

**Speech of the Hon'ble Pandit Godavaris Misra, M.A., Finance Minister,
Orissa, in presenting the Budget for the year 1944-45**

I rise to present the Budget for the year 1944-45. But I do not confine myself entirely to that year. It has been customary in past years, when introducing the Budget Estimates, to deal at some length with the Actuals and Estimates of preceding years. I have, therefore, to refer to-day to the Accounts of 1942-43 and the Estimates for 1943-44 before placing the annual Financial Statement for 1944-45.

ACCOUNTS, 1942-43

Last year, at this time, while presenting the Revised Estimates for 1942-43, it was mentioned that the year 1942-43 actually opened with a balance of Rs. 39.01 lakhs and that, with the anticipated revenue deficit of Rs. 6.73 lakhs and a net withdrawal of Rs. 6.09 lakhs in the capital account, the year would close with a balance of Rs. 26.19 lakhs. Between the Revised Estimates and the Accounts there was an improvement of Rs. 13.83 lakhs made up of an increase in receipts of Rs. 5.53 lakhs and of a fall in expenditure of Rs. 8.30 lakhs. The result was that the anticipated revenue deficit of Rs. 6.73 lakhs became a surplus of Rs. 7.10 lakhs. Outside the revenue accounts, however, the deficit of Rs. 6.09 lakhs, forecasted in the Revised Estimates, rose to Rs. 13.57 lakhs. The combined effect of the surplus in the revenue account and of the deficit in the capital account was a net withdrawal of Rs. 6.47 lakhs from the balance. The year 1942-43 which opened with a balance of Rs. 39.01 lakhs, therefore, actually closed with a balance of Rs. 32.54 lakhs. This balance included Rs. 28.28 lakhs in the Government Account technically called "Unearmarked or free balance".

REVISED ESTIMATES, 1943-44

2. In these Revised Estimates, revenue is estimated at Rs. 2,48.69 lakhs and expenditure on revenue account at Rs. 2,65.21 lakhs. The year's revenue deficit is, therefore, expected to be Rs. 16.52 lakhs. The Province's free balance, which stood at Rs. 28.28 lakhs at the beginning of the year, is consequently expected to fall to Rs. 11.76 lakhs at the end of this year. I am, however, glad to announce that subsequent to the printing of the Budget, copies of which are now in the hands of honourable members, information was received from the Government of India that this year we would get Rs. 30 lakhs against Rs. 28 lakhs, originally anticipated, and therefore provided in the Budget, on account of our share of income-tax. This windfall of an extra amount of Rs. 11 lakhs will now reduce the anticipated deficit to Rs. 5.52 lakhs.

Outside the revenue account, the net transactions under debt and deposit sections are expected to result in a deficit of Rs. 15.15 lakhs. The current year's transactions under both revenue and capital sections taken together have, therefore, the combined effect of reducing the total balance by Rs. 31.67 lakhs. The year 1943-44 which opened with a cash balance of Rs. 32.54 lakhs is, therefore, expected to close with a very much depleted balance of Rs. 87,000 only.

As compared with the original estimates which were placed before the House this time last year, the Revised Estimates disclose that the revenue receipts are expected to be better by Rs. 36.48 lakhs. This is explained by additional revenue of Rs. 5 lakhs under Income-tax. As already observed, the further improvement of Rs. 11 lakhs under Income-tax has not been taken into account. An improvement of Rs. 2.51 lakhs is anticipated under "Land Revenue" due mainly to the realisation of arrears. Excise revenue is expected to be better by Rs. 3.76 lakhs. Revenue from Stamps is likely to be Rs. 2.97 lakhs better. Receipts from "Forest" will be Rs. 16.62 lakhs more owing to larger supply of timber to the War Department.

On the other side of the account, expenditure charged to revenue is put at Rs. 49.19 lakhs higher in the Revised. The various more important heads under which this additional expenditure will be incurred are :—

	Rs. (Lakhs)
Forest	10.30
Irrigation	2.43
General Administration	2.16
Jails	5.61
Police	2.74
Education	1.39
Medical	1.47
Agriculture	1.20
Industries	2.83
Civil Works	3.40
Famine	7.16
Civil Defence	4.20
Total	44.89

It is needless to repeat the factors contributing to these increases as the variations are fully brought out in the Explanatory Memorandum a copy of which is already in the hands of honourable members.

BUDGET, 1944-45

3. (1) *Receipts*—The total revenue is put at Rs. 2,56.96 lakhs against Rs. 2,48.69 lakhs in the Revised Estimates. The improvement of something above Rs. 8 lakhs can be explained as mainly

due to increase in the share of income-tax. According to the latest information received from the Government of India, like the windfall of the current year, we would get Rs. 11.38 lakhs more next year also, though this has not been taken into account in the Budget.

(2) *Expenditure*—The Budget provides for expenditure on revenue account which is put at Rs. 2,67.32 lakhs against Rs. 2,65.21 lakhs in the Revised Estimates for 1943-44. Substantial variations occur under Forests, Irrigation, General Administration, Jails, Famine, Miscellaneous, Extraordinary Charges and Civil Defence. Under all these heads there is a total decrease of about Rs. 20 lakhs ; whereas increased expenditure aggregating Rs. 22 lakhs has been allowed under Excise, Police, Education, Agriculture, Industries, Appropriation for reduction or avoidance of debt, so that the net increase in the Budget is about Rs. 2 lakhs only. The estimate of revenue for next year being Rs. 2,56.96 lakhs and that of expenditure charged to revenue Rs. 2,67.32 lakhs, there follows a net revenue deficit of Rs. 10.36 lakhs. With the unexpected and almost providential increase of Rs. 11.38 lakhs on account of our share of income-tax referred to above the anticipated deficit will be wiped out in full, leaving rather a small surplus.

(3) Outside the revenue account, the Budget anticipates a receipt of Rs. 5,01.55 lakhs and an expenditure of Rs. 4,91.41 lakhs, which gives a surplus of Rs. 10.14 lakhs. The combined effect of this surplus and the revenue deficit of Rs. 10.36 lakhs budgeted for is a net decrease of Rs. 22,000 in the balance. Thus the year 1943-44 which is expected to open with a much reduced cash balance of Rs. 87,000 is likely to close with an actual balance of Rs. 65,000 only.

4. I would invite the attention of honourable members to the analysis of balances at page 38 of the Explanatory Memorandum. The balance in the Government Account, i.e., the free balance, is the balance against which there are no liabilities. This balance stood at Rs. 28.28 lakhs at the beginning of the year 1943-44 and with the successive deficits of Rs. 16.52 in 1943-44 and of Rs. 10.36 in 1944-45, as budgeted for, the free balance is expected to dwindle to Rs. 1.40 lakhs at the end of the next year. But happily with the expected increase of Rs. 11 lakhs this year and Rs. 11.38 lakhs next year on account of our share of income-tax it is hoped that the free balance will be maintained at a reasonable level.

It may be observed that there are two new items appearing for the first time in the statement of balances. They are :—

- (1) Appropriation for reduction or avoidance of debt under "Earmarked balance"; and
- (2) Capital expenditure outside the revenue accounts under "Unearmarked balance".

I may be permitted to try to explain the reasons for their appearance. The Government of India sanctioned loans to the provinces in the current year for financing the schemes in connection with the Food Production Drive. A Sinking Fund has been created for the repayment of this loan. A loan of Rs. 5.77 lakhs was taken by the Provincial Government a part of which will be repaid next year. A provision of Rs. 3.01 lakhs has been made under the head "23—Appropriation for reduction or avoidance of debt" and this sum will be transferred from revenue to the Sinking Fund to be set apart for repayment of the loan.

Firstly to maintain the necessary supplies of rice to the urban population, essential services and the deficit rural areas and secondly to discharge the obligation placed upon this Province to export to the deficit provinces the quotas of rice allotted to it under what is known as the Kharif plan drawn up by the Government of India, this Government have launched upon schemes for the procurement of rice. Arrangement has also been made to import into this Province from other provinces commodities like wheat, pulses, *gur*, mustard oil, in which it is deficit, and for their distribution in the districts. A new major head "85-A—Capital outlay on Provincial Schemes connected with the War, 1939" has been opened to accommodate transactions connected with these operations which are of a capital nature. The minus balance of Rs. 76.81 lakhs at the end of the year 1943-44 and of Rs. 1,55.33 lakhs at end of next year represents the money withdrawn from Provincial revenues and invested in the purchase of foodgrains for which there are equivalent stocks in hand.

5. Now I come to the new items of expenditure provided in the next year's Budget, a summary catalogue of which I have earlier placed before honourable members. Appendix B of the Explanatory Memorandum gives a detailed list of all the items of new expenditure provided in the Budget. The total of this as chargeable to revenue account comes to Rs. 44.21 lakhs of which Rs. 11.27 lakhs is recurring and the balance of Rs. 32.94 lakhs non-recurring. The amounts falling to the share of the beneficent, that is, nation-building departments, are as shown below:—

	Non-recurring	Recurring	Total
	TRs.	TRs.	TRs.
Education	1,05	1,73	2,78
Medical	1,27	51	1,78
Public Health	33	41	74
Agriculture	3,75	71	4,46
Veterinary	15	22	37
Co-operation	19	25	44
Industries	17,14	4,04	21,18
Total	23,88	7,87	31,75

(i) *Education*—Even amidst the overriding demands of the war situation, Government have not allowed themselves to deflect from the policy of steady and gradual expansion of education, in all its stages, throughout the Province. A very large number of new schemes included under this head bears testimony to that. The Utkal University has functioned from 27th November 1943. A grant of Rs. 20,000 is payable annually to the University as block grant. In addition, Government will have to contribute Rs. 20,000 a year for five years to the Foundation Fund under section 22 of the Utkal University Act. Government are also committed to a building grant of Rs. 60,000, furniture grant of Rs. 7,000 and library grant of Rs. 10,000, all of which are on non-recurring basis. The Budget now provides only Rs. 40,000 for grant to the Utkal University as block grant and contribution to the Foundation Fund. With a view to producing efficient Geography teachers for High Schools, Government considered it desirable to affiliate the Ravenshaw College in Geography up to the I. A. standard. The Budget provides Rs. 4,450 for this purpose. The Science classes in the Ravenshaw College have expanded, as there has been an ever-increasing demand for seats; and there is little possibility of the number of students falling off in these classes, even if provision is made for the teaching of Science elsewhere in one of the proposed junior colleges. It has, therefore, been decided to make the four extra posts of Lecturers in Physics and Chemistry permanent from the next year at a total cost of Rs. 10,000. The people of Sambalpur district have not only been agitating for affording facilities at Sambalpur for collegiate education but, all thanks to them, have gone forward in collecting a magnificent sum for the establishment in due course of a full-fledged degree college of the residential type. As it will take some time for the scheme to mature fully, Government decided to establish a junior college in the Zila School at Sambalpur with Intermediate classes. A total provision of Rs. 88,400, of which Rs. 67,000 is non-recurring, has been included in the Budget for this college. To bring collegiate education nearer to the doors of the students, the starting of Intermediate classes in Arts in the Balasore and Puri Zila Schools is felt an immediate need and the Budget provides Rs. 38,000 for the same. The whole of the Nawapara subdivision is backward in education. For a large area of nearly 1,500 square miles it has only one Middle English School managed by the Raja of Khariar at one end, which is at a distance of 42 miles from the headquarters of the subdivision. In every other subdivision in the Province except one there is a High School. It would be a pity if the headquarters of the Nawapara subdivision was allowed to go longer without even a Middle English School. Government have, therefore, decided to establish there, with effect from June 1944, a Middle English School, for which a provision of Rs. 4,500 has been made.

In furtherance of Government's policy for providing a Middle School at each subdivisional headquarters it is proposed to establish four Middle English Schools for girls at Bargarh, Jajpur, Chatrapur and Nowrangapur at a total cost of Rs. 10,600. Unlike in South Orissa, the teachers of aided schools in North Orissa had no incremental scales of pay. The result of the present practice of leaving the option to grant increments to the teachers to the Managing Committees has been very unsatisfactory. A dead pay has inevitably had an adverse effect on the fervour and efficiency of the teachers in such schools. This deficiency was realised by Government a few years ago, when the conditions were examined with a view to bring about some change. It was thought that deprovincialisation of our secondary education would serve the purpose. The examination, however, revealed that it would be better to bring all the High Schools including the Zila Schools to one level with a provincialised organisation at the top. But the change was too costly to be immediately given effect to. A via media is now deemed to be a suitable step. The scales of pay of teachers in aided schools is accordingly sought to be fixed by Government. The Budget provides Rs. 41,000 to give effect to the scheme from next year. Government have decided that the minimum pay to be drawn by a trained teacher in a primary school in the Province should be Rs. 10 a month and that for an untrained teacher, Rs. 7 a month with effect from 1st October 1943. The Budget provides Rs. 92,000 as grant to local bodies to enable them to give effect to this increase in pay. The lot of the teachers at the bottom is admittedly unsatisfactory. But any plan of improvement is bound up with increase in expenditure to an extent which is, considering the volume of the problem, beyond the financial capacity of Government to tackle.

While at this subject of education, I feel it necessary to make some reference to two other decisions which have been taken by Government, especially because their effect is reflected on the Budget for the next year. One is that the system of inspection in North Orissa, which was directly inherited from the parent Government of Bihar and Orissa and, for that matter, remotely and historically from Bengal, has been modified. The post of the Inspector of Schools will be abolished. His duties will be distributed between the Director of Public Instruction and the District Inspectors of Schools, who will henceforth be, in accordance with the Madras system existing in the Ganjam district, called District Educational Officers and will be saddled with higher responsibilities than as District Inspectors. For the time being this will be treated as an experimental measure for three years. But there is all likelihood of its proving successful. Two of the posts of the District Educational Officers will be in Class I of the Provincial Educational Service. This prospect in career is expected to attract men of adequate calibre into the cadre, on which mainly the success of the change will depend.

The other decision referred to a few seconds ago is in respect of increasing the number of Class I posts in the teaching staff of the College. Some time ago on the advice of the Retrenchment Committee Government fixed these posts at a smaller number. But since then conditions have changed. The student population has steadily increased. The requirements of the environments in general and of the Universities in particular have risen to a higher level. The effect of these has been to make greater demands on the resources of the teachers. Hence the services of men of a definite standard of efficiency have to be secured. This cannot be done unless the pay and prospects of the Education Department do not appear to be equal to those of the other Departments. Maximum benefit cannot be obtained from a discontented staff. The future of the Province is to be moulded by the teachers, who should, therefore, be as far as possible, kept above want and discontent. It will be penny wise and pound foolish to save money on this in order to provide expenditure elsewhere.

While delineating this policy, I desire to make it clear that Government do not shut their ears to suggestions of improvement coming from persons who have an authority to speak on matters of education. As Minister also in charge of education, I am thankful to those that do not feel satisfied at the progress achieved during the last two years but want more. I have every sympathy for their feelings and am myself impatient to do all that should be done before it is time for me to lay down this office of great responsibility, which honourable members have thought it fit to confer on me. Honourable members are, I suppose, aware of proposals in the field of education in this country fathered by the Educational Adviser to the Government of India. These proposals are being considered as a part of the post-war reconstruction of the country as a whole. This Province is bound to have its share in this reconstruction. Government will, as soon as possible, constitute a committee of experts to consider in what way and to what extent the proposals of reconstruction can be made applicable in this Province. This will give the committee an opportunity to go thoroughly into the matter and advise Government as to what they should do.

Coming now to details, I wish to invite the attention of honourable members to some other new features in the administration of the Education Department. The partially-excluded areas are less advanced in education. Government have been following a policy of expansion of education in those areas. Ten new primary schools will be opened in the remote Purnakote area of Angul. The necessary provision for funds has been made in the Budget. A total expenditure of Rs. 61,758 in two instalments was incurred on account of grant for repairs to school buildings

damaged by cyclone. Government have also promised a contribution of Rs. 1 lakh to the Wavell Homes Fund initiated by His Excellency the Governor-General, during his last visit to Orissa, with a grant of Rs. 1 lakh made by him. His Excellency the Governor of Orissa has made an appeal for more funds amounting to not less than Rs. 2 lakhs. These amounts will be utilised in taking care of children rendered destitute by the current year's food situation. These are not departures from prevailing practice but new undertakings. There has, however, been a departure from practice hitherto followed. In the current year, a small expenditure of Rs. 280 is being made in connection with a proposal for the printing of text-books. Although the amount is small, the expenditure is fraught with great significance and pregnant with far-reaching results. So long Government were selecting text-books published by private publishers. The system, though claiming long existence, did not prove successful. It has accordingly been partly changed in Bihar. Government have, therefore, decided to get text-books printed. The object is not commercial but purely educational. This new system, it may be observed, has recently been recommended by the Central Advisory Board of Education for introduction in all provinces. I am glad to say that we forestalled the decisions of such an august body of educationists.

In concluding this part of my statement, I should like to refer to the association of the Orissa States in the sphere of education with the Province of Orissa. The Utkal University is now an institution common to both. Whatever small differences existed will gradually sink and ultimately vanish. I may cite a particular small instance. The Government of Bihar and Orissa levied a fee of Rs. 50 for each inspection by an officer made of a High School in the States. This was continued in Orissa but has now been discontinued. This Provincial Government will no more charge any fee on this account. It may, however, be said that, so far as inspection by the Utkal University is concerned, the question of charging fees will be decided by that body and those decisions will apply equally to the States and the Province of Orissa.

(ii) *Medical and Public Health*—With a view to keep pace with the present-day progress, the Indian Medical Council recommended to abolish the Medical Schools for licentiates and to raise them to a University standard, so that there would, in future, be only one minimum standard of qualification for the whole of British India. The Government of Orissa have, therefore, decided that the present Medical School should be gradually converted to a Medical College with effect from next July. It is proposed to open the College classes gradually year to year by abolishing the corresponding classes in the School. The 1st year class of the

College will accordingly be opened in July next. It is also proposed to create an endowment fund for the proposed College with donations and gifts from generous-minded people. The Budget provides Rs. 45,000 for the opening of the 1st year class. With a view to prevent the deterioration of the Balasore Sadr Hospital on account of financial difficulties and in order to ensure improved and adequate facilities for medical relief in the Balasore district, the worst victim of malaria in the Province, Government have decided to take over the management of the Hospital with effect from the next financial year. A provision of Rs. 19,000 has been included in the next year's Budget for the purpose. A regular Government dispensary is proposed to be established at Borigumma in the district of Koraput from next year. Besides this, two more subsidised dispensaries will be opened, one at Komna and the other at Sinapalli, in the district of Sambalpur. The Budget provides Rs. 5,960 on these accounts. The need for extension of the general wards in the Cuttack General Hospital due to over-crowding has long been felt. The present emergency has now accentuated it. In view of this, Government have considered it necessary to construct another ward over the terrace of the Hospital at a cost of Rs. 30,616 for building, water-supply and electric and sanitary installations. The Budget provides Rs 5,415 non-recurring and Rs. 7,834 recurring for the staff and other initial expenditure.

In order to give proper instructions in matters of health to the people, publicity through different channels of health propaganda, viz., hand-bills, leaflets, pamphlets, lantern slides, motion pictures, health exhibitions and health and baby weeks, is felt essential. Government have, therefore, decided to sanction the establishment of a Health Publicity Bureau for Orissa on a permanent measure at a cost of Rs. 1,597. Towards improving the sanitation of the Koraput town, the Budget provides Rs. 12,000 for the construction of a pucca drain and repairs to anti-malarial drains already existing there.

(iii) *Agriculture*—A criticism is generally offered that the Agriculture Department has not been able to make its existence felt. The truth of this criticism cannot seriously be questioned. There are various causes contributing to the state of things obtaining. One great cause is the vastness of the problem in a purely agricultural province and the smallness of the money allotted to the Department, which, in normal years, is slightly over 1 per cent of the total annual expenditure in the Budget. This must be regarded as an incredibly low figure. Since the creation of the Province, Government have been carrying on the normal activities of the Department with the funds made available for the purpose. I conceive that great improvements are possible. But these cannot be achieved by mere patch work. A bold plan

should be adopted. This will, however, require large funds. Provided funds are made available, a bold policy can be formulated for being worked out.

Till then small improvements cannot be ignored. In the Budget provision has been made of funds for giving effect to such improvements. The Rice Research Stations at Cuttack and Berhampur were till now working with financial assistance from the Imperial Council of Agricultural Research. According to the terms of that assistance no more contribution will come from the Imperial Council. The entire burden will now fall on Provincial revenues. A provision of Rs. 13,000 has been made for making the staff working at the Rice Research Stations permanent. There are some posts in the Agriculture Department held temporarily by men from other provinces. With a view to accelerating the process of replacing them by the children of the soil, it is proposed to send eight students for training in Agricultural Colleges in other provinces next year at a total cost of Rs. 8,710. An independent marketing staff for the Province was started in 1939 with financial aid from the Imperial Council of Agricultural Research. With successive reduction in that aid the financial liability of the Provincial Government in respect of the scheme is correspondingly increasing, pending the entire burden being shifted to the Provincial Government. The Budget provides Rs. 15,000 for the Agricultural Marketing staff, the whole of which is expected to be met from Provincial revenues. A small amount has also been provided to continue the supply of cocoanut seedlings and grafts of other fruit trees. It is a pity that in spite of the soil in this Province being mostly suitable for the growth of fruit trees, large quantities of fruits have got to be imported from other parts.

In this connection a brief account of the 'Grow More Food' scheme needs to be given. With financial assistance from the Government of India the Provincial Government have launched upon it. The scheme is designed to increase foodstuffs by as many methods as possible. These methods have extended to bringing cultivable fallow lands under the plough, diverting areas now under non-food crops to come under food crops, increasing double-crop cultivation and intensive cultivation through the use of improved seeds and manure. Provision has been made for reclamation, irrigation and the supply of seeds and manure. In the current year, besides an amount of Rs. 2 lakhs placed in the hands of the Director of Development for purchase and sale of *rabi* seeds, a sum of Rs. 9,29,200 has been sanctioned for the purpose, out of which only an amount of Rs. 3,97,008 was actually spent up to 31st December 1943. Expenditure is being made now. It cannot be said at present what amount will be left unspent at the end of the year. The amount provided for this purpose in the next year's Budget comes to Rs. 27,88,500. The cost of the scheme is

shared between the Government of India and the Provincial Government. The division is as follows:—

	Government of India	Provincial Government	Total
	Rs.	Rs.	Rs.
During the current year ..	6,81,650	2,47,550	9,29,200
During the next year ..	19,16,800	8,71,700	27,88,500

It may be said that a good part of this money is being given away as grant and the balance as loan.

This is the money part of the picture. Allegations are heard that the best use is not being made of the scheme. It may be said that those who make these allegations have only a fragment of the picture before them. In a large-scale organisation the economy and result of small undertakings of private persons are not possible to expect. Yet the scheme as a whole is progressing in spite of difficulties. The area under cultivation at the end of the last year was said to be nearly 50 lakh acres. To this, during the current year, for the rain-weather crops a total extent of 99,974 acres was added against the target figure of 66,000 acres. The next year's target figure is one lakh acres. Besides this, new areas have been brought under different kinds of *rabi* crops with the help of grants and loans. From the progress so far made it is expected that the target figure of 39,000 acres will be reached during the current year. On this basis a target figure of 50,000 acres has been fixed for the next year. Even without any financial help from Government, as much as 78,445 acres of new land have been brought under *rabi* crops this year which is expected to go up to one lakh acres during the next. The only part which Government have played in this increase is propaganda for which a staff is being maintained.

The 'Grow More Food' scheme is at present under the officers of the Revenue Department unlike what it is in other provinces. In the other provinces, it is under officers of the Agriculture Department. This Provincial Government have decided, under instructions from the Government of India, to place the entire scheme under a Deputy Director of Agriculture. Effect to this decision is gradually being given. It is expected that with the guidance at the top of a senior officer of the Agriculture Department and the co-operation of officers of the Revenue Department, there will be an improvement not only in the organisational aspect of the scheme but also in the result.

In the present situation foodstuffs have unthinkably appreciated in value. Everything that can be done should, therefore, be done to grow more foodstuffs. But there are calamities. The floods earlier in this year had carried off the paddy crop in large tracts of Balasore and Cuttack. Coming so soon after the cyclones of October and November of 1942, the loss to the people and to the

Province became irrecoverable. The floods of the rains were followed by the rains of the winter. The recent showers, covering a period of over a fortnight, were not only untimely but have also very badly damaged the *rabi* crops all over the Province.

Besides these natural calamities there are other handicaps. One such handicap is the want of bullocks for the plough. Government of India have sanctioned an amount of Rs. 32,000 for being given as subsidy for the purchase of ploughs and bullocks. But a scarcity of bullocks has already occurred owing to unusually heavy exports to other parts, which have necessitated the placing of a ban on the export under the Defence of India Rules. This has hit the cattle-dealers undoubtedly. But Government could not help it. The high price of cattle, combined with the irresistible needs of the poorer classes, is tending to cause a serious depletion of draft bullocks as also of milch cows. The ban is expected to be taken favourably by all concerned. A similar ban has also been put on the export of groundnut oil-cakes which serve as manure for crops of different kinds. Want of good seeds has also been felt. Power has, therefore, been given to the Director of Development to requisition improved paddy seeds under the Defence of India Rules.

It is considered that even after the cessation of the war the scarcity of foodstuffs will continue for some time. Government of India have, therefore, made provision for large-scale irrigation projects. For some months past projects of irrigation in this Province have been under examination by an Engineer appointed especially for the purpose. Fl.-Lt. Sir William Stampe, Irrigation Adviser to the Government of India, has in the meanwhile made an aerial survey of almost all the important projects. These projects, both big and small, are 51 in number and are likely to irrigate 1,86,000 acres, the additional production of foodgrains from which is expected to be 25 lakh maunds of rice. The total initial cost involved is estimated at Rs. 25 lakhs a part of which can be received from the Government of India. In this connection an Emergency Irrigation Subdivision is proposed to be created with a Special Officer in charge of it.

As a complement of the 'Grow More Food' scheme there are two vegetable schemes. One is intended for the urban areas at a cost of Rs. 18,542 provided in the next year's Budget. This scheme has been applied to the district headquarters as an experimental measure and, if found successful there, will be extended to subdivisional headquarters. The second is the Army Vegetable Scheme, which has been introduced with a view to ensure an undisturbed supply of vegetables to the civil population. The entire net cost of the scheme and any probable loss due to unforeseen circumstances will be borne by the Army Department.

(iv) *Veterinary*—One important scheme in the Veterinary Department worth mentioning is the establishment of a livestock breeding farm at Angul with a dairy branch at Cuttack. Angul has been selected as a suitable place as there is already an agricultural farm at that place and waste lands extending over 500 acres are also available for the grazing of the cattle. In addition to the cows and bulls the farm will contain improved breeds of buffaloes, sheep, goats and poultry. Another scheme of this Department is that of training five youngmen of the Province at Government expense in the course for the B.V.Sc. degree of the Madras University by sending one in each year. The ultimate cost of the scheme will be about Rs. 23,000.

(v) *Co-operation*—During recent years a large number of consumers' co-operative stores and weavers' co-operative societies have sprung up throughout the Province. These stores and societies require close supervision. It has therefore, been decided to appoint three junior inspectors and one clerk at a cost of Rs. 4,000. To improve the work of supervision for co-operative societies in the Koraput district as well as in the Agency areas of Ganjam and Khondmals a provision of Rs. 3,500 has been made for two additional junior inspectors. The co-operative marketing of jute and the co-operative marketing of sugarcane are being continued. This year a co-operative society has been started in the Astrang area in the Puri district to carry on the manufacture of salt. The Budget provides the cost on account of a Sub-Assistant Registrar who will be in charge of the co-operative society. The cost of the acquisition of an area of 666 acres of land for the purpose amounted to Rs. 18,213.

The condition of co-operative societies remains almost what it was last year. Countervailing grants and subsidies are still required to be given. The Co-operative Conference appointed by Government have tendered some valuable advice. When this advice is translated into action, better results are expected to be achieved. The value of the system of co-operative societies cannot be underrated, although, in this Province, unlike what it has been in most of the other provinces of this country, and in the other countries of the world, a good use has not so far been made of it. Under the requirements of pressing needs action has got to be taken from time to time not compatible with the very growth of the co-operative movement. But it cannot be grudged. Circumstances require it. There is now a proposal to apply the provisions of the Orissa Money-lenders (Amendment) Act to loans advanced by co-operative societies. What effect it will have, when carried into practice, on the already dilapidated structure of the co-operative movement remains to be seen.

(vi) *Industries*—The scheme of Ericulture will be continued next year in a reorganised form at a cost of Rs. 5,600. The

weaving demonstration party which was working on a temporary basis for the last 5½ years will be made permanent next year. The Budget provides Rs. 10,000 on that account. The Budget also provides an amount of Rs. 3,68,000 for improving the marketing of the products of our handloom industries which is partly financed by the Government of India. The Provincial Government provide money for the working capital, for which a sum of Rs. 3½ lakhs is included in the said provision of Rs. 3,68,000. The declining handloom industry, the second largest industry in the Province, which can provide subsistence to nearly 3 lakhs of our people, has revived and rapidly expanded during the war, because of the orders received from the Defence Department. Honourable members may have noticed the huge swell in the Budget Estimates under this head for 1944-45. This is due to the demands of war supplies. A provision of Rs. 17 lakhs has been made for the development of small-scale industries for war supplies both of textile and non-textile goods. It is expected to recover Rs. 13 lakhs in course of the next year from the Government of India, which will reduce the net expenditure from Provincial revenues to the neighbourhood of Rs. 4 lakhs. It is not to be thought that this amount will be a loss to the Provincial Government. Its recovery will only be delayed till after the next year. These transactions do not involve the Provincial Government in any loss. It may be observed that it has been proposed to revive the activities of the fishery branch. With this end in view the Fishery Officer has been relieved of his duties as an Assistant War Supply Officer. A small experimental research station will have to be attached to the fishery section under a research assistant. Three new fish-curing yards will also be opened next year. All these will cost Rs. 7,000. In the Ganjam district in particular, more attention on the development of fishery has to be bestowed, particularly in the interest of the Burma evacuees.

(vii) *Irrigation*—The Orissa Flood Advisory Committee consider that the work on their proposals should be entrusted to a single division and not split up among several divisions. Many of the recommendations of the Committee have yet to be worked out and in particular the very important one of double embanking certain of the rivers. It has, therefore, been decided to continue the temporary Flood and Drainage Division for a further period of one year at a cost of Rs. 18,563. The following works relating to protective measures undertaken on the recommendation of the Orissa Flood Advisory Committee have been provided for in the Budget :—

	Rs.
1. Construction of a double-embanked Flood Relief Channel from Dhanua river.	44,000
2. Construction of a retired line for closing Routra Ghai in Kharsua right embankment.	20,100
3. Raising and strengthening Bhargavi right and left embankments.	46,000

	Rs.
4. Construction of a retired line in the 10th mile of Surua right embankment.	32,950
5. Raising and strengthening embankment No. 34(a) and (b) of the Patamundai Canal.	23,800
6. Construction of an embankment for closing Kumbhar Ghai on Kharsua right.	6,010
7. Raising and strengthening the ombankment No. 36-B Chotemangalpur-Birupa right.	5,000

But the woes of this Province due to flood never become a matter of history. They are a regular feature. The floods of the last rains caused considerable damage which involved additional repairs to the canal systems costing Rs. 75,000 over the normal grant of Rs. 1,75,000. But this is not the whole of our vicissitudes. The Baitarni ancient wall and apron also got damaged, and the weir wall displaced. These damages have necessitated immediate repairs, in continuation of the previously reconstructed portion, at an estimated cost of about Rs. 3 lakhs. The damage to the flood embankments caused by the last floods has required the provision in the Budget of a sum of Rs. 55,000 in addition to the normal grant of Rs. 83,000. A part of this expenditure as well as of the proposed expenditure in the further desilting of the Orissa Coast Canal, Range III will afford scope for employment and some famine relief in the affected areas of North Balasore.

(viii) *Civil Works*—The Budget provides money for the following road projects :—

	Rs.
1. Construction of a bridge between Jajpur and Jajpur Road Railway Station.	20,000
2. Construction of a bridged moorum road from Sohella to Nawapara.	60,000
3. Improvement of the Bhadrak-Chandbali Road	1,00,000
4. Construction of a bridge over the Borigumma-Bastar Frontier Road.	14,137
5. Reconstruction of the bridge over the Khalkhalia Nala in the Cuttack-Sambalpur Road.	45,000

(ix) *Miscellaneous*—In view of the extremely difficult food position in the Province it was considered essential that the public should be made to co-operate fully with Government in the several measures adopted by them. For this purpose, it was decided to inaugurate a campaign of anti hoarding and to undertake propaganda throughout the Province to secure an equitable distribution of the food available among all classes of the population. The working of the scheme was entrusted to the District Boards for whom a grant of Rs. 17,000 was sanctioned. This scheme will now be merged in the Food Publicity Scheme which has been provided in the Budget at a cost of Rs. 1,09,000. The object of the scheme is to devise proper publicity for the success of the procurement operations and for preventing misunderstandings.

In this connection it may be observed that landing and shipping dues on certain goods were levied under the Orissa Ports Regulation, 1937, and consequently the Orissa Port Fund became self-supporting from 1940-41. Due to the war there is no chance of shipping for some time to come. Therefore, no income is expected from this source. The deficit in the Port Fund Budget has, therefore, to be made good by a contribution from the Provincial revenues. This contribution comes to Rs. 16,859 and has been provided in the Budget.

(x) *General Administration*—One noticeable point under this head is the expenditure in connection with schemes of economic development and improvement of rural areas. Besides the total grant of Rs. 2,54,388 received from the Governments of Madras and Bihar towards water-supply and village communication, this Province was promised an allotment of Rs. 4 lakhs by the Government of India for the same purpose. Against this total grant of Rs. 6,54,388 expenditure up to the end of 1941-42 was—

					Rs.
1936-37	..	..	..	..	1,01,943
1937-38	..	..	..	..	85,017
1938-39	..	..	..	..	53,594
1939-40	..	..	..	..	1,35,845
1940-41	..	..	..	..	65,857
1941-42	..	..	..	..	66,166
				Total	5,08,422

The balance available for expenditure in 1942-43 stood at Rs. 1,54,966. Actual expenditure in 1942-43 was Rs. 58,724, leaving the available balance at Rs. 87,242, which has been provided in the current year's Revised Estimates. No provision has been made in the Budget for expenditure under this item, as the total grant promised by the Government of India is likely to be exhausted during the current financial year and there is yet no communication from the Government of India regarding further continuance of this grant to provinces. Pending a final decision on the question regarding the permanent maintenance of the roads constructed from the rural development grant, it was found that certain roads needed urgent repairs. Rs. 22,000 has, therefore, been provided in the next year's Budget for expenditure from the Provincial revenues on repairs to these village communications. This expenditure is calculated to have the additional advantage of providing some labour to the needy at the present times.

(xi) *Famine Relief*—Government had to authorise expenditure amounting to Rs. 8,16,000 for gratuitous relief in the distressed areas, of which a sum of Rs. 1 lakh will be met out of the Orissa Famine Relief Fund and the balance from the general revenues. Taccavi loans to the extent of Rs. 11 lakhs were authorised

for giving relief in the affected areas with a view to enabling the poor middle class cultivators to purchase seeds and bullocks for cultivation. Expenditure amounting to Rs. 20,000 was also authorised for certain relief works to be undertaken in the distressed areas to provide employment to the affected people. It will have to be observed that during a considerable part of the current year free kitchens were maintained by Government in the distressed areas of Balasore, Ganjam and Puri, in addition to similar kitchens established by generous-minded non-official organisations. Government are thankful to these organisations, and feel that, but for their help, the burden on the Provincial revenues would have become much greater and perhaps unbearable. Free kitchens are being maintained even now in certain extremely distressed areas of Balasore and for the destitutes in Ganjam. It has been learnt with some amount of concern that during the last few weeks the population attending the free kitchens in Balasore has very considerably increased. The reason for the increase is being investigated. The current year was an unprecedentedly abnormal year for the Province, and exacted its toll from everybody including the Provincial Government, which had to carry on relief operations in various shapes at a very heavy cost.

(xii) *Civil Defence*—As is natural and inevitable under the present conditions, Civil Defence expenditure shows a considerable increase. It is mainly concerned with A. R. P. measures, though expenditure on other allied matters, such as Village Guards, Village Responsibility (Railway Security) Scheme Civic Guards, Press Adviser, Refugees and Evacuees, National War Front, Song Publicity and Motor Spirit Rationing Schemes, arising out of the war, are classified as Civil Defence expenditure. Honourable members are already aware of the slab system of the Government of India according to which the total poolable expenditure in connection with A. R. P. is allocated between the Central and Provincial Governments. We originally budgeted for a poolable expenditure of Rs. 14·33 lakhs this year ; but our revised forecast shows that this will be exceeded by Rs. 11 lakhs more. For this additional expenditure the organisation of a Fire Service throughout the Province is responsible to the extent of Rs. 5·3/4 lakhs. The balance of the increase is due to increase in activities. Accurate budgeting under this head has proved extremely difficult, as we have to depend upon uncertain and unforeseen factors.

It may be remarked in this connection that this Province, poor as it is in its finances, has gained very little financial benefit from the inclusion of the greater part of India in the "White Area"; since most of the towns, for which A. R. P. arrangements have been made in this Province, are situated in the coastal belt and do, therefore, remain within the "Red Area". Our arrangements have to be maintained in as efficient a condition as is

possible, for there is no knowing when a spasmodic air-raid may take place. It is only less than a month ago that an air-raid, though of little consequence, occurred in a particular part of this Province, followed by machine-gunning from the air within a few days thereafter. There is, therefore, great need for all concerned to be always on the alert. The details have been explained in the Explanatory Memorandum and need not be repeated. But I desire to take this opportunity of making special reference to the organisation of Village Guards. This organisation was created in response to a general desire on the part of the public to take a more active part in the maintenance of law and order and of public morale. The response to the appeal made to the public to join the organisation has been very good. Ordinarily the rank and file of Village Guards are not paid. But those who have been enrolled as railway patrols under the Railway Security Scheme do get some pay. The protection of railways, which is a provincial responsibility, is being intensified both through additional police specially sanctioned and through the Civic Guards. Although the Government of India are paying 60 per cent of the cost of such police, as in the case of other police recruited under the Police Expansion Scheme in the war time, an appreciable burden still falls on the Provincial revenues. We of this Province are experiencing more than we can the effects of the war without, it may be urged, adequate financial compensation from the Centre.

(xiii) *Civil Supply*—The toughest problem that the Provincial Government was called upon to face, during the year, arising out of war conditions was that of the maintenance of the supply of the essential commodities and foodstuffs. Apart from arranging for the supply of important foodstuffs through an organised purchasing agency, Government have undertaken to trade in wheat, *gur* and standard cloth, etc., in respect of which imports are arranged by them. The transactions relating to these operations pass through the capital head and have been explained in detail in the relevant paragraph of the Explanatory Memorandum. I do not, therefore, propose to tire the patience of honourable members by indulging in a reiteration of the same.

Honourable members will find that the provisions in the Revised and Budget Estimates under the capital head "85-A—Capital outlay on Provincial Schemes connected with the War, 1939" are Rs. 77.81 lakhs and Rs. 77.52 lakhs respectively. The Rice Purchase System is being financed from the personal ledger accounts opened at the District Treasuries in the names of the Collectors of the districts. Government have paid an advance of Rs. 49 lakhs into the personal ledger accounts this year, while provision has been made for a further advance of Rs. 10 lakhs next year. These advances, as also the money value of stocks in hand, at the end of the year, are included in the provisions made in the Revised and

Budget Estimates. The Collectors operate on the personal ledger accounts and pay the cost of rice and paddy purchased from these accounts. When the grains are sold the proceeds are also credited to these accounts. Disbursements and deposits into the personal ledger accounts are shown under the sub-head "F--Suspense", disbursements being shown as debits and deposits as credits. Honourable members will find at page 496 of the Civil Budget Estimates that provision in crores has been made in the Revised and Budget Estimates under this particular sub-head. As the amounts in the personal ledger accounts rotate as many times as transactions are made, the total credits and debits under the "Suspense" head get swelled into crores. This would indicate the magnitude of the operations passing through the personal ledger accounts; or, in other words, the turnover on the rice purchase operations is estimated at Rs. 2.09 crores in the current year and Rs. 3.60 crores next year.

Honourable members are aware that the tackling of the food situation has become a matter of enormous importance. At the instance of the Government of India an organisation for preparing food statistics has been started. This organisation is expected to place in the hands of Government a correct and up-to-date estimate of the total quantity of foodstuffs produced within a particular period. But that in itself will not go a great way in solving the difficulty. The total annual production has got to be distributed not, as in normal times, through the usual channel, but by agencies specially appointed by Government for the purpose, according to the needs of the people. It is with the purpose of doing this most difficult job properly that the Provincial Government appointed an Advisory Committee from amongst honourable members of this Assembly. Honourable members of this Committee had to be nominated by Government, because the Assembly was not in session. But the intention is to have an Advisory Committee on an elective basis. It is expected that not only honourable members of this Assembly but also every section of the public will co-operate in this stupendous task of food distribution.

6. *Ways and Means position*—It is necessary for me to refer in some detail to our Ways and Means position. Under an agreement with the Reserve Bank of India, the Government of Orissa have to maintain a minimum balance of Rs. 5 lakhs at the Bank. If on weekly settling days this balance falls below the agreed minimum, the deficiency is made good either by taking a Ways and Means advance from the Reserve Bank or by selling Treasury Bills to the public. As the advances to be taken during a particular year have to be repaid within a short period, the amounts under the receipt and the expenditure sides always balance.

Besides the cash balance, the resources of Government include investments in the securities of the Central Government including

Treasury Bills. Investments of surplus balances were hitherto being regularly made in the Government of India Treasury Bills. But such investments had to be suspended this year due to more money being required for financing operations in connection with the Civil Supplies Schemes.

The financing of these supply schemes has given considerable anxiety to the Government during the current year. However, the most economical ways of financing were devised and put in operation, as a result of which recourse to the market for short or long-term loans was avoided and we could manage with the Ways and Means advances from the Reserve Bank totalling Rs. 8 lakhs only, for the repayment of which in full within the year necessary provision is made. At the end of the year it is anticipated that a Civil Supplies Stock amounting to Rs. 77.81 lakhs will remain in hand. When the Budget was framed it was anticipated that, as against this, we would have to raise loans of Rs. 37 lakhs by floating Treasury Bills re-payable in three months. With our latest information regarding increase in our share of income-tax, the position is, however, likely to be improved. It may be added that for similar reasons short-term loans of Rs. 1.22 lakhs for the next year have been provided. It is possible, however, that the loan which will be actually required will be considerably less. In any case such loans will not be required for long periods at any time.

7. *Dearness allowance*—The scheme for the grant of dearness allowance was introduced with effect from the 1st August 1942. At first, the rates of such allowances were Rs. 3 a month to Government servants drawing a pay up to Rs. 20 and Rs. 5 a month to Government servants drawing a pay of Rs. 21 to Rs. 60. The total annual cost of this scheme was estimated at Rs. 6 lakhs, which, considering the extent of finances our Budget has to deal with, was undoubtedly disproportionate. But these rates, embarrassing to Government as they had already been, had to be revised after consideration of representations from many quarters, so that from the 1st May 1943, the new rates came to be:—

	Rs.	a.	p.
For Government servants drawing a pay up to Rs. 20 per month.	4	0	0
For Government servants drawing a pay from Rs. 21 to Rs. 60.	5	0	0
For Government servants drawing a pay from Rs. 61 to Rs. 75.	7	8	0

These rates remained in force up to the end of July 1943. Owing to a sharp rise in the cost of living, Government had again

to increase these rates of dearness allowance with effect from 1st August 1943, in the following manner :—

	Rs.	a.	p.	
For Government servants drawing a pay up to Rs. 20 a month.	6	0	0	a month
For Government servants drawing a pay from Rs. 21 to Rs. 60.	7	0	0	„
For Government servants drawing a pay from Rs. 61 to Rs. 100.	10	0	0	„

These rates are still in force and the annual cost on this account, provided in the Budget, is in the neighbourhood of Rs. 14 lakhs which is nearly 240 per cent of the amount at which it stood, when dearness allowance was fixed for the first time. It is not, however, to be understood that Government servants to whom dearness allowance has been extended, are satisfied at the existing rates. But Government have decided not to increase further the cash rates. They are, therefore, considering a scheme for the grant of relief in the shape of subsidised sale of rice to Government servants whose pay does not exceed Rs. 200 a month, on the same lines as subsidised sale of rice is being contemplated to be provided for poorer sections of the people and in deficit areas. The anticipated cost of the scheme relating to the Government servants alone is about Rs. 3½ lakhs. It may be said that the scheme has not been finally sanctioned yet.

In this connection, it is necessary to observe that the granting of dearness allowance beyond a certain limit is considered to be a step contrary to the anti-inflationary drive which the Government of India have initiated. One tangible form of this drive is the National Savings Scheme. The quota for this Province under the National Savings Scheme is Rs. 50 lakhs for the current year and covers investments in various Government securities, including the 3 per cent Defence Loans, National Savings Certificates, Prize Bonds, Post Office Savings Bank investments, Defence Savings Stamps, etc., in excess of such investments of the last financial year. It also includes the yield from all provincial anti-inflationary taxation measures. Figures received from the Government of India for the period up to the end of December 1943 show that a limit of Rs. 20 lakhs out of the provincial target of Rs. 50 lakhs has already been reached. The savings drive, however, has recently been intensified by the appointment of energetic men to look after the work and by the adoption of more attractive methods. The drive has now got into full swing. Hence although there is only a month left, Government do hope that the quota will be fulfilled.

§. I have so far done my best to place before honourable members the position of our revenue and expenditure dealt with in the Budget. Ours is a poor Budget not comparable even with that of some of the biggest municipal cities of this country. In my Budget speech of last year I placed before honourable members

a comparative statement of the receipts and expenditures of the different provinces. In that statement Orissa stood at the very bottom. In the march of progress it has, therefore, sadly to lag behind. It is no doubt a small province. But it is not the smallness which is the cause of its poverty. Many small units are enjoying opulence. Its poverty is, on the contrary, due to want of attention in the past to development and to unsatisfactory financial adjustments in recent years. Some of the smaller provinces of this country have got their industrial facilities which add to their revenues and therefore to the general well-being of their population. In Orissa, there is very little industry. What is needed is industrial development for which there is little scope during the war. Immediately after the war the industrial needs of the Province will urgently require being attended to. This will necessitate our being able to procure not only the necessary capital but also machinery. I have no doubt that the Central Government will do their best to relax their conditions in order to allow us to take our share in the facilities in this matter provided by them after the war.

But we cannot afford to lose sight of our agricultural requirements. Although population is increasing, the means of subsistence is not, in accordance with the Malthusian theory, keeping pace with it. It is understood that during the last few years our total area under rice has come down by 7 per cent and that under other foodgrains including pulses by 4 per cent, while the population is annually increasing by something like 40,000 souls. Looked at from this point of view, Orissa is suffering from what may be called over-population in a greater degree than several other provinces such as, the United Provinces, Madras, the Punjab, Central Provinces and Berar, and Bombay. The co-efficient of over population for each of these provinces may be of some interest to honourable members. It is in the following ascending scale, namely :—

Bombay	..	..	..	..	0.62
Central Provinces and Berar	..	..	..	..	0.63
Punjab	..	..	..	..	0.89
Madras	..	..	..	..	1.35
United Provinces	..	..	..	..	1.35
Orissa	..	..	..	..	1.58

It seems to me that there has arisen need for some check on the growth of population. But this alone will not help us, particularly because our *per capita* national income is extremely low. In order to increase this income we have, on the agricultural side, got to bring under cultivation the total available cultivable waste including current fallows which is estimated at something like 52 lakh acres. This will almost double our present area under cultivation. Then again, of the cultivated area in this Province only 5 per cent is at present made to grow more than one crop in a year. In this respect Orissa compares extremely unfavourably with

several other provinces where the percentage is much higher, e.g. in Bengal it is 4.9, in Bihar it is 4.4, in United Provinces it is 8.6, in Madras 4.8 and in the Punjab 4.2. If we propose to try to come up to the level of other provinces, one condition that has to be fulfilled is the providing of irrigation facilities. It is unfortunate that our rivers are not very helpful to us. Therefore sources of artificial irrigation have got to be created which requires expenditure. We are thus working in a vicious circle, which is that without money we cannot develop our resources and unless we develop our resources we cannot get money necessary for development.

It was with a view to advise Government in the solution of these difficulties that a Committee called the Provincial Economic Committee was constituted. I am thankful to the members of the Committee for whatever help they have given us so far. But nothing appreciable has yet been done. It is expected that in course of the next few months this Committee and the post-war reconstruction committees will place before Government a proposal for planned action. This proposal will have to include development both in agriculture and industry. The present drain on this Province can be minimised by a co-ordinated reduction of our annual imports, consistent with an economic division of labour amongst the provinces, on which the unity and solidarity of the country as a whole depends.

It is generally known that one source of wealth for this Province lies in the sea. This is in two forms—fish and salt. The fish industry in this Province is almost in a moribund condition, being carried on in the most primitive ways. Its improvement has been foretold in the Budget. So far as salt is concerned, the Government of India have permitted, during the current year, large-scale manufacture, in the crude method of solar evaporation, which will be controlled by warehouse system. Warehouses have accordingly been started in the three coastal districts of Balasore, Cuttack and Puri. New areas have been brought under manufacturing process. But the Provincial Government will now have no control over anything connected with this industry. So long this Government was acting as agent to the Government of India with regard to the department of salt. In fact, our excise staff were a combined staff for both excise and salt. But with effect from the 15th of February 1944, the Government of India have, in spite of our representations to the contrary, taken over the direct management of the department of salt in this Province. We however, hope that they will give this Province full facilities for exploiting this source of wealth, denial of which during several decades has partly been the cause of its poverty.

It must be admitted that the creation of a province is accompanied with an obligation to assure to it a definite standard of development. A comparison of the expenditure side of our

Budget will show that on the nation-building departments, on a most liberal stretching something like 36 per cent of the total expenditure charged to revenue is spent. For this purpose, I have taken the accounts for 1942-43. Even in that year some of the figures have got inflated by war conditions. Increased expenditure on these departments is an indication of greater attention paid to the building of the nation. The bare requirements of man are his food, his clothing, his health and his education. How poorly these requirements are looked after in this Province will appear from the fact that on medical and public health our annual expenditure is in the neighbourhood of Re. 0-2-0 per head of population, while on education it is nearly Re. 0-5-0. It may be pointed out that the *per capita* expenditure on education for India as a whole is in the neighbourhood of Re. 0-9-0. If we grudge spending on education, we cannot propose to elevate the lot of our people farther than the level of mere animals. Coming to another comparison, which is that with conditions in Great Britain, we find that there the annual *per capita* expenditure on education from public funds is, in the equivalent of our money, Rs. 33-2-0. Even with this rate of expenditure on education the British Parliament is not satisfied and desires to increase it, because in its opinion as expressed in the White Paper laid before it, "upon the education of the people of that country the fate of that country depends". It may roughly be said that in this Province we are spending on education per head of the population a mere one hundredth part of the expenditure in Great Britain. No contrast could be more ghastly!

Yet, within its slender means, this Province is gradually striving to raise itself into the status of a full-fledged and self-contained unit within the country as a whole. We have, therefore, started our own University and decided to establish our own Medical College. The next step in the fulfilment of our requirement is the constitution of a High Court. The Committee, which was constituted to recommend to Government on the advisability or otherwise of establishing a High Court in this Province, have unanimously said that we should have a High Court of our own. In course of the present session, honourable members will get an opportunity of discussing the report of the High Court Committee and of presenting to His Excellency the Governor for submission to His Majesty an address for the establishment of a High Court in this Province.

9. Honourable members are aware that according to the sound principles of finance, a successful and at the same time beneficial system of taxat on requires aiming at bettering the paying capacity of the people taxed. In this Province it is generally considered, in relation to the masses of the people, that the last straw has been put on the camel's back. Hence any cry for reduction of rent or

for the abolition of a tax easily catches the imagination of the public. But it is a suicidal measure to utter slogans indiscriminately against taxation. It is by taxation that money is taken, from those that can pay, to be spent for providing amenities both for those that can pay and those that cannot pay. Even in this Province, there seems to be some room for imposing new taxes. At the kind suggestion of a gentleman in the commercial line, the possibility of levying a cess on paddy entering into the rice mills has been explored. The total annual revenue expected from this source is in the neighbourhood of Rs. 4 lakhs. A reference on this matter has been made to the Government of India. Some other items of taxation are, taxes on sales of tobacco and a general sales tax as has been adopted in some other provinces, such as, Bengal and Madras. An entertainment tax has not much scope in this Province but is likely to yield something. Bihar and United Provinces have increased their rates on stamps and court-fees as well as on excise. It is suggested that in this Province an attempt may be made to levy a small tax on betel leaves. Taxations are everywhere odious. They are, however, a necessary evil. People in other countries pay an immense share of their income to the State as taxation. In some other provinces in this country a tax on agricultural income has been imposed. The Supreme Court for the land has held this form of taxation to be in order. When imposed, it will apply not only to landlords, but also to big agriculturists. My purpose this afternoon is not to ask for a voice of 'amen' from honourable members. It is simply to place before them a means by which the revenues of the Province can go up a little. We have not at our disposal large sources. The proverb from which we can draw a lesson is that marya a mickle makes a muckle. Even a few thousands is valuable enough revenue for us. Some prudent method of taxing, coupled with reduction in expenditure in all but the nation-building departments, is likely to be helpful to us. We all realise that during the war any proposal for reduction cannot be considered. After the war, I trust, times will be opportune to revive the work of the Retrenchment Committee which will apply the pruning knife soberly and well.

10. My last, but not the least, duty is to express my sense of thankfulness to all those who have been helpful to me in the supplying of material necessary for this speech and have ungrudgingly worked for the preparation of the Budget. In this connection, the Secretary and the Deputy Secretary in the Finance Department and the staff working under them deserve special mention.