ordination and understanding between the two. While the morale of the service should be maintained, inefficiency and corruption should be fought with determination because a few black-sheeps may spoil the reputation of the entire army of officers. So far as the interest of the State and of the people is concerned, I appeal to the services and the public to play their part loyally, faithfully and patriotically. Those who are working hard deserve due congratulations.

PRIMARY EDUCATION

It gives me great pleasure to apprise the House the progress of education in the State. In fulfilment of the promises made in the last Budget statement the establishment of 884 primary schools including conversion of 110 to upper primary status is being fulfilled. Reports have been called for with detailed lists of schools with the names of villages wherein they are established so that they will be published for the information of the House and the public. Besides opening of these new schools, 300 additional teachers in single-teacher primary schools have been appointed during the current year. This programme of expansion of

primary education is not an isolated effort. It is the part of a comprehensive programme of making primary, i.e., basic education free and compulsory within a reasonable period of time. I hope the hon'ble members will approve of the plan of making primary education compulsory from 1953-54 in seven different centres in the State including Banki and Parlakimedi, which are proposed to be more effective under the supervision of the Education Department. Members may be aware that the modified syllabus, whereby basic features have been incorporated in the curriculum, has been introduced in as many as 4,000 selected primary schools and 16 elementary training schools of the State with effect from the current school session and a sum of Rs. 1,02,400 has been sanctioned for purchase of craft materials for the above purpose. In execution of the plan of expansion of primary education another 500 new primary schools and 60 basic schools would be opened, 32 L. P. schools would be converted to U. P. status and another 300 additional teachers would be appointed in single-teacher primary schools during the year 1953-54. Specific numbers have been allotted to the ex-State areas as in current year, which are deficit in contrast with old districts. The opening of new primary schools year by year and the conversion of such schools into basic schools necessitates trained primary teachers. We have at present only 16 elementary training schools where the new basic syllabus has been introduced. I had announced in my last Budget statement that seven more elementary training schools would be established and that the number of admissions would be raised from 20 to 30 in the existing training schools from the session 1952-53. Since there was not enough time to give effect to this scheme by supplementary demand it was postponed and now provision has been made in the Budget to carry it through in 1953-54. As primary schools are gradually being converted to basic schools another two mobile training squads will be added next year to the existing three for training of teachers. The multiplication of primary schools with revised basic syllabus is a bold venture the success of which would depend on the primary school teachers and the inspectorate. It is an admitted fact that the primary school teachers are not adequately paid. The scale of pay of Rs. 20—1/2—30 in case of untrained teachers and Rs. 30—1/2—40 in case of trained teachers was an improvement over the past no doubt. But in the present economic condition it could hardly attract the right type of men to take to this profession. It has, therefore, been our endeavour to increase the pay and stipends as far as possible. It gives me very great pleasure to announce that Government have decided to increase the pay and stipend of primary school teachers at a flat rate of Rs. 4 per mensem both of trained and untrained teachers with effect from 1953-54. This will involve an additional annual expenditure of over Rs. 8 lakhs. Not only this, in pursuance of the assurance held out in the last Budget speech Government are going to introduce provident fund contribution for teachers of primary schools in this State from the commencement of the next financial year. In addition Government are going to extend the concession of deeper subsidy of rice to primary school teachers living in urban areas provided they constitute Co-operative Societies themselves or become members of any such Society. This would mean that they would get common rice at Rs. 8-10-0 per maund whereas the usual issue price is Rs. 13-4-0 per maund. Further, funds have been provided to augment the resources of the local bodies so that the primary school teachers will get their pay and stipend every month from the commencement of the next year. I had also

stated in my previous Budget statement that in order to encourage the primary teachers and create better incentive the system of reward would be introduced on the basis of results of the centralised examinations which would be regulated by a Board of Examination. This is expected to encourage better standard of teaching and wider social and educational contact amongst the school children and the teachers themselves. Funds have been provided in the Budget for the purpose. All these efforts are being made to encourage and enthuse the teachers of primary schools who should not only maintain discipline but undertake to work out the scheme of primary education with earnestness, devotion and determination. Government are contemplating to improve and expand the machinery of the inspectorate under the control of the Board of Basic Education which is going to be reorganised. Vigorous inspection will have to be made to see that the new syllabus is faithfully followed and the objective of primary, i.e., basic education is fulfilled. It is expected that matriculates would now come forward to join this noble profession. The expansion of primary education should go a great way in solving the unemployment problem of educated young men. Since girls constitute more than half of the children of school-going age larger number of women teachers will be trained. It is expected that the teachers will submit themselves to discipline and the Assistant Inspectors of Schools will render better account of themselves. There has been persistent criticism on account of want of proper and adequate repairs to the primary school buildings in Agency and ex-State areas. Unfortunately in the Ganjam Agency the provision of repairs to the buildings by the Revenue Department was hopelessly inadequate. Government have, therefore, come forward with proposal to provide Rs. 25,000 for the repairs to these houses, as otherwise most of the buildings may collapse when the next monsoon sets in. I hope, I will have the full support of the House in this measure. As regards the thatching and repairs to primary school buildings in general I must frankly state that it is financially not possible for the State to undertake this responsibility in full. The village people should come forward to make their contribution in form of labour and materials for the repairs of school buildings.

SECONDARY EDUCATION

Hon'ble members are aware that the Board of Secondary Education, Orissa Bill has been introduced in the Legislature and the report of the Select Committee is expected to be presented and considered during the current session of the Assembly. Immediately the Bill is passed steps will be taken to constitute the Board and to go ahead with the reorganisation. The provisions of the Bill give wider power to this Board in which almost over one-third of the members will be teachers. By the reorganisation better prospects and security of service could be provided to the aided school teachers as well. 25 new Middle English Schools and 15 High English Schools have been opened during the current year bringing the total of Middle English and High Schools in 1952-53 to 550 and 198 against 525 and 183 respectively during the year 1951-52. In the ex-State areas grant-in-aid is being provided to 60 more secondary schools both Middle English and High Schools from the beginning of the next financial year. Many of the secondary schools are handicapped for want of suitable school buildings, both 'B' type and aided, including those managed by the local bodies. In a large number of cases Government

had held out hopes of financial contribution for the construction of school houses but due to want of finances most of them had to be postponed year after year. However, to help construction of the buildings and to encourage private enterprise for the purpose a sum of Rs 1 lakh had been sanctioned during the current year for distribution among several secondary schools in the State. But this has been inadequate indeed. I have, therefore, taken further steps to give small grants out of savings to augment the resources of different secondary schools so that they may proceed with the constructions which are either lying half done or not undertaken. An additional sum of Rs. 2 lakhs 15 thousand has been spent to give such building grants to 65 secondary schools both M. E. and High Schools. The total building grant, therefore, during the current year comes to Rs. 3,15,000. Next year a sum of Rs. 1 lakh has also been provided for the purpose. I am sure, this will not only satisfy the members of the Assembly but also bring about general satisfaction throughout the State. But our definite policy is not to have costly ambitious buildings. Cheaper type plans will be devised so that they may be constructed with local materials as far as possible. I am very grateful to the Chief Minister for giving me full support in this.

I have great pleasure to note that the Secondary Education Commission appointed by the Government of India paid a visit to Orissa and recorded evidence of various persons and organisations. They went round some of our schools and were glad to note that Orissa was keeping its machinery of Board of Secondary Education ready to work out the scheme which may be submitted by them shortly.

There are a number of Government high schools for which buildings are urgently required. The Chandra Sekhar Zilla School, Sambalpur, the Samanta Chandra Sekhar Zilla School, Puri, schools at Balasore, Baripada and Bolangir need immediate attention. Hon'ble members are aware that I have been trying my utmost to effect drastic economy in expenditure over construction of buildings. With that end in view I had visited Delhi and Aligarh University to study the new type of framed structure of buildings with hollow blocks and hollow roofs. This new type of structure is now being experimented by us departmentally at Sambalpur for the Chandra Sekhar High School. An eminent experienced engineer of Aligarh has taken over charge and an eminent German architect has prepared this plan. This two-storeyed building with floor space of 29,000 sq. ft. is expected to be completed with Rs. 2,15,000 with mosaic floor within a record time. The building is already under construction and is expected to be made ready by the next school session. It has the greatest advantage that it will be partially air-conditioned. It is being constructed with special machinery which we have procured on purchase from the Aligarh University through the kind co-operation of its Vice-Chancellor, Dr. Zakir Husain. I am glad to say that by revision of plan we are going to provide an additional block for the Gangadhar Meher College, Sambalpur, by the next year for which Rs. 2 lakhs has been provided in the Budget of 1953-54. For hostel and staff quarters, the Sambalpur Trust Board have provided funds amounting to over Rs. 6 lakhs and they are also going to have this framed structured building. I am very thankful to them for this co-operation. The Deputy Commissioner and the Member, Board of Revenue, Sambalpur, and the Hirakud Project authorities as also the local P. W. D. Engineer have taken a good deal of interest in

this new type of construction. One Executive Engineer was deputed by the Works Department to study this type of structure at Aligarh and he has submitted a very favourable report. It is expected that this type of construction will bring down the cost by about 25 to 30 per cent in comparison with expenditure on usual brick structures. We have provided funds for the Zilla School building at Puri. For the extension of the existing Puri Zilla School building to meet the requirement of the College a sum of Rs. 1 lakh in addition to the $1\frac{1}{2}$ lakhs of the current year has been provided in the Budget. As many as 77 new middle English schools have been given grants-in-aid during the current year at a cost of Rs. 1,07,144. After the constitution of the Board of Secondary Education the conduct of matriculation examination will be taken over by the Board from the University and the loss of income of the University caused thereby will be reimbursed as provided in the Bill.

A departmental conference of senior officers of the Directorate and Inspectorate was held in December last and a complete programme of reorganisation and expansion of primary and secondary education in the State on the basis of proper rationing is being prepared. Our definite policy is to avoid waste and over-lapping. With that end in view co-ordination between the Education Department and the Tribal and Rural Welfare and other departments has been agreed upon. I am grateful to the Ministers of those departments. A School of Arts specially to encourage Orissan architecture and sculpture has been recommended to the Government of India by the Konarak Temple Repair Committee and the Orissa Government would be fully prepared to co-operate in such a scheme.

Physical education of games and sports including N.C.C. activities is being specially encouraged for which substantial increased provisions have been made both during the current year and the next year. The inter-State sports have created a good deal of enthusiasm amongst the students. During the current year special grants amounting to Rs. 1,10,000 have been provided for middle English and high English schools for supply of sports goods, and books for libraries, etc., according to the need of each school.

COLLEGIATE EDUCATION

Rs. 20,000 has again been provided for the next year as additional library grant for the colleges, Rs. 18,000 for excursion of students, Rs. 1 lakh for construction of quarters for college teachers, Rs. 1 lakh for the construction of buildings of the Baripada College. Steps are being taken to have the building of the Rajendra College, Bolangir, constructed during the year 1953-54. In the Ravenshaw College it is proposed to open classes in psychology in the degree stage. We are giving additional grant to Bhadrak College, Jajpur College, Stewart College and Khalikote College together with its Collegiate School and Rs. 15,000 to the Utkal University for encouragement of Oriya literature. Every effort is being made to allot a suitable building to the Utkal University in near future. It is expected that the College teachers in general and the post-graduate teachers in particular will actively engage themselves in research.

To improve the standard of teaching in Colleges, more qualified teachers and increased grants to laboratories have been provided during the current year. Schemes for development of post-graduate teaching and for research in a number of subjects were submitted by the Utkal University to the Government of India under Five Year Plan involving an expenditure of about Rs. 48 lakhs, out of which schemes for non-scientific

and non-technical collegiate education would cost about Rs. 28 lakhs. A conference is shortly being convened by the Central Ministry of Education with the Vice-Chancellors of different Universities and Ministers of Education of different States to consider this programme. We are expecting that the infant University of Utkal will be adequately helped to see through this minimum programme.

PILOT PROJECT

The scheme for intensive development of basic education which includes a Basic Training College, a Post-Basic School and a Janata College has been approved by the Government of India to be executed by the State Government, who would have to share the expenditure along with the Central Government on this account. Though this scheme was sanctioned very late in the year, steps have been taken to give effect to the scheme during the current year. On account of past tradition and other incidental facilities available there, Angul has been selected as the locality where this new scheme will be implemented. It is true that in comparison with the old districts, the ex-State areas are lagging behind in the matter of higher and technological education. There has been persistent demand from ex-States like Dhenkanal and Keonjhar for Colleges. But in these days the general collegiate education does not help much. We are, therefore, considering to establish some technological institutions in the ex-State areas. So far as Dhenkanal is concerned, a *Krusha Vidyapitha* or Institute of Agriculture is contemplated to be established. The Minister of Development is examining this matter in collaborative with the Education Department.

SOCIAL EDUCATION

There are at present 162 Centres of Adult (Social) Education in the State. Instead of diffusing our energy and activities throughout the State intensive work is being done in three compact areas as stated in the last Budget statement; and so far the result obtained shows that 15,666 adults have been made literate during this year. Visitors from abroad and missionaries have been interesting themselves in such work at Barpali and some other areas of Orissa.

EDUCATION CESS

The education cess is now levied under the District Board, Ganjam, at the rate of Re. 0-0-6 per rupee of the land cess levied and under section 37 of the Madras Elementary Education Act, 1920, Government are obliged to make a contribution to the Elementary Education Fund of an amount not less than the amount realised by education cess. Besides, education cess is being realised in some of the ex-State areas, the rate varies from Re. 0-0-4½ to Re. 0-1-3. The collection from education cess in the ex-State areas is credited to Government revenue, and since no Elementary Education Fund has been constituted in any ex-State areas or in the old districts except Ganjam to meet the cost of primary education, Government do not pay any contribution towards such fund. The Orissa Local Government Act, 1950, provides for levy and realisation of education cess by District Boards. But this Act has not yet been extended to any area as Local Bodies may be substituted by Anchal Sabhas. The Anchal Sasan Bill is under consideration of the Government. It is expected that necessary provision will be made in the Bill for the levy of education cess with a view to make primary Education free and compulsory.

Hon'ble members will find that the highest amount of expenditure on education according to Budget provision of 1950-51 was Rs. 1,51 lakhs; but due to financial stringency, heavy cuts were effected and it was ultimately brought down to Rs. 1,27 lakhs in 1951-52 and the Budget provision in 1952-53 was Rs. 1,40 lakhs; but by supplementary demands this expenditure on education during the current year has been Rs. 1,48 lakhs; and the provision for 1953-54 according to the Budget presented is Rs. 1,77 lakhs which means that in course of two years the educational expenditure is being increased by Rs. 50 lakhs. I do not say that this expenditure is adequate or satisfactory. But I hope hon'ble members will agree that vigorous effort is being made to make up the serious deficiency in the matter of education in the State, which is educationally backward.

I must express my most sincere thanks to the Finance Commission for having recognised the deplorable state of primary education in the State and for having recommended a token specific grant for the purpose from the year 1953-54 onwards. Hon'ble members will see that this specific grant is being fully utilised for the purpose it has been given for.

INTENSIVE CULTIVATION SCHEMES (AGRICULTURE)

The attitude of the Government of India in financing the Intensive Cultivation Schemes has since been very stringent although in the beginning of the year they announced that assistance to States in respect of Grow More Food Schemes for 1952-53 should continue more or less as usual. They have expressed their unwillingness to finance some big schemes under the Intensive Cultivation Drive. The scheme for staff and organisation, which used to cost about Rs. 14 lakhs per annum, and which was so far being subsidised by the Government of India, has since been deprived of Central assistance. The State Government have, however, allowed the scheme to continue with certain retrenchment as the scheme is indispensable. Another blow on the State revenues is the discontinuance of subsidy by Government of India for the Paddy Seed Multiplication Scheme which costs more than Rs. 2 lakhs per annum. This scheme has also been retained by the State Government with the entire financial liability. The Government of India have refused to pay any subsidy for the rural compost scheme and the scheme for distribution of seed potatoes.

These two schemes have, therefore, been dropped.

Besides the above the State Government have decided to discontinue the schemes, viz., (1) Tractor Ploughing, (2) Crop Survey for estimating the acreage and outturn of principal food crops, (3) Food Publicity; (4) Distribution of Green-manuring seeds and (5) Distribution of gram and maize seeds from next year.

The activities of Grow More Food Schemes will, therefore, be restricted to a considerable degree next year. The Government of India have, however, not yet communicated their attitude towards the Grow More Food programme for next year.

Reclamation of waste and jungle lands, production of improved seeds in nine departmental seed farms and growing of the same at Deras and Sukinda and sale of such improved seeds at a premium of Re. 1 over controlled price to the farmers, urban compost scheme in municipal areas, land protection against attack by insects and diseases, sugarcane research so as to improve the quality of sugarcane and gur so that better prices may be obtained are some of the very useful schemes, which

are being worked out by the Agricultural Department which are very much appreciated. We are providing to have a Central Research Laboratory during the next year on which the Development Minister is working. The Marketing Organisation is also doing useful work in co-operation with the Co-operative Department. The recent Agricultural Exhibition at Cuttack fully justified the efforts made.

MINOR IRRIGATION

Great enthusiasm has been shown by farmers everywhere to have minor irrigation projects executed in their locality. These projects which are very popular and useful are really executed by the people with subsidy from Government which is shared between the State Government and the Government of India. At first the subsidy could go up to 75 per cent of the cost, the farmers being liable to contribute 25 per cent in the shape of labour. In the current financial year, i.e., 1952-53, the Government of India reduced it to one-third in the case of new projects and half in the case of old works which are renovated. For the coming financial year, i.e., 1953-54 this has further been changed and the farmers are now required to contribute three-fourths of the cost while the subsidy from Government will be only 25 per cent. This will give a great setback to this beneficial scheme as it is really beyond the capacity of the average farmers to contribute as much as three-fourths of the cost in the shape of labour. It should be remembered that on account of increased irrigation facilities, Orissa is expected to supply to the Centre some 3 lakh tons of rice this year against $1\frac{1}{2}$ lakh tons on an average in the previous years. It is, therefore, imperative that the minor irrigation projects should be vigorously pursued. We have already made a representation to the Government of India on this score and we fervently hope that in case of Orissa the old formula will at least hold good.

It is intended to complete 31 major irrigation projects in 1953-54 at a cost of Rs. 15 lakhs. These projects, when completed, will benefit 29,890 acres and produce an annual yield of 113,930 maunds. It is also intended to spend Rs. 45 lakhs during 1953-54 to execute 750 minor irrigation projects which will benefit 74,500 acres and produce an yield of 14,900 tons. During the year 1952-53 Rs. 25 lakhs have been given for major irrigation works to be executed by the Works Department and for minor irrigation works under the Revenue Department up to the end of 1952-53 Rs. 23,04,589 have been spent.

ROADS AND BUILDINGS

Hon'ble members will find that on "Civil Works" about Rs. 260 lakhs have been provided in the Budget of 1953-54 as against Rs. 1,70 lakhs provided in the Budget and Rs. 1,88 lakhs in the revised in the year 1952-53. This means that an increased grant of Rs. 72 lakhs has been given. From the details of the Budget, hon'ble members will find that this increased expenditure is mostly meant for roads and bridges which have been very badly neglected. The following account will give a brief idea about the works undertaken during the current year :—

A submersible bridge over the Ganda Nallah near Jajpur road and a bridge over Ret river in Kalahandi have been completed. Work on construction of bridges over the Tel river near Amat, on the Hati river and Mudra nulla is in progress. Construction of these will make an all-weather link between Sambalpur and Koraput.

It is proposed to take up the following new bridges during the year 1953-54 :—

(1) 1st Ranipathar Nallah on 6th furlong of 18th mile of the Phulbani-Tikarpara Road ; (2) 2nd Ranipathar Nallah on Phulbani-Tikarpara Road ; (3) Godhahada river at Pattapur 28th mile of M. D. R. No. 63 in the district of Ganjam ; (4) Gujjalapada-Gedda at mile 43/1-2 of P.-C. P. Road ; (5) Bodigamgedda at mile 46/1-2 of Pravatipur-Central Provinces Road ; (6) Pudakajdi-gedda at mile 53/2/4 of Pravatipur-Central Provinces Road.

Improvement works on the following roads have been carried out during the year 1952-53 :—

(a) Bhadrak-Chandbali ; (b) Bolangir-Bhawanipatna-Pappadahandy ; (c) Improvement of N. H. 5 between Cuttack and Khurda including the construction of a bye-pass for Bhubaneswar ; (d) A power ferry for use over the Mahanadi during rains is under construction.

It is proposed to take up the construction of the following new roads during the year 1953-54 :—

(i) Kometlapeta to Mohana near Taptapani in Ganjam district for erecting a 132-K. V. line from Machkund to Berhampur ; (ii) The road connecting Khejuripada to Boud-Daspalla Road (S. H. 1) ; (iii) Sarankul bye-pass at 8th mile of Nayagarh-Orgaon Road M. D. R. 68 part ; (iv) Chhendipada-Sarpal M. D. R. 19.

In the Budget for 1953-54 a provision of Rs. 55.85 lakhs has been made for roads and bridges out of which a sum of Rs. 21.30 lakhs will be spent on new schemes and 34.55 lakhs will be spent on the improvement works on roads and bridges which are already in progress.

In addition to these Rs. 5,42,760 have been provided for irrigation.

Besides a sum of Rs. 50,000 has been provided for Ambira to Nilgiri-Jharanghati Road; Rs. 2,00,000 for Cuttack-Pattamundai Road; Rs. 2 lakhs for Cuttack-Kujang Road; Rs. 1 lakh for Kandampur-Machhgaon Road; Rs. 1 lakh for Basta-Baliapal Road; Rs. 1 lakh for Soro-Kupari Road and Rs. 1 lakh for Puri-Balighai Road.

As regards the Pipli-Konarak Road, a sum of Rs. 23 lakhs is reported to have been sanctioned out of which Rs. 18 lakhs and odd are expected to be contributed by the Central Government and the balance on the State's account from the balance of the Central Road Fund.

A cheaper formula for construction of roads was recently received by me and passed on to Works Department who are examining the same. Government propose to make an experiment of this construction during the coming year at certain points. This, if successful, may reduce the cost by about 20 per cent.

Regarding construction of buildings, Government are determined to effect economy as far as possible. The Chief Minister and Deputy Minister, Works, are seeing to this. For police buildings Rs. 20 lakhs has been provided in the Budget under "Civil Works". This is in fulfilment of a programme which was adopted four years back. This will round up the whole project. The buildings which remain to be constructed are mostly in far-off interior parts of the State. But this provision of fund will be reviewed to see how far further economy can be effected.

Machkund Joint Scheme, Duduma Transmission Scheme and Cuttack Thermal Scheme were being financed by loans from the Centre. The

ceiling estimate of Rs. 15 crores has been increased to Rs. 17.84 crores by the Planning Commission to include Rs. 1.84 lakhs for the Machhkund Joint Scheme and Rs. 1.00 lakhs for the Hirakud Power Utilisation Scheme.

The Cuttack Thermal Scheme will be completed during the current year. For Machhkund Joint Scheme, Duduma Transmission Scheme and Hirakud Power Utilisation Scheme the Budget includes a provision of Rs. 1.22 crores. If the Central Government do not give us the entire amount as loan, the provision for the Electricity Schemes in the Budget of 1953-54 will be reviewed and the expenditure will be restricted to the amount of loan that will actually be received from the Centre.

Machhkund Hydro-Electric (Duduma) Scheme—The tunnels are nearing completion. The first of the six machines of 175,252 K. W. each is expected to be in operation in early 1955 and 30 per cent of power generated will be available to Orissa for utilisation. This share will amount to 5,000 K. W. To utilise this power, the Duduma Transmission Scheme is under execution. Specification for 138 K. V. lines from Machhkund to Berhampur and the sub-stations have been prepared and tenders are under examination. Placing of orders has been held up as the scheme is under examination of Central Water and Power Commission. For development lead, a diesel station has already been erected at Jeypore and power is being supplied since July 1952. A similar station at Aska is nearing completion. A steam station of 570 K. W. at Chatrapur is proposed to be erected.

As regards the Cuttack Thermal Scheme, the erection of fourth boiler is nearing completion. The parts of third turbine of 2,000 K. W. are arriving. The erection of these is expected to be completed by the middle of 1953. This will be merged with Hirakud Power Utilisation Scheme. This scheme has been sanctioned at a cost of Rs. 1.48 lakhs, and the lines for utilising power from Cuttack Thermal Station are being constructed. Lines to Bhubaneswar and O. T. Mills have been completed. Line to Barang is nearing completion. Construction of lines from Bhubaneswar to Khurda-Jatni and Bhubaneswar to Puri is in hand.

It may be stated that we have created a Sinking Fund by providing Rs. 10 lakhs for repaying loans taken from the Government of India for electrical schemes. Such contribution is contemplated from year to year.

EXCISE

I have already discussed that the excise revenue is gradually falling. The area of prohibition is being steadily extended. The prohibition of liquor including country spirit and toddy was enforced in some parts of the coastal districts in 1947-48 and extended in 1948-49 to large parts of the districts of Cuttack, Puri and Balasore. During the current year the border areas within a radius of 5 miles from Madras have been declared dry. This has caused a loss of revenue to the extent of Rs. 2,93,000. From the 1st April 1953, the entire rural areas of the districts of Cuttack, Puri and Balasore will be under prohibition. These operations are equivalent to loss in revenue of Rs. 6 lakhs in 1953-54. Distillery system working in Sambalpur, Sundargarh districts and Nayagarh subdivision is reported to be stabilised. This system is being gradually extended.

In 1948-49 the whole of Orissa, including ex-States, was brought under a system of rationing, by which the evil of opium will be completely eradicated by 1958, except for consumption for medicinal purposes which will be insignificant. The prices of opium in neighbouring States is much

higher than what it is in Orissa. Next year the retail price will be raised from Rs. 6-8-0 to Rs. 8 per tola. This will exercise a further check on consumption. Next year the retail price of Bhang will be raised from Re. 0-12-0 to Re. 1 a tola. The loss of revenue is anticipated to be about Rs. 6 lakhs on account of Bhang and Ganja alone. The supply system of Ganja will have to be reorganised.

FOODGRAINS PROCUREMENT

In view of the satisfactory crop condition throughout the State as a whole we have prescribed for the current Kharif year (1st November 1952 to 31st October 1953) a procurement target of 200,000 tons of rice as against 142,500 tons of rice fixed for the last Kharif year and an exportable surplus target of roughly 1,67,000 tons of rice as against 1,00,000 tons fixed for the last Kharif year. The balance quantity of 33,000 tons of rice has been kept earmarked for internal consumption in the State for feeding deficit and distressed areas during the year. Steps have been taken to ensure that no pressure of any kind is put on producers in matters of procurement. No substantial change has been made in this year's basic prices of foodgrains over last year's prices and the basic prices for the three different varieties of paddy and rice (common, fine, superfine) have been statutorily fixed for the different districts of Orissa.

From the figures so far available procurement from the 1st November 1952 up to the 15th February 1953 has been 105,000 tons in terms of rice as against 49,780.98 tons during the corresponding period of the last Kharif year. Progress of procurement has been exceedingly satisfactory so far and would have been still better but for the delays made by Recipient Administrations in lifting the export quotas allotted to them from Orissa resulting in overcongestion of all available godown space and consequent set-back in procurement. Out of 105,000 tons procured up to the 15th February 1953 export quotas totalling 70,340 tons have been allotted to different States. Out of this, only 13,360 tons has been moved so far leaving a balance of 56,980 tons still to be lifted. The delays caused by the Recipient Administrations in lifting stocks from Orissa, which have resulted in a short-fall in procurement of late, have been specifically brought to the notice of the Administrations concerned and the Government of India. Steps have been taken by some of the Recipient Administrations to start movement of their allotted quotas but even so the position still continues to be unsatisfactory.

On the assurances given to us by the Union Food Minister (Shri R. A. Kidwai) during his last visit to Cuttack on the 31st July 1952 we have been charging the Recipient Administrations at the rate of eight annas per maund of paddy/rice exported with effect from the 1st August 1952; but we have on a number of occasions impressed on the Government of India the inadequacy of this surcharge for our purposes and have requested them to authorise us to charge the bonus from Recipient Administrations at the rate of *one rupee* per maund of rice/paddy exported with effect from the 1st August 1952. We feel that the money that will be realised by us by way of bonus at the rate of *one rupee* per maund of paddy/rice exported should be utilised on the development of rice-growing areas in this State in such manner as the State Government may decide. Even after the realisation of *one rupee* per maund by way of bonus, Orissa rice will still remain the cheapest to the Recipient Administrations. There seems to be little justification for selling cheaply Orissa rice to Recipient

Administrations without realising the bonus of *one rupee* per maund which will be utilised for benefiting the producers of Orissa in the shape of execution of developmental projects. We hope that the Government of India will appreciate the justness of our claim for *one rupee* by way of bonus and agree to allow us the same from the 1st August 1952.

KENDU LEAF CONTROL ORDER

There was a good deal of discussion in this House during the last session on Kendu Leaf Control Order. The grievance was that this Order was discriminatory inasmuch as it was not enforced throughout the State and that certain areas were at a disadvantage on account of the system of licensing introduced and that the tenants, from whose lands a fair portion of the Kendu leaves is being collected, were not sharing the profits adequately. This problem has been discussed at various conferences with representatives of different interests involved and I may now announce it that Government have decided to introduce this Kendu Leaf Control Order throughout the State and that out of the net proceeds 50 per cent will be given to the villagers on the basis of units comprising of subdivisions and this money will be spent by the Grama Panchayats where they exist for the benefit of the people on developmental activities and where there is no Grama Panchayat, the amount will be spent by the revenue agencies in consultation with representatives of the people. It is on account of the Control Order and the efforts at Governmental level that this trade can be saved particularly at the present time when it is passing through a crisis due to disturbance in our trade relations with Pakistan. It is, therefore, in the interests of the villagers themselves that this should be properly regulated.

RURAL WATER-SUPPLY AND VILLAGE ROADS

In the last Budget statement a new feature was introduced by provision of Rs. 10 lakhs for the improvement of village roads and provision of rural water-supply. After consulting the M. L. A's and representatives of the local bodies a programme of work has been drawn up for repairs, improvements to and construction of the village roads and new drinking water projects including renovation of the existing projects in both Southern and Northern Circles. Where there are local bodies the works are being executed through them and the Revenue Department is co-ordinating the same. A complete list of wells, tanks and village roads has now been collected and they are being collated for publication so that the members of this Assembly and the villagers throughout the State may know as to which particular road or well has been sanctioned and for what amount, so that they may take interest to have this work executed within proper time. Similarly, another Rs. 10 lakhs for village roads and Rs. 10 lakhs for rural water-supply have been provided in the next year's Budget and detailed programmes are being drawn up for consultation with M. L. A's and local bodies. Special attention is being paid to provide road communication to areas wherefrom rice procurement is being made because by constant plying of heavy trucks for procurement the roads in many places have been completely shattered. We could no longer neglect the road communication in our State. I may inform the House that from the foodgrains trading account some small amount had accumulated during the last eight years which we could spend on replenishing the roads, etc., which were seriously affected by procurement drive. But the Audit Department would not

allow. After discussing this question with the Chief Minister and the Minister of Supply I took up the matter with the Auditor-General and the Accountant-General. I am glad that at last our contention has been held to be perfectly right and the Auditor-General has now agreed to transfer a sum not exceeding Rs. 20 lakhs from that account to Revenue Account to spend for the specific purpose of repairs, improvement to and construction of the village roads and provide water-supply for the maintenance of the cattle, growing of vegetable products, etc. In the present Budget this amount has not been taken to revenues. It will be done by adjustment. This is the best use that could be made of the money. This expenditure has already been voted by the Assembly by supplementary demand.

MEDICAL AND PUBLIC HEALTH

The number of beds in the Shriram Chandra Bhanj Medical College Hospital has increased by 129 beds, bringing the total to nearly 600 beds during the year 1952-53. Nearly Rs. 2 lakhs has been spent during the year providing additional staff and equipments, and an equal amount is proposed to be spent for the next year.

The Tuberculosis Sanatorium at Uditnarayanpur had only 25 beds and during the current year another 10 beds have been added. The ultimate object is to provide accommodation for 150 patients. There is heavy pressure in the Cuttack Observation Ward and elsewhere for accommodation of the tuberculosis patients. The Tuberculosis Observation Ward has now been converted into Tuberculosis Clinic and diet at the rate of Rs. 2 per diem in ordinary cases and at Rs. 2-8-0 in special cases has been sanctioned against Re. 1 allowed in the previous year. An additional grant has been provided for the year 1952-53 to cover the cost of special medicines for tuberculosis patients and in certain cases to pay for the travelling expenses of deserving cases. With the munificent donation of about Rs. 1 lakh by Shri G. D. Birla, a Maternity Home, named Kamaladevi Maternity Home, is being constructed at Puri, which is expected to be completed towards the end of this year. It will start functioning next year for which provision has been made in the Budget.

The fourth and final year of the Gopabandhu Ayurvedic Vidyapitha was opened during the current year. This completes the institution and the students will sit for the final examination in the year 1953-54.

As regards public health, for the supply of drinking water in rural areas special provision is being made, as already stated. Under the Five-Year Plan a sum of Rs. 3 lakhs was to be spent at the rate of Rs. 60,000 per annum. But on account of the necessity and urgency of the problem this expenditure has increased to Rs. 11 lakhs.

We have accepted three anti-malaria units, which would be partly financed by the Centre and partly by the State for the year 1953-54. Each unit will cost about Rs. 2 lakhs in the shape of D. D. T. and other equipments and about Rs. 1 lakh 14 thousand for staff, contingency, etc. Out of the total expenditure Rs. 3,25,950 will have to be provided by the State for the year 1953-54. It has been reported by the Government of India that another Rs. 1,80,000 will have to be paid towards customs duty and transport charges. But we have made a representation that this may be reconsidered. B. C. G. vaccination as a preventive against tuberculosis is being vigorously pursued. The Central Government are

providing vaccine, vehicles, etc., to the extent of Rs. 3 lakhs a year. It is proposed to have six new dispensaries and six Ayurvedic institutions during the year 1953-54. The Tuberculosis Clinic at Sambalpur will be established during the coming financial year. Surgical theatres at Cuttack and Sambalpur will be air-conditioned for which provision has been made in the Budget.

Rs 10,000 more has been provided for Hind Kustha Nibarini Sangh and Rs. 6,500 for the Cuttack Leprosy Asylum and Rs. 12,200 for the Puri Leprosy Asylum.

MINES

The Mines Area Development Act which has become law is expected to yield Rs. 12 lakhs next year. The whole of this revenue will be spent for the benefit of the mines areas.

STATE DEPOSIT ACCOUNTS AND EX-STATE AREA ASSETS

As the House knows, separate accounts were kept for the ex-States area before the merger of the accounts and the adjustments were being shown through a deposit account. On the date of complete merger there was a balance of Rs. 36.96 lakhs in the above deposit account which has since been closed and the balance has been credited to the State revenue. Rs. 29.79 lakhs was credited to Revenue Account and Rs. 7.17 lakhs to various debt deposit heads.

ASSETS OF EX-STATE AREA

It has so far been estimated that the total assets, consisting of cash deposits, bank balances, securities and stocks and shares including the corpora of various trust funds that the integrated States should yield is estimated at Rs. 3.17 lakhs. This sum includes Rs. 45 lakhs for loans and advances which were outstanding on the date of merger. Excluding the loans the total assets stood at Rs. 2.72 lakhs. Total assets realised so far stand at Rs. 2.09 lakhs. The balance of Rs. 63 lakhs has yet to be realised. This includes Rs. 21 lakhs relating to Sonepur Trust Fund which will remain intact for serving the purpose for which it was constituted. Rs. 32 lakhs are in fixed deposit in the Mayurbhanj State Bank. This cannot be withdrawn until the future of the Bank is settled. As regards Loans and Advances amounting to Rs. 45 lakhs their recovery will take time.

SECURITIES AND INVESTMENTS

It has been stated earlier that the overall closing balance at the end of 1953-54 will stand at Rs. 1.63.96 lakhs. This is the cash balance and does not include investments in Government securities. In addition the State's investment in Government securities will stand at Rs. 93.81 lakhs of which Rs. 40.35 lakhs relate to old Provincial area and Rs. 53.46 lakhs to ex-States area.

STATE TRANSPORT SERVICE

Nationalisation of Road Transport originated on the directive of the Central Government in 1946. We started in Orissa on the 1st January 1948 and operated in ex-State areas only. They will be gradually extended to other areas. The State Government invested Rs. 17.10 lakhs up to the end of 1951-52 which included Rs. 1.79 lakhs as capital assets acquired from the merged States and Rs. 15 lakhs borrowed from the Central Government. From the profits and loss account and balance sheet prepared by the Accountant-General on gross profit after allowing all operational expenses including the interest on capital at 4 per cent amounted to Rs. 21.20 lakhs out of which Rs. 12.20 lakhs is for depreciation and other

reserves and Rs. 9 lakhs, the net profit. Figures for 1952-53 are yet to be available. We are expecting a net profit of another Rs. 3 lakhs in addition to Rs. 5 lakhs as reserve. As the scheme has proved quite successful a further capital of Rs. 6.40 lakhs from Revenue Account has been provided in the Budget of 1953-54 to extend the Keonjhar general service to Jajpur town. The net profit is calculated at about Rs. 70,000. Hon'ble members are aware that a Joint-Stock Company was started in South Orissa on the 1st January 1951 with the following shares: State Government 31 per cent, Union Government (through Railway) 20 per cent, private operators 20 per cent, employees of the company 29 per cent. The authorised capital was Rs. 35 lakhs. The Government have now purchased the shares for the employees subject to transfer of these shares to intending subscribers from among the Company. This Company declared $5\frac{1}{2}$ per cent dividend during the first year of operation, that is, 1951-52 and the State Government have received on that account Rs. 32,000 besides Rs. 14,000 on account of interest on pre-paid shares. The State is now divided into five zones out of which two zones, Ganjam and Cuttack, are under rationalised system while Sambalpur, Keonjhar and Koraput are under nationalised system. In the nationalised zone 34 roads covering 1,423 miles are being operated with 89 buses, 11 trucks, 3 station wagons and one delivery van. There are 473 employees under this organisation and nearly 16.38 lakhs of passengers travelled on this service during a year. In spite of increasing expenditure on various accounts including spare parts, etc., the service has been maintained without increasing the rates of fare and freight. The profit that has so far accrued works out at 17.6 per cent on the capital invested. In South Orissa the Joint-Stock Company owns 66 buses, 5 trucks, one station wagon and one break down van. It operates on 54 routes covering 2,032 miles as against 40 routes during the last year. There are 316 employees and nearly 14.88 lakhs of passengers travelled on these services in a year. The Company is going to run its through service between Cuttack and Berhampur with effect from the 1st April 1953. During 1951-52 the net-profits of the Company was Rs. 83,298 which works out at 7.5 per cent on the capital invested. The nationalised general service is contemplated to be extended from Bhadrak Station to Chandbali. Very recently a meeting of the Transport Advisory Council was held at Delhi where our State was represented by myself as the Finance Minister and by the Deputy Minister of Transport. Many important decisions were taken with regard to motor vehicles taxation and introduction of the Transport Corporation Act and reorganisation in consonance with this Act and other kindred subjects. They are still under consideration.

Relief and Rehabilitation—For the rehabilitation of displaced persons from East Pakistan, a number of schemes are working and will be continued next year. (1) The Agriculturist Scheme comprising of 14 Agriculturist colonies is working in the districts of Cuttack, Balasore, Mayurbhanj, Keonjhar, Sundargarh, Kalahandi and Puri for 7,000 persons; (2) the Urban Settlement Scheme has accommodated 593 families; (3) the Weavers' Scheme has resettled 61 weaver families; (4) the Fishermen's Scheme has provided employment to 50; and (5) the Betel-leaf Growers' Scheme has rehabilitated 21 families. A scheme has also been formulated for giving education facilities to displaced children. The Revised Estimate of the current Budget shows a total expenditure of Rs. 20.27 lakhs and the next Budget Rs. 10.38 lakhs.

Separation of Judiciary and the Executive—There has been persistent pressure from different sections of the public for the separation of Judiciary and the Executive Services. Our Government is alive to the need for such separation and is seriously considering how best it can be effected to serve the best interest of the people.

Local bodies—The financial condition of many of the District Boards and Municipalities is far from satisfactory. The Ganjam District Board is faced with a serious financial crisis and this is due to the fact that cess amounting to over Rs. 16 lakhs is in arrears during the last three to four years. This amount is mostly due from some of the big estates of the district. Another sum of Rs. 2 lakhs has been given as a loan to that Board during the current year to meet its immediate requirements and for payment to its employees. The condition of the Baripada Municipality is almost similar. A sum of Rs. 51,000 has been sanctioned to help the Municipality to tide over its difficulty. The District Boards of Cuttack and Sambalpur have also been advanced loans and grants. 50 per cent of the proceeds of motor vehicles taxes are proposed to be distributed on the basis of mileage of roads maintained by different local bodies and revenue authorities in ex-State and Agency areas. 42½ per cent will be distributed according to this formula and 7½ per cent will be kept as a reserve fund which may be disbursed to meet cases of hardship. Steps are, however, being taken to see that no local body suffers on this account. Above Rs. 13 lakhs will be distributed as such grant. It is expected that some of the local bodies may get a little more. As per my last Budget statement, another grant of Rs. 2 lakhs has been provided for improvement of roads in Cuttack town as agreed with the Municipality, who have now placed the roads under the Works Department.

Other Departments—As regards Grama Panchayats, Inland Fisheries and Co-operative Movement, Animal Husbandry Work and Tribal and Rural Activities, references have already been made in the Governor's speech. I need not repeat them. Turmeric Growers' Marketing Societies, Agriculture Production and Marketing Societies of special crops and Inland Fishery at the Mahanadi Estuary are special features in the next Budget.

COMMUNITY DEVELOPMENT PROJECTS

In the last Budget statement I had discussed elaborately on the Community Projects. The House has already got an idea of it in the Governor's speech. The idea of Community Project is a national idea in the sense that through it the democratisation of administration is being attempted. It is not only meant to render effective social service to the people but also to bring about a psychological transformation in the approach and attitude of the services and of the people leading to real co-operation between the people and the State. Very recently the Administrator of Community Projects, Government of India, visited the three project areas of Bhadrak, Russelkonda and Junagarh and in his report has observed, "With the enormous resources available in Orissa in both men and materials and the harmony that exists between the departments at all levels, the State of Orissa would give a very good account in the Community Projects". Hon'ble members are aware that each project at Bhadrak, Russelkonda and Junagarh consists of three blocks of 100 villages per block. It is a programme of comprehensive social service. As regards the scheme of financing, I discussed it at length in the last statement and need not repeat the same here. The total requirements on account of the scheme

for the current and the next year is Rs. 51,94,592 and Rs. 88,37,874 respectively. Out of these, grants from the Government of India—

Revised	..	..	18,50,172
Budget	..	..	33,41,407
Loan from Government of India—			
Revised	..	..	26,00,250
Budget	..	..	39,44,750
The liability of State Government—			
Revised	..	..	7,44,170
Budget	..	..	15,45,717

The work has been started in right earnestness. Success of the projects depends on the faith, enthusiasm, earnestness and above all the co-operation and co-ordination between the officers of different departments and the people at large. Let the people take it as their own.

FORD FOUNDATION

A Pilot Project at Kendrapara has been undertaken. In this area extension work in agriculture, animal husbandry, public health, sanitation, education and co-operation has been undertaken. It is sanctioned for a period of five years. The total cost is Rs. 4.10 lakhs. In five years Ford Foundation will contribute Rs. 2,14,900, the Government of India Rs. 97,550 and the State Government Rs. 97,550.

INDUSTRY

Government are contemplating to constitute a Board of Khadi and Cottage Industries in the lines of the Board constituted at the Centre to develop production and marketing of handloom goods, sericulture, leather and other industries for betterment of the people. For training in higher technical education in India of our youngmen of the State, 40 new stipends have been provided as against 30 in the current year. Certain private technical institutions have been given larger grants. The Orissa School of Engineering is proposed to be re-organised and raised to the standard of All-India Certificate Training Course recommended by the All-India Council on Technical Education. At the request of the State Government the Council has recommended to the Government of India a substantial grant for the development of the institution and it is expected that the grant will be made. Under State Aid to Industries Act a provision of Rs. 10 lakhs has been made for the next year. A statement of State-aid granted to different industries is being separately published. The O. T. Mills are working in full and they have repaid Rs. 10 lakhs out of Rs. 30 lakhs granted to them as loan. The balance is payable in four instalments. In the Budget a provision of Rs. 30,000 has been made, against Rs. 20,000 during the current year, as grant to the Loan Stipend Fund for the benefit of deserving candidates intending to acquire higher education in and outside India. So far 50 candidates have been benefited by this Fund. Separate rules are being framed to regulate the application of this Fund. Kalinga Tube Factory is being erected. A Paper Mill is expected to be established near Chaudwar in the near future. Aluminium and Ferro-Manganese Factories will be established. It is expected that other industries will grow up. I have already dealt with the question of establishing a Financial Corporation for which steps will be taken. A sum of Rs. 26,560 has been provided to be given as grant to the Board of Scientific and Industrial Research.

FOREST

Orissa is second in the Indian Union in respect of forest wealth. It is a nation-building department. By the abolition of zamindari about 10,000 sq. miles of additional forest will come under the management of Government. But unfortunately the forests are still undeveloped. For development a Development Circle is being created by the next year, including three Working Plan Divisions, one Forest Research Division, one Forest Utilisation Division, and one Soil Conservation Division. The working plans are now overdue. For Agency areas no working plan exists. Extensive and unregulated fellings during the war have thrown all the working plans out of gear. There has been persistent criticism of illicit felling and denudation of forests. In the Forest Officers' Conference held at Tikerpara in December last this question was discussed at length. Similarly, in the Subordinate Forest Officers' Conference this problem was also brought home. There are certain grievances of the officers and staff which are receiving attention and very early decision may be expected. But we cannot be oblivious of defects or short-comings in the management of forests. If Orissa is to develop economically and financially, forest and minerals alone can help us. Nature has endowed us with these natural resources of which we should take full advantage. We should develop them, nourish them and allow them to grow. We should consider that they are the essential part of our life, nay, they are the nourishment of the State. The surplus of forest revenue was Rs. 67,68,695 in the year 1951-52. That was the peak year. Now it has come down to about Rs. 60 lakhs as estimated in 1952-53, and for the next year it is estimated at Rs. 55 lakhs and odd; but the expenditure is growing. In 1950-51 it was Rs. 32 lakhs. Next year it is expected to be Rs. 41 lakhs. Government are not stingy on expenditure for the development of forests. It all depends how the technical personnel in the department and the people at large co-operate. If we do not conserve the forest wealth our State will be ruined. The fuel problem will be worse. Scientific exploitation and development are the two essential factors for preservation of forests which protect and help agriculture and industry.

Railway line—It is understood on our vigorous representation one Railway line has been sanctioned. We are very grateful for that.

TRIBAL AND RURAL WELFARE

One-third of the State's area is scheduled area and two-thirds of its population comprise of scheduled tribes, scheduled castes and other backward classes. An annual expenditure of Rs. 50 lakhs was submitted to the Government of India for grant-in-aid. The provision in the current year was Rs. 30 lakhs but they gave only two-thirds, i.e., Rs. 22 lakhs and the rest had to be found from the State revenue. The poor finances of the State, however, could not possibly meet the rising expenditure. As regards the activities, there are 31 Ashram Schools with 1,559 students, 555 Sevashrams with 21,055 students. An amount of Rs. 5 lakhs was distributed during the current year as stipend to scheduled tribe and scheduled caste students for their education in colleges and secondary schools. Other points have been dealt with in the Governor's speech.

LABOUR AND COMMERCE

The State Government secured an interest-free loan of Rs. 20 lakhs for Industrial Housing, out of which Rs. 10 lakhs has been spent for construction of labour quarters at O. T. Mills, Chaudwar, Orissa Cement, Ltd., Raj Gangpur and Shri Durga Glass Works, Barang. It is reported that 234 units of double-roomed quarters for the labourers have been constructed according to the approved plan. A sum of another Rs. 10 lakhs was also to be given as loan. The work is being reviewed. In the meanwhile the Government of India are reported to have given subsidies and loans to some of the industries for the purpose. *Ad hoc* industrial tribunals are appointed to deal with industrial disputes. In Talcher and other collieries some disputes have been amicably settled at the instance of some members of the Assembly. For development work and other emergent works Rs. 3 lakhs have been provided in the Budget in the Cabinet Department.

THE FIVE-YEAR PLAN

In the Governor's speech the Five-Year Plan has been dealt with elaborately. It was prepared and presented in July 1951. It was divided into two parts—involving expenditures of Rs. 14.93 crores and Rs. 3.00 crores respectively. The final plan has now been published. The total expenditure is Rs. 20.96 crores. The additional developmental expenditure is Rs. 4.17 crores. The State's share of expenditure is Rs. 8.28.23 crores. Out of this Orissa's share Rs. 17.84 crores. In the draft plan it was Rs. 15 crores, which was to be shared by the Centre and the States on two-thirds and one-third basis, i.e., Rs. 10 crores and Rs. 5 crores. Now additional expenditure of Rs. 2.84 crores is to be incurred. This includes Rs. 1.84 crores for Duduma Joint Scheme and Rs. 1 crore for the Hirakud Power Distribution Scheme. The expenditure of Rs. 15 crores was divided as Rs. 13.23 crores from Revenue account and Rs. 1.77 crores from Capital account. The State's share of Rs. 5 crores included Rs. 1.5 crores as balance available from revenue and additional resources amount to Rs. 2.9 crores to be raised in Revenue account under land revenue, estates duties, betterment levy, irrigation cess, sales tax, agricultural income-tax, miscellaneous, etc., and of Rs. 0.6 crores from deposits and advances. Now under the final plan the expenditure is visualised at Rs. 2.79 crores in 1951-52, Rs. 3.66 crores in 1952-53 and by the end of 1956-57 the total would be Rs. 17.84 crores. The Planning Commission feel that deficit financing should, as far as possible, be avoided but at the same time they opine that between the choice of moderate measure of deficit financing and slowing down development the country should undoubtedly choose the former. They rightly observed that the country should undergo hardships for some time more to secure the future. Orissa's recurring expenditure arising out of post-war scheme increases by Rs. 1.73 crores. Unfortunately even those schemes were not included in the Five-Year Plan. The Planning Commission included only a few schemes which covered only recurring expenses of Rs. 1.52 crores but the continuing schemes were of such a nature that we could not close them without very considerable loss. On the contrary, in order to develop those schemes as required some supplementary schemes had to be undertaken. The Five-Year Plan is not spectacular in Orissa. We had, therefore, submitted a plan costing Rs. 38 crores during the plan period; but unfortunately it was

drastically cut down. Hon'ble members can well visualise as to how much of development could be possible with this meagre amount. But the Centre has its own limitations. Circumstanced as we are and the limited resources we have, this plan has to be worked out. This is the first attempt at planning in our country. It could be possible only after freedom. It can succeed only if we can apply our united efforts and enthuse the people and specially the intelligentsia. The economic condition of the middle class and labour class is at such a low level that unless we improve it there may be terrible reaction. This is the reason why there is wider conflict in the international sphere. Orissa's poverty is proverbial. With so much of inexhaustible natural resources should we starve and be ever branded as poor, backward and ignorant? In this Budget large amount of money is going to be spent in rural areas so as to give employment to labourers and middle class people. I may frankly state that the plan is inadequate. It may not touch the fringe of our problem. But we know the limitations of the Centre and of ourselves. Subject to these limitations whatever duties are enjoined on us and whatever little opportunities are available to us, let us utilise them to the full. Let me state in perfect humility and with all the sincerity that I can command that our financial and economic conditions and our means have not been properly appreciated. We, therefore, earnestly hope and respectfully urge that special consideration would be made in case of Orissa in respect of contribution for the Five-Year Plan. I repeat that we are very grateful to the Government of India for financing the Hirakud Project even though it is on the basis of loan. But pray, imagine what would be its ultimate result if the associated industries and communications required to utilise the resources released by the project are not provided for. That is why the establishment of new industries, opening of railway and road communications are absolutely necessary. The rehabilitation of the displaced persons numbering about 2 lakhs is a herculean task which must be faced and solved. We cannot expect to prosper at the cost of these poor forlorn people. But let us realise that the ultimate responsibility is ours. It has been rightly said that "God helps those who help themselves." We shall have to help ourselves as far as it lies in our power. We should leave no stone unturned in our efforts in this direction. There should be no question of party or politics or parochial or regional interests. We must rise higher, in the interest of the whole country and the whole nation, shall be prepared to work with determination. Our motto should be—

सर्वे भवन्तु सुखिनः

सर्वे सन्तु निरामयाः

सर्वे भद्राणि पश्यन्तु

मा कश्चित् दुःखभाक् भवेत् ।

I am grateful to the hon'ble members for giving me a patient hearing. I am very thankful to the Finance Department for the hard work they have done for the preparation of the Budget under heavy strains.

JAI HIND