

Shri K. D. Malaviya: How am I to blame for a news that has appeared in the Press? If somebody had asked, surely I would have given a reply.

Mr. Speaker: The point has been misunderstood by the hon. Minister. Any hon. Member looks into the newspaper and brings it to the notice of the House. No doubt alarming news had appeared. Of course, if the Minister had no information, he could have said, "Tomorrow or the day after I will give the information". The information that he has now given might have been given then, instead of merely saying, the whole thing is alarming. He goes to the length of saying, "I quote from Shri Mathur". Except one piece that has been read by Shri Malaviya, so far as other matters are concerned, his statement is a little different. There has been some hole there and water flowed; it might cause some damage. I would request the hon. Minister to answer item after item and then place a statement on the Table of the House.

Shri Braj Raj Singh (Ferozabad): There is another important matter. Where there is a difference of opinion between the head of the department and the Minister himself, may I know whether the Minister's opinion will prevail or the opinion of the head of the department will prevail?

Mr. Speaker: There is no such difference.

The Minister of Finance (Shri Morarji Desai): That depends upon the quality of the difference.

12.42 hrs.

DELHI (URBAN AREAS) TENANTS RELIEF BILL

The Minister of State in the Ministry of Home Affairs (Shri Datar): On behalf of Shri Lal Bahadur Shastri, I beg to move for leave to introduce a Bill to provide relief to the tenants

of land in the urban areas of the Union territory of Delhi.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide relief to the tenants of land in the urban areas of the Union territory of Delhi."

The motion was adopted.

Shri Datar: I introduce the Bill.

12.43 hrs.

ESSENTIAL COMMODITIES (AMENDMENT) BILL*

The Minister of Food and Agriculture (Shri S. K. Patil): I beg to move for leave to introduce a Bill further to amend the Essential Commodities Act, 1955.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Essential Commodities Act, 1955."

The motion was adopted.

Shri S. K. Patil: I introduce the Bill.

12.44 hrs.

ORISSA BUDGET—GENERAL DISCUSSION

Mr. Speaker: The House will now take up general discussion on the Orissa Budget for 1961-62. I may inform the House that we must also pass the Orissa Demands for Grants on Account and also the Orissa Appropriation (Vote on Account) Bill today.

An Hon. Member: What is the time allotted?

Mr. Speaker: What is the time that may be necessary?

Shri Ranga (Tenali): Is it absolutely necessary that the House should take up the Orissa budget just now

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[Shri Ranga]

when the papers were circulated to us only yesterday? We have not had any time at all. It is the budget of a State and we have not been familiar with the various aspects of the budget. Would it not be more convenient to the House to give us more time to consider this matter?

Mr. Speaker: Some amount has to be granted. Hon. Members will remember an ordinance was also passed. For carrying on the administration, they want immediately some amount. We have adopted a convention that unless and until there is a general discussion on the budget, we would not allow a vote on account. Item after item, the various departments will be discussed leisurely. This is only a general discussion on the budget.

Shri Ranga: The discussion of the various departments will also follow soon after the general discussion.

Mr. Speaker: Not now. After the general discussion, there will be a vote on account for two months. There will be a detailed discussion leisurely by which time the hon. Member may get all the information necessary and place his views before the House.

The Minister of Revenue and Civil Expenditure (Dr. B. Gopala Reddi): After our demands are passed, the Orissa demands will be taken up towards the third week of April.

Mr. Speaker: Shall we have 3 hours for the general discussion?

Some Hon. Members: A number of Members will have to take part.

Mr. Speaker: All right. 4 hours may be taken for the general discussion. The general discussion will go on till 4.45. We will finish it by 5 o'clock in any case.

Dr. B. Gopala Reddi: We will have to report to the Rajya Sabha also that we have passed the Vote Account Bill. One minute before 5, it can be sent to the Rajya Sabha.

Mr. Speaker: Is the Vote on Account Bill also to be sent there?

The Minister of Finance (Shri Morarji Desai): Yes, it has to be sent.

Mr. Speaker: Will finish it by 4.45. That House may be asked to sit for 10 minutes more.

Shri Mahanty (Dhenkanal): This House has taken a great responsibility. We must have enough time. We must not go by the time-limit of 4.45 or 5. A great responsibility has been undertaken by this House. Therefore, the Rajya Sabha may sit half an hour late.

Mr. Speaker: Or, they can meet again. Till 4.45 the general discussion will go on.

Shri Morarji Desai: It is not for us to say that the Rajya Sabha should sit late.

Mr. Speaker: Nor is it open to me say that. I do not want to impose restriction on an equally competent legislature. We arrange our own affairs. 15 minutes would not matter. By 4.45 the general discussion will be over. In 10 or 15 minutes, we shall dispose of the vote on account. Then the Government may do what it likes.

Shri Surendranath Dwivedy (Kendrapara): Mr. Speaker, Sir, it is unfortunate that the democratic Assembly in Orissa should be suppressed and it is still more unfortunate that very little time should be given to this House to go through budget papers and discuss it from all points of view.

12.48 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

This budget which has come to us in a modified form should have been discussed by the Orissa Assembly and the budget was prepared by the outgoing Ministry. The budget as it has been presented before us and the speech that the hon. Finance Minister chose to deliver on this occasion give a completely garbed picture. It covers more than what it really wants to reveal about the actual state of affairs and the economic conditions prevailing in the State of Orissa.

If the state of affairs and the economic condition of Orissa are as rosy, colourful and encouraging as the Finance Minister has tried to put here, then probably there would be no need to discuss it and everybody would come forward to support these proposals. But it is a very disappointing document, specially when we are just entering the first year of the third Five Year Plan. The Finance Minister, while placing the budget, has explained about the little change that he has made in the prepared budget of the former State Government. Even then he has told us that there will be a deficit of Rs. 4,19,00,000.

Now, whereas in the former budget it was expected that the revenue deficit would be Rs. 10.26 crores, he has explained this deficit by merely saying that there was some readjustment of revenue expenditure and that he has dropped one or two items which were included in the budget. He makes a mention of the recommendations of the Pay Committee, for which a grant of Rs. 1.97 crores was made in the budget. He promises us that, if necessary, after the report of the Pay Committee is discussed thoroughly by the State Government, he will come forward with a supplementary demand. I think it is not fair for one reason. No doubt, this report was submitted very recently. But the Pay Committee suggested that the emoluments which will be made available to these employees on the basis of the recommendations of the Pay Committee should have effect from December, 1960. The outgoing Ministry, just on the eve of their resignation, decided at the Cabinet level that the recommendations of the Committee should be given effect to from March 1961. Now, if it is not included in this budget, it will be further delayed and probably on supplementary demands will be placed before this house for this purpose and it will be taken up only after the new Assembly comes into being after the elections. It would have been fair, therefore, if an interim relief or interim payment had been made to the employees on the basis of

the recommendations of the Pay Committee and some provision had been made in this budget also. Otherwise, it would be really very unfortunate, I would say.

At the same time, I want to point out that although the Minister has tried to show that the deficit is very little, it is much more than what is stated here if you take into account all those expected items of expenditure that have to be met after a short time.

Now, how does he propose to meet this deficit or how does he propose to bring more revenues to the State exchequer? There are proposals for increased taxation and roughly they estimate that the additional revenue to the tune of about Rs. 3 crores would be made available; that is to say, from land revenue about Rs. 41 lakhs, excise Rs. 1.32 lakhs, irrigation Rs. 45 lakhs, sales tax Rs. 43 lakhs, freight and transport of goods, levy on passenger fares etc. Rs. 26 lakhs. These are expectations which are more imaginary than real, I would say. Because, it would be seen that all these measures will affect the common man, the poorer sections of the community. It is well-known that the people in Orissa are generally very poor.

I do not know what is the basis for calculation of improved revenue or increased revenue in the coming year. Take land revenue. It is stated in the explanatory memorandum that increase is expected on, say, some waste lands and by the abolition of *inamdars* and other levies that would be imposed. As you know, although land reform measures have been passed, no rules have been made to see that waste lands and surplus lands are made available to landless people. We do not know whether during the coming year this is going to happen. Very recently, this question was raised in the first press conference held by the Governor and he said that rules have not yet been framed. If the rules are framed, I doubt very much whether they will be able to give lands to the people and then be able to get any revenue out of them.

[Shri Surendranath Dwivedi]

Then, you will find there is no mention here about the land revenue increase on account of the implementation of the Standardisation of Land Rent Act which has been passed in the State, although it is not implemented. What is the policy of the Government? Do they want to put it in cold storage? When this particular Act was passed, there was no coalition Ministry. When the Ganatantra Parishad came into the coalition, for obvious reasons, as it would effect their interests, they did not want to put it into operation. Now there is no mention whether that particular Act is going to be operated.

Secondly, it is also stated that land revenue will increase after the settlement operations are completed. But if you look at the extent, you will see that only in certain districts that is going to be undertaken. I want to know whether the survey of settlement operations, which will give you a correct picture of land acres and other things, would be completed in the course of this year. At least, there is no provision in the budget which goes to show that. I think this is something imaginary.

Take, again, another item, the increase in excise revenue. Where are they going to get increased revenue? It has been mentioned here that sales would increase in the border areas and in foreign liquor shops. This is encouragement of smuggling. What is meant by "border areas"? My hon. friend, Dr. Gopala Reddi, must be knowing it, because he is our neighbour. So, increase in tax would come mostly from the border areas of other States where there is no prohibition. Now, why do they increase sales in the border areas? This proposal indicates that whereas prohibition is encouraged in the other States, it is discouraged here, in the sense that they expect the revenue from sales to go up in the border areas where people belonging to the neighbouring area where there is prohibition will come and enjoy. Also, it will result in smuggling of liquor to areas where there is prohibition.

Mr. Deputy-Speaker: If they do not provide for this income, would prohibition be enforced in those areas? It is not only a recognition of a fact that is going to take place?

Shri Chintamani Panigrahi (Puri): Why not scrap it?

Shri Surendranath Dwivedy: You must be very fair in the sense you must say whether you want prohibition or not. If you say that you want prohibition in other States, you should not take a step which would benefit you merely because of the fact that prohibition has been introduced in the other areas. That is the point I am making.

13 hrs.

They also expect that they will get about Rs. 45 lakhs more out of irrigation tax. This is again a most unrealistic estimate because the accounts show that during the year 1959-60 they have hardly been able to get more than Rs. 10 lakhs to Rs. 12 lakhs under this head. Now they say that on the basis of the recommendations of the Irrigation Act that has been passed they expect this revenue to increase. But mainly these calculations are based on the increased canal water rate. It is not that the medium irrigation scheme, the lift irrigation scheme or other irrigation schemes are being taken up so that the revenue from water cess increases. It is not so. It is mainly dependent on the revenue that they will be able to get from increased water rates. I want to know the actual rate that they are going to charge. It is on record—a statement has been made by the previous Chief Minister—that in the previous canal irrigated areas there will be no increase in the present water rate. So, are they now going to introduce a uniform water rate on the basis of that Act all over the province? What machinery have they really set up to see that from areas like Bolangir and Sambalpur, from where they have not been able to realise any water cess as yet, they are going to realise it now?

I would say that this proposal is fraught with great danger in the sense that people who are benefited by these irrigation facilities are averse to this. There is resistance and very rightly so. That is because mere supply of water does not give them increased production. They want other facilities which are not available. Even in the canal irrigated areas we know people are paying water rates for many, many years, but they do not get water even. The supply is not quite perfect. Therefore, I feel that this is fraught with danger. There will be resistance as there will be more hardship on the people. Ultimately, it will affect production on the basis of which it is claimed that in the coming year, although there were floods and there was such a bad weather, food production is going to increase. I am afraid that if this is introduced, there will be more resistance from the people and you will not be able to get this revenue from the people.

Therefore, I feel that the real sources of revenue which would have given some money to the State for its development have not been tapped, or rather have been overlooked. This is quite natural, I would say. The previous ministry which tried to protect certain interests framed the Budget in such a way that the entire burden falls on the poor sections of the people. I would point out several sources, for example, forests. What improvement or development has been made to see that the revenue from forests increases? Similarly, take mines and ports.

In the last part of his speech the hon. Finance Minister was eloquent. He said, "Oh! Orissa would be a prosperous State. I have no doubt about about it. There are natural resources, mines this and that". Nobody disputes that. But what attempt has been made to develop them? How are you going to tap them? I would accuse the Government of India of this. There were proposals on behalf of Japan and France. They wanted to extend their help in developing mines and port facilities so that some development

takes place in this area. That was prevented by the Government of India. These things are not being done. Forests and other resources are not being properly tapped.

Over and above that you will see that whereas during the previous years they were expecting some money from estate duty on agricultural lands, in the 1961-62 Budget they expect nothing. I do not know why. This is a revenue which would come from the propertied classes. In the amending Act which we have passed some time back we have said that above 50,000 level of agricultural income would be taxable to estate duty. Although there was provision in the previous years, in this year's Budget there is no mention.

Dr. B. Gopala Reddi: In a particular year, two years ago, the Orissa Government got only Rs. 5,000 from excise duty. Later on, they followed the Bengal example and did not want any estate duty from agricultural land. Therefore it is deleted.

Shri Surendranath Dwivedy: That is my allegation. That is because of the failure or the intentional attempt of the then Government not to realise this money which was affecting a particular class of the community which had come into power in that State. That is no reason why this very reasonable revenue should not be realised in that State.

Again, regarding forest products I want an explanation. I think he will either contradict me or correct me as he has done in the other case. We always advocate for no tax revenue. Here was an opportunity. It is also given in this Explanatory Memorandum that previously we were getting Rs. 36,89,000, that is, in 1959-60 and the revised estimate for 1960-61 is Rs. 35 lakhs. But in the 1961-62 Budget there is no mention of that. Which is this revenue? It is sale proceeds of Kendu leaves. Where is this money, these Rs 37 lakhs, going? It was being distributed to the Gram

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Panchayats for development work. I want to know why in the year 1961-62 you are not going to get any revenue from this. It is again because some political factors played in the entire affair and the State lost a very good revenue which according to some calculations would have gone up to Rs. 1 crore or some such amount. So what I say is that the real sources which would have given you money without affecting the common mass of the people, you have deliberately tried not to tap.

Mr. Deputy-Speaker: Have I done that?

Shri Surendranath Dwivedy: My use of 'you' is impersonal. Through you I am addressing him.

If you look to the expenditure, you will again find that under the expenditure head there are very interesting provisions. Of course, when the Demands come up probably there will be an opportunity to discuss it threadbare. My hon. friend, sitting to my left, would probably explain to you these provisions, but I find that just after the coalition ministry was formed it increased. Now the hon. Minister is hesitant to provide money for the State employees and therefore he has said that he will come with a Supplementary Demand, but on the expenditure side you will see that during the year 1959-60 allowances to the members of ruling families amounted to only Rs. 2,26,000.

In 1960-61 a provision of Rs. 2,51,000 was made, but in May 1960 when the Ministry was formed it suddenly increased and today we are charged to the tune of Rs. 1 lakh and some thousands more for giving to the members of the families of the rulers of the integrated States, with retrospective effect in some cases. Is it so essential that we should have provided this? And for whose interest has it been done?

I would also like to have one clarification from the hon. Minister. In regard to General Administration, under "Home" you will find that there are increases of about Rs. 15 lakhs under the head "Election". We are going to have an election in early June in spite of opposition and in spite of the difficulties of the people there. I want to know whether the entire provision made in this budget would be spent by the State Government for election purposes. Because, by the end of this budget year we are again going to have election to Parliament. Is the entire burden of running these two elections to fall on the State Government, because an election is being forced on the people and the State. In a State where money is so much needed for other expenses, it is not proper....

Dr. B. Gopala Reddi: The expenditure on Parliamentary elections will be borne by the Government of India.

Shri Surendranath Dwivedy: Entirely?

Dr. B. Gopala Reddi: Yes:

Shri Surendranath Dwivedy: I also find that there are increases on State guest houses and paying guests. And there are arrears of about Rs. 35,000 so far as paying guests are concerned. I want to know who are these credit guests who so oblige the Government as to get their hospitality—and I find in this budget a new department of Hospitality has been introduced—but have not paid this amount.

You will also find that whereas the village chowkidars, the village police and other such staff are clamouring for more money, on the higher side of the police establishment a new post of A.I.G. Police and some other things have been introduced. Even on the civil secretariat side a Ministry has unnecessarily been bifurcated so that we may have three or four Chief Engineers and others as also

discretionary grants and things like that for the Ministries.

Then, not only in this year but when you expect that not a single pie should be spent on unproductive expenditure, we have a Government House, a Raj Bhavan in Bhubhaneshwar. If in Delhi the Rashtrapati can have a Rashtrapati Bhavan, in the State we should also have a Raj Bhavan, and about Rs. 36 lakhs have been spent. Already there is a Government House in Puri which is lying vacant for the whole year, the entire estate. I do not know how these things are being permitted to be wasted. And these Governors are not only a burden but white elephants. If you look into the expenditure under this head, it is really eating away the life-blood of the people.

Mr. Deputy-Speaker: The hon. Member's time is up.

Shri Surendranath Dwivedy: I have a lot of points to make still.

Mr. Deputy-Speaker: He has taken about half an hour. He should appreciate my difficulty. I have to distribute the time allotted among Members.

Shri Surendranath Dwivedy: Please give me fifteen minute more.

Mr. Deputy-Speaker: If I give him forty-five minutes, I shall have to give other Members also forty-five minutes each, and it will not possible.

Shri Surendranath Dwivedy: I will try to condense my remarks.

I will now concentrate on some other points since you have warned me.

In the State the picture as it emerges, I feel, is very bad, very disappointing and very gloomy; because I do not find there is any measure to prevent occurrences of flood in Orissa which is a great handicap

to the progress of the State. And whatever money has been provided for relief, house-building, etc. and even for reconstruction of educational institutions, I find that the sum is very meagre and hardly adequate to meet the situation. It was calculated after the floods that for flood protection measures about Rs. 44 crores would be needed to implement some schemes. I find that in the entire Third Plan, let alone this year's budget, only Rs. 2½ crores are going to be spent on flood protection and prevention measures. This will certainly affect the economic progress of the State.

In this connection I want also to say that there is a committee now going on into the flood question. This committee is presided over by the erstwhile P.W.D. Minister. It is openly alleged in the State that the Minister has personal interest and will lose something if the flood protection measures are implemented.

Dr. B. Gopala Reddi: He wants floods to come?

Shri Surendranath Dwivedy: I would therefore suggest that it is high time that there was a change of personnel so far as the chairmanship of that committee is concerned, in order to create confidence in the minds of the people.

The two things necessary for the development of the State are power and irrigation. This budget shows that during the year practically they are not going to do much in regard to the increase of irrigation facilities.

Even in regard to the Second Plan it has been stated by the Finance Minister in his speech that there has been a shortfall of about Rs. 3.5 crores as regards the amount that was allotted and provided in the Second Plan for the State to implement its schemes. They have not been executed.

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Again, taking the irrigation projects, so far as the Hirakud project is concerned, we are practically giving by way of interest to the Government of India an amount which is almost equal to the amount of deficit during this year. And this is charged on the State of Orissa on a compound interest basis.

If you look to the achievements of Hirakud given in these papers you will find that we are getting from power and other things only Rs. 1,70,76,000 whereas the interest charged is Rs. 4 crores and odd.

I would now come to the power question which is more important. If any development is to take place, it will depend upon the power potential and power availability in the State. It will be clearly seen from the papers that have been given to us that even after the second stage of Hirakud is completed by 1963 the position is that we have already booked all the power to concerns in that State. So even in Hirakud we get less revenue, because in advance we have booked this power at a cheaper rate to a company.....

Shri P. K. Deo (Kalahandi): Less than the cost price.

Shri Surendranath Dwivedy: At less than the cost price, my friend corrects me. I do not know at whose instance it was done.

Dr. B. Gopala Reddi: Otherwise you won't get the factories.

Shri Surendranath Dwivedy: When new factories are to come up, there is no power. I find the State Government had proposed two or three projects, the Hirakud project and the Balimela project. So far as the Balimela project is concerned, according to the scheme, the estimated expenditure on the total project was to be Rs. 29.68 crores. But what have they done? They have reduced

the proposals of the State Government. So far as the requirements in the entire Third Plan are concerned, they have made it only Rs. 160 crores. And only a sum of Rs. 9.50 crores has been provided for this Balimela project during the Third Plan. That means only some works are being provided in this year's budget. So, it is not even going to be completed after the completion of the Third Plan.

So is the case with Tacher thermal station also. I do not know whether that also is going to be completed, because it has been stated in these reports that certain schemes could not be worked out, because the Government of India did not give the sanction quite in time. It is also admitted that there is scarcity of technical personnel. How is this scarcity going to be met? Are there any proposals for more engineering colleges? As you know, Sir, in the State of Orissa, there are hospitals running without doctors. If there are going to be more engineering colleges and more medical colleges, are the Government of India going to take into consideration the backwardness of the State? The economic growth in this country is lop-sided. You cannot decide the amount to be allotted to a particular State merely on the basis of the achievements of the defective machinery of the State. If in that State there is lack of technical personnel, and there is inefficiency, is it not the duty of the Government of India to see that schemes like these are also implemented, and technical help and other things are also made available to that State? Merely to say that less amount will be allocated because the State machinery is not perfect, I think, is doing injustice to the State.

As I said earlier towards the beginning of my speech, I find that the

picture is very gloomy. The economic conditions of Orissa are very bad. If you look into the figures, you will find that *per capita* income of the people has not only deteriorated, as compared with the achievements in other States in recent years, but it is much less than what it was many years back. This is certainly going to make a lot of difference. So far as the present Budget is concerned, it is merely a budget to carry on the administration somehow or other. It is not going to make any change whatsoever in the economic and other conditions in the State of Orissa.

Mr. Deputy-Speaker: Now, Shri Chintamoni Panigrahi. I am not calling Shri P. K. Deo now, because he might have to answer some more points.

Shri P. K. Deo: Thank you. There is Shri Jaganatha Rao also.

Shri Jaganatha Rao (Koraput): I shall speak after the hon. Member. I have to answer his points also.

Mr. Deputy-Speaker: Order, order.

Shri P. K. Deo: It will be a collective answer.

Shri Surendranath Dwivedy: Then, they will be leaving nothing for the Minister to answer.

Mr. Deputy-Speaker: Order, order. Now, Shri Chintamoni Panigrahi.

Shri Chintamoni Panigrahi: Beginning from the issuing of the Ordinance by the Governor for appropriating an amount of more than Rs. 4 crores to the summoning of the Rajya Sabha telegraphically to pass the present Budget, reflects a thought process which the people of Orissa are now pondering over. For, they feel that here is an outlook on the part of an administration which wants to do things whenever it likes and whenever it suits it. This shows how the men in power do not even care to look to the greater interests of the State when they fear that they are not going to remain in power. The interests of

the people have not been cared for; it is only in the interests of their remaining in power that they can do whatever suits them and at whatever moment they would like to do it.

While discussing the Budget, we must look at the attitude that the Budget represents. It may differ in details here and there, but it will be found that the State of Orissa was a backward agricultural State, and its economy is predominantly an agricultural economy. 80 per cent of the people live in villages, and they depend mainly on agriculture. Therefore, while judging this Budget for the Third Plan, we must take into consideration, and we must analyse, whether the party or the men in power have been able to drag the State of Orissa out of this morass, and whether they have been able to change the backward economy of the State of Orissa during the last ten to twelve years into a prosperous industrial economy. You will find, Sir, that there is no answer to this in this Budget.

It is said that one day a hunter bird said, 'Well, look at the hunter; tears are flowing from his eyes'. Then, the first bird said 'Do not look at the tears but look at his hand, because he is going to catch another bird now'. Therefore, while discussing this budget, the feeling comes to my mind that when a man sings he tries to get some support, but whatever supports he holds on to go down. It is in this predicament that the Congress Party has tried to modify, re-modify and again present this Budget before us. But, recently I heard that bundles of the old Budget papers, which were prepared before, were lying in Orissa Bhavan. When they came to be presented, they were so unrepresentable that now they are going back again. Why not dispose these papers here? What is the total cost of this? They printed about five to six hundred copies of this Budget, and then they were flown to Delhi, and they were lying there in Orissa

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Bhavan, and they could not be presented because the Finance Minister and his deputy thought that this Budget could not be presented to this House. So, fresh copies were printed. I would like to know what is the total cost of all this? Again, the Rajya Sabha has been telegraphically summoned in order to pass this Budget. This shows how this bungling goes on.

The hon. Minister has stated that during the Second Plan period in Orissa, there was a shortfall of only Rs. 3.5 crores. But if we were to go into the details of the Plan expenditure in the State of Orissa, we shall find that this shortfall is much more than what it has been stated to be in the papers circulated. For, there is the question of committed expenditure also.

In Orissa, some projects were taken up and were to be completed during the Second Plan period, but many of these projects have not made any substantial progress and have not been completed. Therefore, there is the question of committed expenditure in the State of Orissa. You will find that every year, during the Third Plan period, the State Government of Orissa have been committed to an expenditure of Rs. 6 crores on the plans which could not be completed during the Second Plan, and which will be continuing in the Third Plan.

Therefore, while taking into consideration the total allocation for the State of Orissa for the Plan, we must also take into consideration this committed expenditure part of the State Plan of Orissa, and that comes to more than Rs. 30 crores. They could not complete the projects, and, therefore, it is a continuing process, and it must continue. Out of the Rs. 160 crores, they have to allot this amount also.

You will find that so far as the Second Five Year Plan of Orissa is concerned, it did not make any good progress. I could give you some figures in this connection. Till 1958-59, so far as Orissa State is concerned, only 50.1 per cent of the Plan allocation could be spent; it was only during the last year—and you can well imagine in what hurry they should have done this—that they could spend the major portion of the money. During the last four years they could spend only 50.1 per cent of the Plan allocations.

Shri P. K. Deo: That was due to political stability.

Shri Chintamani Panigrahi: I know what political stability means. If political stability means imposing more tax on the people; means exploiting and harassing the poor people by imposing taxes repugnant to the commonsense of the people then we do not want that. We do not want to have such kind of political stability which wants to rob the people of their poor resources.

This is how the Plan progress in the State of Orissa was lagging behind. Now, let us look at the present Budget. The collections from land revenue stand at Rs. 3,50,42,000, but the expenditure required to collect that sum is Rs. 1,84,94,000. So, you can easily imagine what the overhead expenditure or the administrative expenditure in collecting this land revenue is.

Dr. B. Gopala Reddi: But they do several other things also. The revenue officers do not merely collect land revenue but they look after law and order and other sundry jobs that are entrusted to them.

Shri Chinamani Panigrahi: I am glad to know that the revenue officers look after the law and order. So, I shall now come to the police. You will find that in 1961-62, on the police budget, Government want to spend Rs. 2,30,81,391. But on public health, the expenditure is Rs. 79,32,382. On

fisheries, it is Rs. 29,07,269 and on agriculture, Rs. 1,77,00,000. In this budget, the expenditure is more on police and less in those fields which need more expenditure and which provide more income to the State. Again, how has this increase in police expenditure come about? It has been stated that because of the purchase of arms and tear gas the expenditure on police has increased. So planning and tear gas go together only in the Congress conception of a socialist pattern of society. I was told that a Congressman has even been given, or is going to be given, a licence for setting up a tear gas shell manufacturing factory. God knows if it is in Orissa or elsewhere. All the same, it is there.

Shri P. K. Deo: That is implementing the Communist idea.

An Hon. Member: Public sector.

Shri Chintamani Panigrahi: You can implement the Congress ideas, Communist ideas and also the Swatantra ideas.

This outlook towards planning shows that the economic conditions of the people of Orissa and the state of the backward economy of the State have not been duly considered. My hon. friend, Shri Surendranath Dwivedy, mentioned about the question of the appointment of an additional Superintendent of Police, which was not necessary. Yet the appointment has been made.

Let us look at the *per capita* income in the State of Orissa. You will find that it is the lowest in the country. In the case of Punjab, it is Rs. 600, in the case Delhi, it was stated some days ago that it is Rs. 600 and the all-India *per capita* income is more than Rs. 271.

An Hon. Member: Rs. 285.

Shri Chintamani Panigrahi: But in the case of Orissa, it is less than Rs. 100. Therefore, it means that bold measures should be taken during the Third Plan period at least to raise

the *per capita* income of the people of Orissa and bring it on par with that of the rest of India.

Shri Surendranath Dwivedy: Hoping against hope.

Shri Chintamani Panigrahi: Yes.

There is one disquieting feature in the Finance Minister's statement. He said that there is a decrease of about 11 per cent in the area under rice cultivation in the State, but pointed out though there is a decrease in the acreage, the *per acre* yield of rice has increased in the State, so that the decrease in acreage does not matter and it has been made up. But in Orissa with all its agricultural resources and the creation of irrigation potential to cover 7.2 lakh acres, what was the reason why the acreage under rice has gone down, especially as it is mainly a rice producing State? There is no explanation given.

There is another thing. The Congress is committed to a policy of prohibition. As my hon. friend, Shri Surendranath Dwivedy, has pointed out, the only hopeful feature in this budget is that the revenue from excise has gone on increasing. It shows that the Government do not really believe much in pursuing a policy of prohibition. If it is self implemented, all the better; if it is not, it does not matter! Therefore, you will find that the revenue from excise has gone on increasing. The sale of foreign liquor has increased. Licences to open liquor shops have been given to supporters, people who contribute something to the ruling party (*Interruptions*). It is for selling liquor in shops.

Let us look at the question of the mid-term elections. I must say two or three words about it. Recently some news has been published in the Orissa papers to the effect that Congress workers in different areas are asking 'When. When, the mid-term election is coming?' This was long before this decision was taken and an

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announcement made in this House. Long before that, they said that Rs. 48 lakhs would be spent, their men would come in planes, the Congress President would come in a plane and visit villages and so on (*Interruptions*).

Shri Jaganatha Rao: How is all this relevant?

Shri P. K. Deo: The budget is all-pervading!

Shri Chintamoni Panigrahi: This shows the way things are moving in the State. I feel that though the Congress Government think it proper to enforce mid-term election on the State, with a view to get political advantages the people of Orissa will take up this challenge. Money will not be able to buy the conscience of the people of Orissa.

Mr. Deputy-Speaker: This challenge can easily be met by his declaring that his party would spend more.

Shri Chintamoni Panigrahi: Our alternative is sacrifice and not money. That is the challenge. We have only sacrifice.

Shri P. K. Deo: Russian money.

Shri Chintamoni Panigrahi: Sacrifice is more rewarding than money.

Shri P. K. Deo: It will be roubles.

Shri Chintamoni Panigrahi: You have got enough American money. Why worry?

Shri P. K. Deo: You have also Russian money.

Shri Chintamoni Panigrahi: Let us look at the question of Hirakud. It has been stated in the budget that for 1961-62, provision has been made for the repayment of loans to the Central Government to the extent of Rs. 4.64 crores. The total loan incurred by the State Government of Orissa so far from the Centre exceeds Rs. 135 crores. It works out to nearly Rs. 90 per head of the population of the

State. Then there is annual interest also which works out to more than Rs. 1 crore. Having the lowest *per capita* income in the country, during the last ten years nothing substantial has been done to improve the *per capita* income of the people in the State of Orissa. I think this is really a major burden on the people of Orissa. Most of the Central loan has been incurred for Centrally-sponsored schemes like Hirakud and multi-purpose projects. I would plead with the hon. Minister that not only in the case of Orissa but in the case of the other underdeveloped areas of the country, whatever major valley development projects have been undertaken during the last 10—11 years should be considered by Government as payment to those under-developed areas for developing them. Therefore, all these loans should be written off. Otherwise, it is really a burden on the people of Orissa and other underdeveloped States. I hope the Third Finance Commission will also take this problem into consideration.

What is the receipt from these multi-purpose projects? It has been stated in the budget that in 1959-60, from Hirakud it was Rs. 1,73,00,000. In 1961-62, it came down to Rs. 1,70,76,000. We find that there are less of receipts from sale of power. Why? Because, as my hon. friend has said, power has been sold to certain companies at rates below the cost of production. I do not mind it if a State wants to invite industrialists to set up new industries; then it can be done. But I do not find any reason why when power is in such great demand it can be supplied at a rate lower than the cost of production. It has been calculated that after meeting the working expenses on the Hirakud dam project, first of all the net receipts will go to meet a portion of the interest charges on loans in connection with the Hirakud dam project, and that the Government of India will advance a special loan for 1960-61 and 1961-62 to cover interest

charges. This is really something surprising. The Government of India advanced loans and the people of Orissa are paying interest. Now for paying interest, the Government of India are going to advance a special loan in 1960-61 and 1961-62. So, what is the special interest again on the special loan? For paying the interest, you give us a loan. So, you can well imagine the condition of the people of Orissa, or the State of Orissa. The exchequer is not strong enough to pay even the interest. Therefore, I would submit that so far as the question of these loans and interest is concerned, the rate must be lowered. It may be that $1\frac{1}{2}$ per cent will do, not four or five per cent as at present.

Then I come to the question of payment of privy purses and allowances to Rules. My hon. friend was very much insistent now. In 1959-60, you paid Rs. 2,25,654. In 1961-62, provision has been made for paying Rs. 3,30,000. I do not know what the special liking is. The people of Orissa demanded and even the Congress Ministry there unanimously passed a resolution in favour of discontinuing the allowances and devoting this money for the Plan expenditure of the State of Orissa. I do not know why suddenly, when the Congress and the Ganatantra Parishad came to power, they revised it. A Budget provision of Rs. 3,30,000 has been made in 1961-62 to cover this. I would just like to ask: was this step taken to benefit the planned development of the State of Orissa, because without this payment the Plan was going to suffer? Or was it because, if this payment was withheld, the entire Second Five Year Plan of Orissa could not be implemented? I think there is no answer to this.

With regard to revenue receipts, my hon. friend Shri Surendranath Dwivedy has suggested some ways how this can be collected. There is no doubt that mineral ores and the forest resources are the only sources from which the State of Orissa could have derived income and during all these ten, twelve years they should have increased the income more and more by

utilising these potential natural resources of the State of Orissa, but you will find that has not been done. Look at the Budget. Take the question of the mineral resources. Last year, the total value of the minerals sold came to more than Rs. 6,21,00,000 but in 1960-61 it has come down to Rs. 6,09,00,000. Take the case of *kendu* leaves. It is a good forest resource, and it supplies good revenue to the State of Orissa. What happened?

Shri P. K. Deo: It is monopoly

Shri Chintamani Panigrahi: You wanted to have monopoly of power, they wanted to have this monopoly. Both monopolies should go. In 1956-57, the revenue from *kendu* leaves was Rs. 38,32,000. In 1957-58, it was Rs. 70,62,000. In 1960-61 it was Rs. 12,00,000. The present Budget provides nothing, and it is stated that no receipts on this account are to accrue. As yet it has not been calculated how much it will give. You will find that this source of revenue was giving Rs. 38 lakhs to the State, and it increased gradually coming to Rs. 70 lakhs in 1958-59, and it should have gone up to Rs. 1 crore by this time, but in its place, it came down to Rs. 12 lakhs in 1960-61, and in 1961-62 there is no provision for that, as it has not been decided how much will come from it. How did it happen? Is it for the implementation of the Plan? Is it to have stability in the State of Orissa that you decided to reduce the revenue from *kendu* leaves? If that is so, now the people of Orissa will have to consider it.

There is a provision for increasing the emoluments of the low-paid employees, and I welcome it. It has been stated in the Budget that an amount of Rs. 62,11,000 has been included as the Central share towards the increase in the emoluments of the low paid employees. I welcome this, but there has been no clarification as to the sections of the low-paid employees who are going to be benefited. The other day the Education Minister promised us here to raise the dearness allow-

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ance of the primary teachers of Orissa. I therefore think, though there has been no clarification, that the primary teachers and the chowkidars or the village watchmen who are the lowest paid in the State, are going to be benefited out of this provision. I welcome this provision.

With regard to the Orissa Pay Committee's recommendations, we were told that Rs. 1.97 crores were provided for, for increasing the emoluments of the State Government employees, as a result of the Committee's recommendations. I have received many representations from all sections of Orissa Government employees. Their number may be 20 or 30. They are dissatisfied. The Hindi teachers and the Class IV employees of the Government of Orissa are the lowest paid. We have received representations from the lowest paid employees, and they are very much dissatisfied. Now the Government say they are not going to implement this now. The decision to spend this Rs. 1.97 crores is not going to be implemented in 1961-62.

Dr. B. Gopala Reddi: Who said that?

Shri Chintamoni Panigrahi: It is in your Budget.

Dr. B. Gopala Reddi: Please read out the sentence.

Shri Chintamoni Panigrahi: I remember it. It has been said that you are going to ask for a Supplementary Budget.

Shri Surendranath Dwivedy: If necessary.

Shri Chintamoni Panigrahi: If necessary. You read it. I have read it, therefore I say it. You read it and correct me. I need not read it again, because I have read the whole of it.

So we would like to know if they are going to revise again the decisions of the Orissa Pay Committee when they come here and ask for Supple-

mentary Grants. I request that when they revise, or sanction this money, the lowest paid employees in the Government of Orissa, the Class IV and the other lowest paid employees in the Government of Orissa, the Class IV and the other lowest paid employees, should get their due share. I request the hon. Minister to look into it.

With regard to irrigation potential, it has been said that irrigation potential to the extent of 3.80 lakh acres has been created in Hirakud, but the actual cultivated area irrigated was 2,82,954 acres. The hon. Finance Minister has stated that 7.2 lakh acres of area has been irrigated in the Second Plan period. I think this is an incorrect statement. It has been stated that through medium and major irrigation projects, 7.2 lakh acres of area have been irrigated in the State of Orissa. I challenge this figure, because it is not true, because when it was discussed in the informal consultative committee it was found that the sources from which this figure of 7.2 lakh acres was got could not be ascertained. Therefore, I would request the hon. Minister again to ascertain whether actually 7.2 lakh acres area has been irrigated up till now.

I read in the Budget one item, that there has been a tax on ploughs in Khondmals. I think this should not continue. This is an area which is economically backward, and there you have a tax on ploughs. I think this is repugnant. There should not be any tax on the poor farmer's plough. If it is continuing, it must be discontinued.

With regard to the irrigation tax, I plead before the hon. Minister that by having this irrigation tax, he is not going to help in the agricultural development of the State of Orissa even in ten or fifteen years, because even the irrigation potential that has been created so far could not be utilised, but people do want to make use of the water for irrigating their fields. There-

fore, let at least three or four years elapse. Before that, let the Government not impose this irrigation tax. This tax varies from district to district. The rate varies from Rs. 8 to Rs. 33 per acre in the different districts. In all the different districts calculations have been made, and I think the farmers, at this stage, will not be encouraged to take to irrigation and cultivate more and more of land if this tax is imposed just now. Therefore, at least a period of three or four years must be given to the peasants of Orissa to initiate themselves in the use of the water potential which has been created.

Mr. Deputy-Speaker: I hope the hon. Member will try to conclude.

Shri Chintamoni Panigrahi: Within 5 minutes, Sir. There is again the question of tax on passenger fares and freights on transport of goods. I think this is also one which is going to hit the common man. There are sources of revenue which could have given more but they do not tap those sources but tap only those sources which will hit the common man. I do not understand this kind of approach to taxation.

You will find that there was a provision for having a third medical college in the State of Orissa. An amount of Rs. 15 lakhs was provided in the Third Plan. But, you will find in the present Budget for 1961-62, no provision has been made for implementing that or for constructing the third medical college in Orissa which was to be constructed in Berhampur, in the district of Ganjam.

Some days ago the hon. Education Minister announced here in this House that the primary teachers of Orissa were going to get Rs. 27.50 as dearness allowance. That was good news. But, immediately after this announcement I have got more than a dozen telegrams from the primary school teachers that more than 300 primary teachers have been dismissed in *masse* in the district of Puri. It was because

there was a controversy between the local board which appointed them—and the board has now gone because of the Zila Parishad—and the District Inspector of Schools. He said that he was supreme and not the local board. In this controversy 300 primary teachers were dismissed *en masse* after one or two years of their appointment. I would request the hon. Minister to request the Governor to reinstate those poor dismissed primary teachers.

With regard to the location of the Bansadhara project, there was an agreement between the Government of Orissa and the Government of Andhra and the site was agreed upon. Now, since there is President's rule news appears that the Andhra Government has decided and has gone ahead with the implementation of this Bansadhara project by laying the foundation at a different site than the one agreed upon between the State Governments of Orissa and Andhra. I think this is something in which this Government should interfere and see that the original site which was agreed upon is adhered to.

One word with regard to flood protection work. The provision has been far too less and disappointing. I am told the Government of Orissa had submitted a plan for Rs. 45 crores. In the Third Plan only Rs. 2 crores and some lakhs have been allotted for this. But the problem of floods in Orissa remains very acute and continues to remain as problem number one, and nothing substantial has been done to help the people affected in floods last year.

I find another incorrect statement in the Budget. It has been stated that in 1960 floods the Hirakud dam was able to resist the floods. But the people of Orissa know well. A question was answered in this House that the flood controlling capacity of the Hirakud dam has not yet been ascertained and that the Government of Orissa with the Chief Engineer of the Hirakud project had appointed a committee

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to go into this problem. We were told that the committee would submit the report in May. But, before that, the hon. Minister has stated that the Hirakud dam has been completely successful in resisting the floods in the Mahanadi valley. It is not a correct statement. It has been able to resist to some extent, it is true, but not to the fullest extent. The committee which is just going into this will be able to assess it.

The hon. Finance Minister has said in the last portion of his speech:—

“Nature has endowed the State with rich mineral and forest resources offering great potential for further development. Given proper leadership, I have no doubt that the State will, before long, reach the level of development of the other more prosperous parts of the country.”

I wish I could share with him this view. This is how you gave the leadership to the people of Orissa from 1936 to 1959.

Dr. B. Gopala Reddi: Who gave? The people gave.

Shri Jaganatha Rao: He is one of the people.

Shri Chintamani Panigrahi: I agree with you. You gave the lead from 1936 to 1959.....

An Hon. Member: He was in the Congress.

Shri Chintamani Panigrahi: From 1936 to 1959, it was your leadership alone and then you entered into partnership with the Ganatantra company, and formed the Congress-Ganatantra joint private limited company and...

Mr. Deputy-Speaker: Order, order. That wholesome rule should always be observed that it is the Chair that should be addressed and there should be no direct speech with the Minister. I would be strict in it because other-

wise it takes away the moderation in language that is needed in parliamentary discussions.

Shri Chintamani Panigrahi: Now, after these long years of your leadership this is the economic condition of the State of Orissa. Therefore, I once again submit to the hon. Minister and to the Government of India also that the time has come when the people of Orissa will no longer stand this kind of leadership which you have imposed on them during all these years. I think a new and proper leadership is growing and a new Orissa is going to be built very soon after these long years of suffering.

Shri P. K. Deo: Mr. Deputy-Speaker, Sir, after the announcement of yesterday that a mid-term election is going to be conducted very soon in the State of Orissa, I do not think it was proper to present the Statement of Receipts and Expenditure for the State of Orissa for the next 12 months. We expect that a new Ministry is going to be formed in about 3 or 4 months' time. It was but proper for this Government who is in charge of the administration of the Orissa State to place before this House a Vote on Account Budget only for a period of 3 to 4 months.

Dr. B. Gopala Reddi: Two months.

Shri P. K. Deo: Two months. Only yesterday we were presented with large volumes of the Budget. And, in this short time it is very difficult to digest them. But I would be failing in my duty if I do not make a few random references from here and there. And, if I misquote, I request the hon. Minister to correct me.

So far as the overall picture of the Budget is concerned, it is anticipated that there will be a Revenue deficit to the tune of Rs. 4.19 crores as against an anticipated deficit of Rs. 10.06 crores, according to the former State Government. I cannot

understand if at this stage we can quote any portion of the Budget that was framed by the former State Government. It is a question of privilege. The Budget was never presented to the Orissa Legislative Assembly.

Shri Surendranath Dwivedy: It was circulated to the Members of the Assembly.

Shri P. K. Deo: It might have been circulated to the Members of the Legislative Assembly. But, unless and until it is presented to the Legislative Assembly as a Budget, it has got no *locus standi* and to quote portions from it is highly contrary to all conventions of parliamentary democracy.

Sir, I beg to submit in this regard that the Finance Minister's speech is more critical of the activities of the Coalition Government than anything else. This whole Budget speech has been full of sentences like. 'It would have been utilised'; The State Government would have 'utilised Rs. 13 crores'; 'so many miles of various roads would have been constructed; so many acres of plantations would have been done' and like this. I expect a ruling from you, Sir, how far quoting substantial portions from the Budget which has not been presented—when the persons who framed that Budget are not here in this House to defend themselves—is justified. How far are they justified in making calculations in that regard?

So far as.....

Shri Surendranath Dwivedy: Apart from privilege. I do not think you dispute the facts.

Shri P. K. Deo: Of course, I dispute the facts; the facts are not facts.

An increase of Rs. 1,40,00,000 is anticipated in the State's share of income tax from the Centre. This fact was not communicated to the Finance Minister when he prepared the Budget and this does not find a place in the Budget. If this item was included, naturally the deficit would have

shrunk. It has been anticipated that there will be an increase of Rs. 2.85 crores in revenue receipts and additional revenue measures are anticipated to be to the tune of Rs. 3 crores in the next year. These are the main heads of additional revenue. A sum of Rs. 41 lakhs is provided for under the head settlement operation and consolidation of cess and an additional income of Rs. 1.32 crores is anticipated from excise revenue.

14 hrs.

In this connection, I beg to submit that in spite of the best efforts to pursue a policy of prohibition with full vigour, I cannot reconcile myself to the statement that there will be an increase of Rs. 1.32 crores. It is an admission of the failure of the policy of prohibition. The hon. Minister knows very well that the S. V. Ramamurthy report in his own State of Andhra Pradesh has confessed how far it was a farce.

Shri Jaganatha Rao: The Chief Minister did not accept it.

Dr. B. Gopala Reddi: The people also did not accept it.

Shri P. K. Deo: In the State of Orissa a prohibition enquiry committee has been appointed under the chairmanship of Dr. Parija, Vice Chancellor. It will go into the question and appraise the State Government of the reality and it will give suggestions as to how to improve the policy. We shall have to wait and see what could be done in this regard. An increase of revenue to the tune of Rs. 43 lakhs is anticipated under sales tax on motor spirit and diesel oil; I have got no remark to make in this regard. From taxation on passenger fares and freight on transport of goods, an additional revenue of Rs. 26 lakhs is anticipated. This piece of new taxation has been introduced mostly to wipe out the anticipated deficit in regard to the receipts under *kendu leaf*. Some ad-

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verse remarks were made in regard to this by Shri Surendranath Dwivedy and Shri Chintamani Panigrahi, of the PSP and the Communist Party respectively. They said that the Ministry was responsible for losing a substantial amount of revenue in this regard. I take this opportunity to impress upon the House that the main source of revenue from this head was due to the sale of monopoly rights to private individuals. These leaves are *biri* leaves mostly grown on the tenancy holdings on which the tenants have got full occupancy rights. In detriment of their interest, the State Government was trying to perpetuate a policy of monopoly which goes against the very principle of the Constitution and now those tenants were given full rights to collect the leaves and dispose them of in the open competition markets by which process they can gain economically. If it is the intention of my hon. friends to deny these rights, their fundamental right, I have got nothing to say. Those of my friends who talk of socialism and at the same time want to perpetuate this monopolist system, I have to say most painfully, cannot blow hot and cold in the same breath. They cannot preach socialism and at the same time speak for the big capitalists to perpetuate a monopolist system which goes so much in substance against a socialist pattern of society.

From the Budget, I also find that the recommendations of the Orissa Pay Committee are not going to be implemented. This Budget does not in clear terms say about the non-implementation but a provision of Rs. 1.97 crores made by the Orissa Finance Minister in his Budget had been deleted. I want a categorical answer from the hon. Minister as to the time by which they want to implement the recommendations so far as the Orissa Government servants are concerned.

Regarding the outlay of Rs. 25.1 crores, under the head 'Plan expendi-

ture', I am sorry to remark that there has been a reduction to the tune of Rs. 2.1 crores against a provision of Rs. 27.2 crores as envisaged by the Orissa Finance Minister. The reason given here is that it would not be possible for the State of Orissa to spend that much of amount in consideration of its past achievements. Secondly, it is said here that the amount of Rs. 27.2 crores was considerably in excess of the targets envisaged in the case of the other States. As pointed out by the previous speaker, most of Plan expenditure was effected only last year, that is, when there was political stability in the State.

Most painfully, I would like to remark in this House that the first 24 months of the last Assembly period in Orissa was the darkest chapter in Orissa's political history. Those first 24 months were a period of seduction of members of the Legislative Assembly; crossing of floors was a regular feature during this period. At that time all the attention of the Government was concentrated on how they could stabilise their position and how they could manipulate to have an artificial majority. Most of the time was spent that way and hardly any time was left to think of the prosperity and progress of the State.

The other day Prof. Hiren Mukerjee quoted a Press statement of Dr. Mehtab where he had confessed and condemned all these nefarious activities in which the local Congress Party was indulging in, in the first 24 months of the life of the Assembly.

Dr. B. Gopala Reddi: That is to say, prior to the coalition?

Shri P. K. Deo: Yes, prior to the coalition. Even though we functioned in the Opposition all the time we took a bold step to end this political instability by joining in the coalition. We joined a coalition government with an agreed programme and it received applause from all quarters. I would like to quote a few lines

from the report of the General Secretary, Indian National Congress, which was presented at Sardar Nagar (Bhavnagar) on 4th January, 1961. There the General Secretary of the Congress Party says:

“The Coalition Ministry has functioned well. The Congress Party, prior to the Coalition, did not have a strong and stable majority in the Assembly. It, therefore, functioned all the time in an atmosphere of uncertainty. The energy and resoluteness which are necessary for carrying through a programme of reform were wanting.”

Then he has said:.....

Mr. Deputy-Speaker: Now we should be more concerned with the reactions on the dissolution.

Shri P. K. Deo: He has also given a certain hint as to how the dissolution came about. He says:

“However, some time after the formation of the Coalition Ministry, a group of Congressmen felt that it would be advisable to dissolve the Coalition Ministry and seek mid-term elections. The Utkal PCC at its meeting on September 23, 1960 directed its Executive Committee to report to it the progress of talks with the Gantantra Parishad in regard to its merger in the Congress organisation.”

When this merger did not materialise and when the Coalition gave a stable Government the rule of law clashed against the self-interest of some self-seekers and they wanted that this should go. That is how we are faced with a mid-term election. This decision to hold a mid-term election, I submit, is a political decision. In the manner in which this decision has been taken, the mid-term election is going to be rushed through against the unanimous opposition of all the non-Congress parties. I think I have got no remark to make except that democracy is a farce in this country.

Dr. B. Gopala Reddi: To hold elections is a farce?

Shri P. K. Deo: We do not want to oppose constitutionally. There is nothing to be opposed constitutionally. If at all we oppose it, we oppose it from practical considerations. We oppose it because of climatic conditions and also because it is the sowing season for paddy. Sir, to hold a mid-term election and to drag the voters in that scorching heat with 120 degree temperature during summer it would be a challenge to the people of Orissa and I hope the people will rise to the occasion and give a fitting answer.

Sir, in our country where the sapling of democracy has not taken firm roots, are we to leave these conventions for our posterity to throttle all opposition? If that is the intention, the Congress Party with its economic and financial backing could afford to have as many elections as it wants.

Today the Prime Minister would be launching an electioneerfig campaign at Rourkela. He would be addressing a mass gathering. But I would like to take the opportunity of asking the Government, in the course of my budget discussions, to consider certain recommendations of the Evaluation and Implementation Committee with regard to the implementation of labour laws in the Hindustan Steel Factory at Rourkela. Have they given their considered thought in this regard? Have they implemented any of these recommendations, any of the flaws of the labour laws which are not taken into consideration by the Hindustan Steel Factory authorities who claim themselves to be the ideal employers. We expect that in all public undertakings the Government should be the ideal employers and they should try to implement all these provisions of the labour laws. At the instance of the Labour Minister who had the privilege to belong to my Party, a committee was appointed to go into the question of the conditions of labour in the Rourkela Steel Plant. That was

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known as the Evaluation and Implementation Committee. In this regard, this is what the Labour Commissioner of Orissa writes:—

“Broadly speaking the labour legislation in this new factory has so far been treated with scant respect. The Factory Act has continued to be disregarded in several respects. The prescribed limit for working hours is not observed. Weekly holidays are not granted, nor is over-time paid.”

He further writes:

“Regarding the pumphouse....”
The pump-house even though it is a factory it is not yet registered as a factory. He says:

“The pumphouse is a factory within the meaning of section 2 M of the Factory Act. Neither the establishment has been registered under the Factory Act nor the provisions of the law to the extent noted below are followed.”

He says further how the adult workers in the establishment were found to have been working for more than 48 hours thereby contravening the provisions of section 51 of the Factories Act. He has mentioned how the adult workers are allowed to work in weekly off days regardless of the provisions contained in section 52 of the Factories Act. He says that violations of provisions in section 55 of the Factories Act were being perpetuated in that the workers were not being allowed interval for rest of at least half an hour after they had worked five hours at a stretch. Similarly, he has cited several instances to show how people are being tortured, now the rights of labourers are not recognised in that factory. Will the Prime Minister consider these things when he will address the voters today at Rourkela? Will he consider the deplorable conditions to which the poor Adivasis have been put to? They have been ousted from their lands,

from their hearths and homes by the establishment of the Rourkela plant. Have they considered these aspects, or will the Prime Minister who is going there now to address the people....

Mr. Deputy-Speaker: How can the Prime Minister take note of this speech of the hon. Member which is being made at this moment and then deliver his speech?

Shri Tangamani (Madurai): Labour laws come under the State subjects.

Shri P. K. Deo: I stand corrected. I say that the Government should take note of it.

Shri Surendranath Dwivedy: The Prime Minister should have taken note of it. The report was given a long time back.

Mr. Deputy-Speaker: But he says that today when the Prime Minister inaugurates the campaign there he should take note of what he says.

Dr. Samantsinhar (Bhubaneshwar): The Prime Minister has not gone there to address any election campaign meeting.

Shri Ranga: That is a rhetorical way of putting his point.

Shri P. K. Deo: In the last paragraph of the Finance Minister's speech we find a silver lining in the cloud. He has wished that Orissa State will reach a significant stage in the programme of planned development. He has given instances of our various forest wealth and our mineral wealth. As pointed out by the previous speaker, since 1936 up till the other day the Congress was in the helm of affairs except for a short period during the war period. But what have they done in this regard? Even though there is vast scope for industry, what has been done for the promotion of industries in the State? Whatever little factories have grown up in the post-Independent period have been installed at the financial

backing' of the State Government. Take the Orissa Textile Mill, and take also the case of the Kalinga Industries, in which the Orissa Government have subscribed in large amounts towards the equity share capital of these concerns. But up till now not a pie has been paid as dividend to the Orissa Government or even to the other shareholders of the State. If it is a joint enterprise, I do not think the people could have any faith in such an enterprise. In spite of the severe protests through the Orissa Government, and in spite of the strictures passed by the Davar Committee and the J. N. Mitra Committee regarding the various instances of mismanagement and misappropriation, our Central Government did not hesitate to renew the managing agency of this firm at the instance of the company law administrator.

Similarly, what do we find in the case of the Kalinga Industries? There, in the shape of preference shares and in the shape of ordinary shares, the Orissa Government have invested plenty of money. It was only the other day in a tripartite agreement with the Indian Overseas Bank that the Government of Orissa stood guarantee for loans to this firm to be advanced. One of the conditions was that no item of expenditure of over Rs. 5,000 should be incurred without the approval of the Director of Industries, Orissa, but it is shocking to me to learn that a sum of Rs. 1 lakh was paid to the AICC in January, 1960 from this fund without any reference to the Director of Industries.

Shri Jaganatha Rao: How is it relevant?

Shri Ranga: It is quite relevant. *(Interruption).*

Shri P. K. Deo: How will the industries grow in the circumstances?

Mr. Deputy-Speaker: Was it done before the Coalition was dissolved?

Shri P. K. Deo: The Coalition brought this to light. Regarding the

utilisation of the funds of the Kalinga industries, I am very sorry to remark here that in spite of the restriction put down by the Orissa Government and the tripartite agreement that no expenditure could be incurred above Rs. 5,000, much more amount has been flowing for political propaganda in the name of investigating the scope for industries in the various districts! In every district head-quarter there is a sign-board of the Kalinga Industries and the Congress workers are paid employees there. They are doing political propaganda.

It is learnt that the Kalinga Industries are going to be paid or have been paid a loan of Rs. 20 lakhs. I think it was only the other day—two or three or four days ago—that they have been paid from the L.A.C.

Shri Surendranath Dwivedy: Just on the eve of the elections?

Shri P. K. Deo: Just on the eve of the mid-term election, when the boss of the Kalinga Industries happens to be the President of the Provincial Congress Committee. I want a categorical answer to this question, and I want an assurance from the hon. Minister that not a pie of the L.A.C. loan would be spent for election purposes. *(Interruption).*

Shri Jaganatha Rao: How can he give such an assurance?

Shri P. K. Deo: Regarding the provision for the payment of allowances to the members of the rulers' families, some remarks have been made by my hon. friend Shri Surendranath Dwivedy and Shri Chintamani Panigrahi. In this connection, I would like to say that these allowances to the members of the rulers' families were fixed by the Government of India at the time of the merger of the States and these were to be paid from the State's exchequer. All of a sudden, when the Government was unstable in Orissa, to get the support of the Communist Party, at that time,

[Shri P. K. Deo]

a political decision was made by the Government that these allowances should stop and these allowances were stopped. (*interruption*). At the moment, a case is being filed in the Supreme Court. A writ has been filed and the matter is *sub judice*. So, I do not like to pass any remark in regard to that matter. But I would like to quote a portion from the speech of Dr. Harekrushna Mahtab on the occasion of the revival of these allowances. This is what he said:

"It was a political decision and this was wrongly done, and they should be paid."

My hon. friend, Shri Chintamani Panigrahi was so bombastically saying that such allowance should not have been paid. But when they—the Communist Party—were governing in Kerala, they also paid these very allowances to the members of the rulers' families. It is a question of right. If they have the right, they will continue to get it. It is property which cannot be stopped all of a sudden without compensation for which the provisions of the Constitution are very clear.

Mr. Deputy-Speaker: The hon. Member should conclude.

Shri P. K. Deo: I shall finish in two minutes. When the budget is going to be passed, I request the Ministry to implement such of the acts of the former Government which are incomplete. Firstly, regarding the payment of salaries to the chowkidars and the jhankars, I may say a few words. They had jagir lands, and they were getting the full tenancy right which was bestowed on them, and after they become full tenants, the chowkidars are to be paid their proper emoluments, and there has been some provision in this regard. The Chowkidari Enquiry Committee has made a recommendation in this regard, and that should be implemented at an early date.

About the separation of the judiciary from the executive, this was put in cold storage for all these years; it had been given effect to in certain of the districts. I request the hon. Minister that this separation of the judiciary from the executive should be extended to all the districts and the system given effect to completely. Regarding provision of the third medical college at Berhampore, it is a pity that not much progress has been done, even though the Minister of Health also had the privilege of belonging to my party and had established one medical college. The proposals for the third medical college should be implemented. I had many more points to make, but I do not get the time.

With these words, I resume my seat.

Sri Jaganatha Rao: I must confess at the outset that this is the first time that an occasion has arisen when Members of Parliament coming from Orissa are allowed an opportunity to discuss the Orissa budget. I plead that I cannot do full justice to the case, because the papers regarding the budget were given only yesterday and we had no time to go through them thoroughly. But by and large I have gone through some of the papers given to us yesterday and also the speech of the Finance Minister. I find that it is evident, and it cannot be gainsaid even by the Members of the Opposition, that Orissa has made some progress during the first two Five Year Plan periods. Orissa is one of the backward States in India. More than one-third of its population consists of Adivasis, and another one-third or so consists of backward classes. The staple products of Orissa are paddy and rice. Unemployment is at its highest. Landless labour is in large numbers. But still attempts are being made, of course in the right direction, and the plans are being implemented. Some progress has been achieved. But still we are far behind the other States which are progressing as a result of the Five

Year Plans. The State of Andhra Pradesh which is situated in the South and the State of West Bengal which is situated in the East are progressing very rapidly. We are far behind and it is very difficult for Orissa to catch up with these States which are progressing industrially and otherwise. Of the thirteen districts of Orissa, excepting the coastal districts, all other districts are very backward. There are no communications; there are no irrigation facilities; there is no scope for education for the local people. In spite of all that attempts have been made by the Government from the year 1950 . . .

Shri P. K. Deo: There is the Dandakaranya.

Shri Jaganatha Rao: . . . not to speak of what has been done by the Coalition Government and some progress has been achieved.

My district of Koraput is one of the backward districts of the State. Forty per cent of the population are Adibasis and my district suffers from lack of communications, lack of schools, lack of hospitals and other amenities which are primary for a citizen in a State. We have the Machkund hydro-electric scheme, which is situated in my district, jointly sponsored by the States of Orissa and Andhra Pradesh. Some towns in my district have been electrified but still rural electrification has not made much progress. Representations have been made. I have made several representations to the Ministers concerned for rural electrification in my district. But perhaps for want of finance this scheme could not be taken up so far.

As my hon. friend **Shri Dwivedy** said, power and irrigation are the two primary needs of the hour for the development of any State and more so far Orissa. Irrigation facilities in Orissa are very few. The Hirakud Dam, of course, has come as a boon. There is the Mahanadi irrigation system and the Rusikulya irri-

gation system in the Ganjam district; all of which benefit only three or four districts. The other eleven districts have no irrigation schemes worth the name. In my district of Koraput, which is mostly a hilly district, there are many hill streams and rivulets. But minor irrigation has not been given any prominence so far. The irrigation tanks which existed during the zamindari regime have gone into disuse and repairs have not been done. If greater stress is laid on minor irrigation schemes, certainly every district in the State would be benefited and the poor peasant could utilise the irrigation potential to great advantage. Some provision has been made in the budget estimates during this year and some minor irrigation schemes are likely to be taken up.

In the sphere of industry, we have now got the Rourkela Steel plant in the public sector and there are a few industries in the private sector near about Cuttack and coastal districts. Apart from that we have got only one sugar mill that is situated in my district at a place called Raygada. A cooperative sugar mill is likely to come in Aska in the district of Ganjam. Barring that we have no industries worth the name.

Shri Mahanty: And the distillery.

Shri Jaganatha Rao: The distillery in which my hon. friend appears to be interested in, is at Aska. We have no distillery in my district. Our State is thus industrially backward. Unless there is rapid industrialisation of the State, there is no future for the State. Again the plea is want of finance. I made a strong representation to the Government of India that they should come forward to the assistance of backward States, so that they can catch up with the other States which are more favourably situated.

Nothing appreciable has been done so far in the matter of small scale industries. We have not got any small

[Shri Jaganatha Rao]

scale industry worth the name. A few industrial estates have been set up, but no appreciable progress has been made. There is an industrial estate at Cuttack; one has been started at Burhampur and one at Jersaguda and at one or two other places. But not much has been done and no progress has been made so far. Unless industrialisation is given greater emphasis in planning, there is no salvation for the State of Orissa, to catch up with the more fortunate neighbouring States.

The Finance Minister in his speech has come forward with certain proposals. As usual, when any proposals are brought forward before the House, we are reminded of the common man. I would ask my hon. friend Mr. Dwivedy as to who that common man is.

Shri Surendranath Dwivedy: He is in your district as well.

Shri Jaganatha Rao: I may tell my hon. friend that the proposals which are contained in the Finance Minister's speech do not affect the common man in my district. One is irrigation cess. A betterment levy is proposed to be made on persons who take advantage of the irrigation facilities. Should they not pay an irrigation cess? Do they not get any benefit? Likewise it is proposed to increase the sales tax on motor spirit and diesel oil; a tax is proposed to be levied on passenger fare and goods freight by public carriers. We want development, but we do not want to bear even one naya paisa of the burden. Where are we to get the resources? We cannot get them from heaven. Therefore we have to bear the burden.

I am not in agreement with my hon. friend Shri Dwivedy when he complains in the name of common man. I do not know whether he has any proposals in view by which the resources of the State can be raised without taxing the common man. If so, he would do well to advise the

Finance Minister so that the Finance Minister can have some inspiration from him.

14.37 hrs.

[SHRI MULCHAND DUBE in the Chair]

My hon. friend Shri Dwivedi said that there was loss of revenue from the sale of *Kendu* leaves, because the monopoly system was abolished. As far as I know, this monopoly system was securing large revenues to the Government. Under the Constitution, so far as I know, every citizen has a right to carry on his trade. A monopoly, if exercised, stands in the way of other citizens carrying on their trade.

Shri Surendranath Dwivedy: You are a lawyer; you should know better. It is not that sort of monopoly.

Shri Jaganatha Rao: There was a legal objection to that. Now this system of monopoly was abolished by Government and owners of private lands are given the right to sell the *kendu* leaves which grow on their land. *Kendu* leaves going from forest lands of the Government would be put to sale. Naturally there may be a loss of revenue. I know Government were getting large revenues previously. But we cannot help it. We have to do things in a legal way, and the loss incurred from this system which has been introduced will be recompensed or recovered by the duties on transport of goods by road.

My hon. friend also criticised the provision in the budget estimates for payment of maintenance allowance to members of the ruling families and also for payment of privy purses. My hon. friend very well knows . . .

Shri Surendranath Dwivedy: I have not made any mention of the privy purses today.

Shri Jaganatha Rao: I stand corrected. My hon. friend referred to payment of maintenance allowance to families of ex-princes. As far as I know, these allowances are covered

by agreement. No agreement can come to an end by unilateral action as long as the agreement stands, right or wrong. I personally do not like that. An agreement has to be respected.

Shri Surendranath Dwivedy: The point is that it was increased after the Coalition Ministry.

Shri Jaganatha Rao: It may be a coincidental accident. I am not one with my hon. friend, Shri P. K. Deo, in this. But on a legal basis, the maintenance allowances payable under the existing agreement cannot be stopped by any unilateral action. If Government withhold the payment, it will be an illegal act. If the hon. Member feels it is not good, then the agreement will have to be modified. It is for us including Shri Dwivedy to see that these maintenance allowances to these families are not paid in future. But so long as the agreement stands, it has to be respected and fulfilled.

My friend also criticised the expenditure of Rs. 36 lakhs for the construction of Raj Bhavan at Bhubaneswar. He feels there is a spacious building in Puri which is almost vacant throughout the year. My friend forgets at the same time that Bhubaneswar is the capital of the State and the Governor has also to stay in the capital. Nowadays the cost of construction has increased due to rise in price of steel, cement, etc. But I cannot understand my friend saying that the Governor need not stay at Bhubaneswar, but he may as well stay at Puri, simply because there is a building there.

Dr. B. Gopala Reddi: He may as well say, why not in New Delhi?

Shri Surendranath Dwivedy: For you New Delhi and Puri do not make any difference; therefore you have brought President's rule.

Shri Jaganatha Rao: That is a different matter; let us not get mixed up.

My friend again referred today to the mid-term election. I had occasion yesterday to speak about this while speaking on the Home Ministry demands. My friend, Shri P. K. Deo, was very vehement today and said that this mid-term election been ordered by the Government is a political decision. But may I remind him of the resolution passed by the Executive Committee of the Ganatantra Parishad sometime ago saying that they want immediate elections?

Shri Ranga: That was only a bravado.

Shri Jaganatha Rao: Speaking on the President's Proclamation the other day, he said that it was an encroachment of bureaucracy and the democratic set-up should be revived. At the same time, he says it will be summer, there is uncertainty of monsoon and so on. If we want that the democratic set-up should come into existence at the earliest possible moment, we have to face the vagaries of climate. Let us be consistent in regard to this point and let us not cast away reason and logic.

My friends opposite have also referred to the prohibition policy of the Orissa Government. The Orissa Government last year set up a committee to enquire into the working of the prohibition law in the State. Fortunately or unfortunately, I am a member of that committee. The committee is still recording evidence and it will take some months perhaps to submit its report. I say that prohibition is a desirable thing. It is one of the Directive Principles of the Constitution. But whatever laws we may pass and whatever executive action the State Government may take, no law can be effective unless the people themselves realise the advantages and benefits of those prohibition laws. The primary requirement is social education. The people will have to be educated about the benefits of prohibition and the evils of drinking. Unless the people realise what is contained in the prohibition law and why it is enacted no

[Shri Jaganatha Rao]

law, however rigorous it may be, can achieve the object. Simply because scrapping of prohibition would enrich the revenues of the State it does not mean that a desirable and moral measure, which reforms the individual, should be done away with. I had occasion to speak about this yesterday while speaking on the Home Ministry demands.

What worries me most is not the taxation measures that are envisaged here, but how the State of Orissa would catch up with the other States of India. It is very backward and the planning is slow. Rs. 160 crores have been allotted for Orissa for the third Plan. I am afraid it leads us nowhere. It takes some decades to catch up with the other States, by which time they would have gone ahead further. I feel the Government of India should pay special and greater attention to States like Orissa, which are the backward regions in India, so that these States may come to the same level with the other States.

Finally, I share the optimism of the Finance Minister when he said that bright days are ahead for the State of Orissa. Orissa can be said to be the Ruhr land of India. That is a rosy picture of the future, but the present is gloomy, as Shri Dwivedy said. I share that gloominess also. But what is to be done? Greater interest and greater enthusiasm have to be created by the Government concerned and the people and the Government of India to see that the hidden treasures—the hidden mineral wealth—is excavated and utilised for the benefit of the people, so that there is overall development and the people living in the State are economically brought forward.

For instance, the Hirakud project, which is a national project, benefits the people round about. So also, Rourkela benefits the people who live nearby. But what about the other people living in the other districts of the State? They have nothing. There is no development and no improvement in their economic condition.

Greater stress should have been laid on the development of small scale industries. I do not find any specific proposals to show that stress has been laid on the growth of small-scale industries or medium-sized industries either in the public sector or in the private sector so that there is overall balanced development of the economic condition of the people.

By and large, as I said earlier, I have nothing to complain against the budget proposals. My only complaint is that the pace of development in the State is not equal and commensurate with the needs of the people. With these words, I support the demands.

Dr. Samantsinhar: Mr. Chairman, at the very outset, I thank the hon. Finance Minister for his nice speech yesterday in presenting the Orissa budget here. I am also glad that there are not much proposals for fresh taxation. The President's Proclamation in Orissa and also the taking over of the administration of that State by the Centre, I would submit, is a blessing in disguise, because whatever may be the political situation in Orissa, the budget of that poor State is discussed before this august House, thus drawing the attention of the whole nation and the whole country. It is because of this that I said that this is a blessing in disguise.

As regards this budget, Mr. Chairman, I have complaint to make to you about the very short time that you have allotted, for discussion, the way in which the budget was prepared, the way in which the Rajya Sabha was summoned so hurriedly and the stress and strain under which we are working for the last 24 hours to prepare ourselves to have a review of the budget. From this we can see that there is no proper adjustment in the parliamentary programme and hurried measures are taken in the eleventh hour.

Budget discussion of a State is a very vital thing and in every democratic form of Government it is the only right people's representatives to go into the details of revenue and expen-

diture and all the details of the accounts, as this is the only control of the Legislature over the executive. But if the budget of a State is so hurriedly gone through the democratic processes are neglected and hence there is hardly any reason to justify my criticism of the actions of those who are responsible for the manner in which the budget is so hurriedly pushed through Parliament.

However, being a member from Orissa, I would be failing in my duty if I do not participate in the debate when the Orissa budget is being discussed and so I will make some observations on the budget proposals made by the Finance Minister. Many of the hon. Members here have expressed the view that Orissa is one of the less-developed States, it is technically backward and the people there are poor. And this is not only the feeling of the hon. Members. We all know that the father of the nation, Mahatma Gandhi, focussed the attention of the nation on the condition of Orissa when he saw the poverty-stricken condition of the people of Orissa. Seeing their condition we all know that there was marked change in his daily life. I am grateful to our esteemed leader, the leader of the Praja Socialist Party, Shri Asoka Mehta, for, when he was speaking on the proclamation of the President on Orissa he expressed these sentiments and very forcefully appealed to the Government to pay proper attention for the development of that State. I am saying so much on this because as my hon. friend, Shri Jaganatha Rao, has stated just now there is no proper coordination in the allotment of money or in the development of backward States. This is the responsibility of the Planning Commission. While discussing the Third Plan, I raised this question, because in the socialistic pattern of society the poor should get the benefit first. When the Plans were being implemented in the country we coming from the poor States, expected naturally that our share would come first, and our back-

wardness due to the century-long exploitation and political subjugation will go and we will get priority of the benefits of the Plan. But what happened? We have passed through two Five Year Plans and we are now entering the threshold of the Third Plan. But what is the condition of the backward States?

Just now Shri Panigrahi was saying that the *per capita* income in Punjab is about Rs. 600, the average *per capita* income of India is more than Rs. 200 whereas in respect of Orissa, in spite of two Plans, the *per capita* income is below Rs. 100. I thank the Finance Minister for expressing the sentiment that proper leadership will help the development of the State. But how are we lacking in proper leadership? He is our leader. Pandit Jawaharlal Nehru is our leader. How could we get better leaders? So I wonder under whose leadership and whose guidance we will be able to improve our position. I wonder how long will it take for the State to improve its position. So, I appeal to this august House and the hon. Members that they should all support the backward States in their efforts for development of their areas.

The Finance Minister has stated in his speech that as the Ministry in Orissa had failed, he had to examine the State budget and had to recast some expenditure. I do not know how it can be justified and how the Finance Minister can examine and recast a State budget which, though it was not passed by the Assembly of the State, was made by a responsible government. So in my humble opinion, it was not proper for the Finance Minister to recast the budget and cut short some of the expenditure. Because, before framing the budget, the State Government has naturally taken the advice of the Planning Commission and also the Finance Ministry at the Centre and it was on their suggestion that the budget of the State has been prepared. So it is not proper to recast the budget of the State at this stage

[Dr. Samantsinhar]

I am glad that under very difficult political situations, after the second general election, the targets of the Second Plan have been achieved under the able leadership of our beloved and distinguished patriot Dr. Harekrishna Mehtab. Because, nearly Rs. 92 crores were fixed for the Second Plan in Orissa and, up till now they have been able to spend about Rs. 88 crores. On the whole in my opinion the picture is not bad and the achievements are encouraging.

15 hrs.

As regards the irrigation target, I doubt very much whether the estimate of 7.2 lakh acres coming under irrigation, as mentioned in the Budget speech, is correct. Why I say this is because in Hirakud we would be irrigating a little more than two lakh acres and I do not know from where they would irrigate the balance of 5 lakh acres. There may be a few thousand acres irrigated by the old canals. Out of the seven medium irrigation projects, only one project, Salkia if I am right, would irrigate only 10,000 acres and what about the rest. The remaining six medium irrigation projects are in the stage of beginning or are a little ahead of that. So I doubt very much as to from where they would irrigate this number of acres.

The hon Finance Minister is right when he says that 67 per cent of the total population of Orissa belongs to Scheduled Castes, Scheduled Tribes and other Backward Classes. I would submit that under very difficult financial conditions the achievements of the State Government in ameliorating their condition are very encouraging. They have done much for them. But while saying this, I also submit that the hon. Minister should give more money from the Centre towards the betterment of the Scheduled Castes, Scheduled Tribes and other Backward Classes people.

As regards implementation of the Orissa State Pay Commission's Report, I am very unhappy that the hon Finance Minister has omitted that item and has delayed the decision. Of

course, the report reached them only very recently and the proposals were not, as they say, thoroughly examined. But I will remind them that before the resignation of Dr. Harekrishna Mehtab's Ministry in Orissa there was a Cabinet decision namely, that they had accepted the recommendations of the Pay Commission. Just after the dissolution of the Ministry the Governor was also pleased to express that he had agreed entirely with the decision of the Ministry and would implement the recommendations of the Pay Commission. So it is unfair at this stage to delay the matter. However, if that has been done, I would beg of the hon. Minister that the disparity in the various services and also in the various branches of the same service should be seriously considered and there should be equal pay for equal work. We have received several representations from various organisations of these employees. They are not satisfied with the scales of pay that this Pay Commission has fixed. The teachers, the Gram Sevikas, the secondary school teachers, professors, doctors—all these people are not satisfied. I request that when this question is reviewed this matter should be taken into consideration.

As regards education our progress is very encouraging. As you know, in 1936 Orissa Province was created. There were then only five colleges and the number of students was only 3,000. In 1961, the number of colleges is 40 and the number of students is more than 12,000. But while saying this, I will also draw the attention of the Government to the fact that whereas the number of colleges has increased eight times, the number of students has increased only four times. It is not proportionate. Why has the number of students not increased proportionately and why is there not proper strength in the colleges? That should be enquired into and proper steps should be taken in that matter.

I will also draw your attention to the top heavy administration in the State. In the statement giving the number of IAS officers in different

States given by the Ministry of Home Affairs it is stated that the number of IAS officers in Orissa is 100, in Mysore it is 100, in Kerala it is 71 and so on. Mysore is much bigger than Orissa, but the number is equal. Orissa is nearly equal to Kerala in population but while the number in Kerala is 71 in Orissa it is 100. That is also the case of IPS officers. In Orissa their number is 62, but in Madras their number is 56. So these questions must be considered in view of the poor financial condition of the State and the consequential burden on the people.

I would submit that proper attention has not been paid to the problem of floods as is required in view of its seriousness in Orissa. Under the heading 'Flood Control Schemes' on page 23 of the White Paper it has been stated, namely,—

"For execution of Flood Control works during the Second Plan period, Government of India had agreed originally to give a loan of Rs. 3.0 crores against the State estimate of 4.15 crores. The amount has since been reduced to Rs. 2.0 crores only. During the first 4 years of the Second Plan, a sum of Rs. 169.73 lakhs has been spent under this head and provision of Rs. 20.90 lakhs has been made for 1960-61."

Here also there is some reduction in the allotments made by the late Ministry. Floods are a great nuisance to the State and the people's poverty is more due to these floods. If this floods question is not solved properly, no amount of sympathy or improvement of the State can be considered enough. People there are disappointed at the way the Government of India is helping them. I, therefore, request the Government to be up and doing in helping the people to solve this problem. This is an annual feature and it is so devastating that it is seldom possible for an individual to make up the loss.

I think there was no necessity for establishing the Flood Enquiry Com-

mittee. In the White Paper it is stated:

"During 1959 floods several breaches occurred in the embankment system causing damage to prosperous areas."

So the floods in these prosperous areas are due to breaches in the embankments, and this is a known fact. I also know that the bridges are not properly maintained and due repair is not made to them. So what is the good of spending money on having a committee, especially when these facts are known.

While I was speaking on the medium irrigation projects I blamed the Central Ministry here, because in page 22 of this White Paper it is stated like this: "Due to late technical clearance of some of the Medium Irrigation Projects by the Central Water and Power Commission and Planning Commission, after compliance of technical points raised by them the progress of works was not as planned during Second Plan period." So I would like to know, when the States are sending their plans in time, why are these things delayed here. They should be cleared in time. I know the delay in executing the medium irrigation projects in Orissa is due to lack of proper co-ordination here as a result of which these schemes could not be executed.

As regards the Hirakud dam project I would say that though the Hirakud project has now been taken over by the Government of Orissa, the whole project was planned, estimated and executed under the supervision of the Central Government. So the defects now with respect to the irrigation potentiality and the difficulty in utilisation of the water, as also the payment of interest, all these are a responsibility of the Central Government and not of the Orissa State Government, because when these things have been carried out under Central supervision the failures are only attributable to the Central Government.

While speaking on this budget, Shri P. K. Deo was saying that he wanted a ruling from the Chair whether the Finance Minister can refer to the statements contained in the budget

[Dr. Samantsinhar]

which has not been presented to the State Assembly. You know under what circumstances the Proclamation was made. The State Assembly was summoned, the date was fixed for the budget, and the budget literature was distributed to all the Members. So, there was nothing secret about it. And if the Finance Minister referred to that, I think he is perfectly right.

Shri Chintamani Panigrahi and also Shri P. K. Deo were referring to this mid-term election and they were attributing political motives for dates announced. When the Proclamation was discussed in the House they were all eager for people's administration in the State and pressing for early election and they were criticising the Congress Parliamentary Party and the Central Government that they are indirectly having their own administration in Orissa and that they have taken away the right of the people. Now, when the Government has decided to have elections just within the time, they are very vocal to criticise the Government. I think the Government is perfectly right in their action to establish early people's rule in the State of Orissa.

Shri Ranga: Mr. Chairman, it is indeed a pity that in Orissa the principal political party should have chosen to force this crisis on that State in this manner. On the very day on which the budget was to have been introduced into the Orissa Assembly it came to be dissolved by the President's ordinance. Now, that does not really speak well of the statesmanship or the wisdom or the good sense or sense of responsibility towards democracy of the major party which was responsible for forcing the issue in this manner.

This budget, like any other State budget, brings to the fore the extraordinary development that has been taking place in our country, in the sense that instead of the State Governments trying to enjoy or trying to achieve a financial viability, they are becoming more and more dependent upon the Centre. Secondly, instead of the State Governments being encouraged to exercise all the autonomous

powers that have been granted to them by the Constitution, they are also being lulled into a sense of false security by these various grants-in-aid from the Centre. And the result is that they are being degraded. Whether they are conscious of it or not, whether the Centre is doing it consciously or not, they are being degraded more or less to the status of local boards. They may be enjoying all the strappings of a democratic ministerialism—Ministers, Chief Minister, Cabinet and all the rest of it—but actually they do not seem to be enjoying any more status than what the district boards used to enjoy *vis-a-vis* the old State Governments. Thirdly, as a result of the activities of the Planning Commission, so many of the State Governments are obliged to send so many of their schemes for scrutiny and approval by the Planning Commission and the Central Water and Power Commission and various other Central authorities that are functioning under the Union Government. The result is diffusion of responsibility. The State Governments are not able to hold themselves responsible for their failure to implement such and such schemes and they are even able to quote the failure of the Central Government to sanction their schemes for their failure to implement the schemes that have been placed before the public. I have come across one particular instance of this in this budget itself. You will find on page 22, dealing with Minor Irrigation Schemes, that the State Government had sent up a number of its minor irrigation schemes to the Centre.

Shri Chintamani Panigrahi: To the CWINC.

Shri Ranga: Anyhow, the State Government had sent up its proposals for minor irrigation schemes to the CWINC. The CWINC took such a long time in finalising the estimates and the schemes, and by the time they were sent back they became too late, with the result the local Government was not able to implement the schemes at all.

Secondly, the Union Government has decided upon a policy of co-operative farming. They want to encourage the State Governments by offering all kinds of inducements. There is something like incentive to be given to the State Governments; and this backward State, as it has been testified by all our friends, is also requested and encouraged to organise a number of pilot schemes in co-operative farming. One would have understood if the Central Government had waited until the pilot schemes experiment had become a success in other States, and, thereafter, in the light of that success, it had asked this backward State to make these experiments, but, on the other hand, it seemed to have completely forgotten the backwardness of this State and had gone forward with its proposal for the organisation of pilot schemes in Orissa with all the incentives that the Union Government alone is capable of giving.

Then, there is a cry for more and more employment avenues in Orissa, perhaps more than in many other States. Actually, as many as 79,499 employment-seekers registered themselves at the very few labour exchanges that were there in this State, and employment was found only for 9460. That gives you a measure of the magnitude of the unemployment problem there. There are already in that State quite a large number of handloom-weavers. They have themselves admitted that there are 1,29,000 looms in that State. Only 36 per cent of them have been brought within the fold of weavers' co-operatives. Yet, somehow, I do not know how, the Union Government has induced the local Government to make provision for the establishment of a number of power-looms. It is a well-known fact that power-looms are not labour-intensive; on the other hand, they are capable of displacing the existing handloom-weavers. This is a State which is crying for more and more employment avenues, and that is exactly where the Union Government's influence comes over the State Government, and the Union Government

presses its own favourite or pet scheme in favour of these capital-intensive schemes or medium-scale schemes for the benefit or for the disadvantage of the State Government. Why has the State Government agreed to these various schemes from the Centre? It is because, as you would find it at page 5 of the *White Paper on the Economic Conditions And the Developmental Activities in Orissa, 1961*, that out of the Rs. 160 crores, which is estimated to be the outlay for the Third Five Year Plan, the contribution of the State Government is expected to be only Rs. 28 crores, and the rest of it is to come from the Union Government. This, in fact, would be in addition to so much more which would be coming from the Union Government in the way of grants for a number of schemes, and there are twenty of them costing Rs. 1.77 crores. The State Government of Orissa has to depend upon the Union Government to the extent of Rs. 134 crores in a Plan of Rs. 160 crores. No wonder that it has no freedom; no wonder that it is obliged to accept what all schemes the Union Government may consider to be advisable, whether they are in the interests of the State or not.

In this poor State, the most important priority should be given to agriculture. But, what is the position there? All these friends have been talking about the need for more and more employment and the rich and richer people not willing to come forward to start new industries and so on. But, look at the performance of the peasants themselves, the poverty-ridden peasants of Orissa. They have brought under irrigation almost all the land that was offered irrigation facilities. And even if we were to estimate that additional employment has come to be provided for only one person throughout the year by the conversion of one acre of dry land into one acre of wet land, we would find that the agriculturists or the peasants in Orissa have already provided during the Second Plan employment for more than seven lakhs

[Shri Ranga] of people. In the Third Five Year Plan, it is proposed that additional irrigation facilities will be provided for another three lakhs of acres, and, therefore, for another three lakhs of people additional employment will be provided by the peasants themselves. These enterprising people ought to be encouraged in every possible manner. But, instead of helping them to develop service co-operatives, in order to strengthen themselves, Government want to organise alternatives to this peasant economy by organising co-operative farming pilot schemes, which is very deplorable.

The other thing that is very badly needed in Orissa is the development of cattle wealth. So little is proposed to be done in this regard. So much more has got to be done, and I hope that higher priority would be given for the development of cattle in that particular State.

Shri Mahanty: They cannot develop men.

Shri Ranga: Men can be developed if you can provide them more and more milk, and milk can be had by improving the cattle. This is a circular thing.

Shri Chintamani Panigrahi: There is no grass; grass also should be grown.

Shri Ranga: Yes, grass also. Quite a lot of us are grass-hoppers and grass-eaters.

I find also that the State road Transport has developed. I do not know why they have done it. In other States, there might have been some excuse, but in this particular State, there is very little excuse. I am told by one of my friends that all the road transport service has not yet been nationalised but only a part of it, but some more of it is proposed to be nationalised. I am very doubtful about its utility. It can be exploited also for political purposes; it would

not be fair; it is not an economical thing. They say that they have made a provision or they propose to make provision of more than Rs. 100 lakhs, I do not know, at whose cost. Is it at the cost of the passengers, or else at whose cost? Even apart from that, where is the need to come in the way of the small *entrepreneurs*?

Shri Chintamani Panigrahi: It is doing good service.

Shri Ranga: There may be some complaint that even the small *entrepreneurs* would be amking too high profits. In that case, the proper thing would be to put to auction the privilege of running these motor buses on various routes, so that most of the unearned profits could be mopped up by the State, while at the same time, the opportunity would be there for private *entrepreneurs*, small *entrepreneurs* as they are, to apply themselves to developing this particular industry and in that way provide employment for themselves and also serve the passengers as well as the general public.

Shri Prabhat Kar (Hooghly): The man who will bid the highest will naturally extract that money from the passengers.

Shri Ranga: I do not understand.

There is very great need for the development of transport in this State. Everyone agrees that in this regard, this State is one of the least developed areas. The only other area which can compete in this backwardness in regard to this matter, I think, would be Assam, and the next one would be Madhya Pradesh. In this particular State, there is a large part which is mountainous, and, therefore, there is great need to open up these areas. So little has been done up till now, and, therefore, much more can be done to develop water transport. Water transport ought to be developed and can be developed. Only a small portion of it is sought to be developed now

because of the need to export minerals to the ports. But they have provided only Rs. 2 lakhs for the development of water transport in the Hirakud area. I would have liked the Government to have made a greater provision for this most important thing. Water transport, all over India is much more serviceable and also cheaper than either road transport or rail transport; it is much more important in Orissa, and I hope Government will pay attention to this.

There is also the question of privy purses. I do not know why the outgoing Government or whoever it was had taken a decision not to pay these privy purses. It is such a wrong thing to do. It was agreed as a matter of honour by Sardar Vallabhbhai Patel who was responsible for the integration of the States, as a result of the negotiations carried on between himself and the Constituent Assembly on behalf of the Provisional Government and on behalf of the people of India, and these Princes, that these privy purses had to be paid. If a democratic responsible Government were to break its own word in regard to such an agreement, then how would it ever be possible for any section of people to put any faith in the word of honour of that Government. His words and his voice ring in my ears even as I am standing before you, seeing Sardar Patel seated there next only to the Prime Minister and asking the Provisional Parliament to give sufficient weight to the word of honour that our national leaders have given to these Princes.

Dr. Samantsinhar: Shri Ranga is making an incorrect statement.

Shri Ranga: You may or may not agree with the agreement that was reached. But it was reached in the name of the whole nation and it is very very wrong indeed on the part of any set of politicians or parties to cavil at it or to weaken it or to

undermine the faith of the people in the *bona fides* of the Government by trying to tamper with it. There I find myself in agreement with my hon. friend, Shri Jaganatha Rao.

Shri Tangaman: The Government did not interfere with the privy purses of Princes.

Shri Jaganatha Rao: What is the point of agreement with me? I did not refer to it. I referred to allowances to family members.

Shri Ranga: Only the other day I twitted one Minister; there was a student who went to a Shastri and requested him to give an interpretation of the two words *Shri Kanta* and *Chapa Kanta*, and the Shastri said. '*Shri Kanta is Shri Kanta and Chapa Kanta is Chapa Kanta*'. That is the sort of doubt that my hon. friend, Shri Jaganatha Rao, seems to have.

Shri Jaganatha Rao: I have no doubt in my mind.

Shri Ranga: Lastly, there is this question of the backward classes. So much has been done, I agree. As much seems to have been granted by the Union Government as provided by the local Government. I should have thought that the local Government would be willing to make greater provision for the uplift of the backward classes in view of the fact that as many as 67 per cent of the people there belong to the tribal and backward classes. More than in any other State, there is need in this State for this. Whoever may be in charge of the Government should have at their disposal all funds required for developmental and welfare schemes intended to benefit the people, a larger portion of their own revenues for their benefit.

In conclusion, I would like to endorse a suggestion that was made

[Shri Ranga]

sometime ago by my old friend, Dr. Harekrushna Mahtab. We were friends here at the Centre and also in other places in the Congress hierarchy. I came to have a great regard for him. He has had plenty of experience in providing leadership to Orissa. He has understood its problems and I thought he gave very good advice indeed and followed it up by his own practice, by trying to bring about, if not an all party Government, at least a coalition Government. It at all there is any need for an all-party Government including every established, recognised and democratic-minded political party in our country, it is in this State. Unfortunately, my friends of the Congress Party who are in charge of it seem to be too impatient to capture power, and in their impatience they seem to have forgotten the essential interests of this backward State which needs special devices by way of political leadership in order to assure the people a competent, statesmanlike and wise leadership.

Shri Mahanty: Coming to consider the General Budget for the State of Orissa, one cannot help express one's regret at the manner in which the elected representatives of Orissa in the legislature were denied their privilege to consider this Budget and this House was asked to consider it in an impromptu and, shall I say, cavalier manner.

There are two Finance Ministers in this context. One is the Finance Minister of the ex-coalition Ministry and the other the Finance Minister of the Central Government. I feel both these Finance Ministers are in a most unenviable position. The present Finance Minister of the Centre—the Minister of Revenue and Civil Expenditure—who is sitting there to reply to the debate is, I am sure, miles and miles away from the financial background of the State of Orissa.

Shri Ranga: So many of us are.

Shri Tangamani: He is from a neighbouring State, Andhra.

Shri Mahanty: Geographically he is. But I am saying that fiscally he is miles and miles away from the State of Orissa.

Shri Jaganatha Rao: Mentally he is in Bhubaneshwar now.

Shri Mahanty: It is unfortunate that opportunities were not given to the ex-Finance Minister of the Coalition Ministry to pilot it and perhaps to explain it. Therefore, I say that both these Finance Ministers are in an unenviable position.

So far as we are concerned, our position is more unenviable. I am sorry that in between the people of Orissa have lost, and lost tremendously. I say in all seriousness that it is a tragedy which is beyond our tears. I hope and pray that in future times politicians will have a little more sense of responsibility and Chief Ministers will have a little more sense of responsibility, notwithstanding my great regard and esteem for the Chief Minister of the Coalition Cabinet. They should see that to satisfy their own personal interests they do not precipitate such crises in which the people are left in the lurch.

You will find mention of this deplorable state of affairs in paragraph 3 of the budget speech wherein it has been stated:

“The State budget was due to be presented to the State Legislative Assembly on the 21st February 1961, the very day on which the State Ministry submitted its resignation”.

What a picture this presents? The crisis had brewed overnight; if the Chief Minister, who was there to provide leadership on the political plane to the Coalition Ministry, came to the Assembly and made an announcement on the day the budget was to be

presented and that he refused to present the budget, I believe there is something absolutely rotten in the State of Denmark.

Shri Ranga: State of Orissa.

Shri Mahanty: I stand corrected—the State of Orissa.

Be that as it may, coming to the budget proposals, I am sure that these will create not only discontent but also disquiet throughout the State. These will cause discontent because you will find from this budget that the plan expenditure has been reduced from Rs. 27.2 crores to Rs. 25.1 crores. Really, I fail to understand what objective considerations have impelled the Finance Ministry to curtail the developmental expenditure which had been provided from Rs. 27.2 crores to Rs. 25.1 crores. The reason offered is that the Orissa Government was incapable of spending that amount in the initial year of the Third Five Year Plan. I leave it to your judgment and the judgment of the House; if this is not a cavalier way in which the Central Government and the Planning Commission treat State Governments, I do not know in what other manner it can be described. I feel sorry that the Finance Ministry at the Centre could be advised to curtail the developmental expenditure from Rs. 27.2 crores to Rs. 25.1 crores.

Then also, as you know, the emoluments of the Government employees in the State of Orissa, possibly, are the lowest. The Pay Committee had gone into this question at great length and submitted a report, and for implementing its recommendations a sum was provided, amounting to Rs. 1.97 crores. That has also been dropped.

I believe the hon. Minister of Parliamentary Affairs should not distract the attention of the Finance Minister.

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):

I am not distracting his attention. I am just officiating for him.

Shri Mahanty: The hon. Minister of Parliamentary Affairs will pardon my impertinence if I say that so far as this particular matter is concerned, he should be better advised, not to interfere.

Shri Satya Narayan Sinha: I am not interfering.

Shri Mahanty: How can the Minister of Parliamentary Affairs officiate for the Finance Minister?

Shri Satya Narayan Sinha: Why not? I am the stop-gap arrangement for everybody. I would officiate for you also.

Shri Mahanty: In that case, I would like to ask him: what is the estimated revenue receipt for the State of Orissa?

Mr. Chairman: There is no difficulty about that.

Shri Mahanty: So, I hope he will not mind it.

Shri Satya Narayan Sinha: I do not mind anything from you.

Shri Mahanty: What I was trying to submit was this. This is the attitude of the Central Government towards a State like Orissa.

Shri Chintamani Panigrahi: Stop-gap arrangement.

Shri Mahanty: It is just that they have no basic understanding of the problem, and they come to deal with it in a manner and method which is found unsatisfactory, and therein I believe lies the key to Orissa's politics. I only hope and wish that this key had been made known, so that this mystery of Orissa's politics, which has been a Pandora's box, could have been unravelled.

As I was saying, this Budget will create more discontent and disquiet,

[Shri Mahanty]

because of the cavalier fashion in which the Finance Ministry has sought to consider the various proposals which had been formulated by the Finance Minister of the ex-coalition Ministry.

Shri Jaganatha Rao: Your Finance Minister.

Shri Satya Narayan Sinha: He belonged to you, he says.

Shri Mahanty: I thought my hon. friend was a lawyer. He should know that the Finance Minister does not belong to me, but to the people of the State of Orissa, of which my hon. friend is a citizen. Therefore, the Finance Minister is also his. Let me also tell him that the people will get the Government that they deserve. If you deserve a Finance Minister like that, well, you should only thank your stars for it, you cannot blame others for that.

So, whether he was my Finance Minister or yours, the fact is that that Finance Minister had formulated certain proposals which were quite worthwhile. He had made increased provisions for the implementation of the Third Plan in the initial year. He had made provisions for increased emoluments to the employees of the Orissa Government which are the lowest in the world. And somebody has to tell us what considerations weighed with them to slash these proposals down. The Finance Minister says that a realistic appraisal of the Pay Committee's recommendations have not been made. He has said so in paragraph 14 at page 6 of his speech. In this particular matter I would like to know who the judge is as to whether a realistic appraisal has been made or not, because certainly it is not left to the Finance Ministry here to pass a judgment on proposals which had been thoroughly processed and passed by the coalition Cabinet.

Coming to the Budget proper, one has to really appreciate it in the proper background. It has been said that Orissa is a backward State. I do not, of course, subscribe to that view, because India is a backward country. Judged by international standards, India is a backward country, and here are States in various stages of development, and I do not therefore subscribe to the view that Orissa is a backward State. Of course, one can say there are nuances and shades of backwardness, and they may be more pronounced in our case.

Be that as it may, here is a State which requires some particular, special attention, and I am reminded in this context of Gandhiji's description of Orissa. He had said: Orissa epitomises the poverty of India. That is precisely so. As has been said by other speakers, even though the *per capita* national income is of the order of Rs 290 or Rs. 292, our *per capita* income in the State of Orissa is less than Rs. 200.

The reasons are not far to seek. The entire economy of Orissa is an agricultural economy, and that agricultural economy has to depend on the vagaries of the weather and the caprices of the trade and middlemen. Therefore where paddy is both a cash crop and a food crop, where agriculture is the main sustenance of the people, depending on the vagaries of the weather and the caprices of the trade and the indifference of the Government officialdom, nothing better could be expected than this kind of abysmal poverty. It is not only a shame for Orissa, but I believe it must also appeal to the national conscience of our country.

In that context, one has to examine the various fiscal measures, the various taxation proposals which have been brought in this regard. In all fairness to the Finance Minister and also to the Chief Minister, I should say that a coalition Cabinet functions

under very peculiar circumstances. It is not that one party, whatever may be its likes and dislikes, is permitted or is capable of, implementing it, because coalition means adjustment. Unless you have adjustment, you cannot function, and therefore I say with all sympathy for both the Congress Party and the Ganatantra Parishad in coalition, that they were not able to bring about any appreciable change, any radical outlook to bear upon the Budget proposals.

If you look at the pattern of Orissa's finance, you will find that the tax efforts during the Second Plan have been considerable. I think we had achieved about 50 per cent of the target that had been fixed for the State of Orissa. During the Second Plan we had estimated to raise Rs. 9.60 crores through additional taxation, and actually we were able to raise Rs. 4.26 crores through additional sources of taxation. Here is an achievement by the State which is really unsurpassed, compared to many of the States of the Indian Union. I would like to know how many States have been able to raise 50 per cent of the target for additional taxation. That we have done.

Dr. B. Gopala Reddi: Several States have done.

Shri Mahanty: I think in Madras State it should be less than 50 per cent.

Dr. B. Gopala Reddi: No, no. In all the Southern States, they have more than achieved the target of additional taxation.

Shri Mahanty: I do not think that will be corroborated by the Finance Commission's Report.

But then, how have these additional resources been realised? If you look at the break-up, you will find that agricultural income-tax was meant to

provide Rs. 15 lakhs during the Second Plan, and what we have received is nil. From the mining cess we were supposed to raise Rs. 60 lakhs annually, and what we have received is nil. Therefore, within the little time at my disposal, I am trying to make out this limited case, that even though we have been trying to improve our tax position, it has not been through tax on that sector which could bear further incidence of taxation but tax on agricultural masses. I am sure there will be no dispute about the fact that the Ganatantra Parishad had entered into the Government only about a year ago, but this has been by and large the record. You will not realise the mining cess, and the explanation that you now offer is that the case was *sub judice* in the Supreme Court. The case was started at the beginning of the Second Plan, and the Supreme Court has given a judgment at the end of the Second Plan, and in between the State has gone without its revenue.

Then, if you look at the expenditure pattern, it reveals a very deplorable state of affairs. I believe that other State Governments may also have this kind of picture to reveal, but still, two wrongs do not make one right. Particularly for a State like Orissa, where the resources are so inadequate and where the deficits are ever rising, the non-developmental expenditure and the rate of its growth should be checked. Now that the Centre has assumed financial responsibility of the State, it should take effective steps to see the growth of this non-developmental expenditure is curtailed.

I give some figures. In 1959-60, non-developmental expenditure accounted for 37.22 per cent of the total expenditure of the State. In absolute terms, non-developmental expenditure has risen by 254 per cent between 1949-50 and 1959-60. I believe the hon Finance Minister would pay attention to this fact. I think

[Shri Mahanty]

here is a record which really surpasses the records of other State Governments in this matter of the phenomenal growth of non-developmental expenditure.

If you categorise this non-developmental expenditure, you will find that the different debt services have increased by 1015 per cent, administration has risen by 117 per cent and 'miscellaneous' has accounted for a rise of 677 per cent. It is high time that somebody probes into this. What do you mean by miscellaneous non-developmental expenditure which rises at the rate of 677 per cent?

Here is a State with its ruined peasant or agricultural economy. You are increasing new imposts on the ruined peasantry in the name of raising resources for the Plan but spending that money in these non-developmental directions which has assumed this phenomenal and fantastic proportion.

Mr. Chairman: The hon. Member should try to conclude.

Shri Mahanty: I will take 5 minutes more and I will close.

As the time at my disposal is very short I would not like to further dilate on this. I will only appeal to the Finance Minister, now that the Centre has assumed direct financial responsibility for that State, it should take some effective steps to see that these non-developmental expenditures are brought under proper control and heads like miscellaneous non-developmental expenditure are properly scrutinised. Otherwise, it is a decaying process.

When we come to the resources side we find that Government—and in this context Government does not mean necessarily the Coalition Government—I mean the Government of Orissa since 1936 have not been paying adequate attention to the non-tax resources. I was somewhat amused

to read in one of the documents published by the Government of Orissa that the only non-tax revenue, according to them, is the grant from the Centre.

We have got rich forests; we have got rich mines; we have got all industrial potential; we have got power; and these resources are frittered away or are not manipulated in a manner so as to increase the amount of non-tax revenue so that we would have been enabled to minimise the incidence of direct taxation on the poor peasants.

Look at this power. As I told you a little while ago, our debt servicing expenditure has increased by 1015 per cent in the course of, I think, about 10 years. And the main item in this regard is the Hirakud Power project. We have produced electricity from the Hirakud project at this enormous cost. It will be shocking for this House to learn that the power that is being supplied to the Indian Aluminium Co., and the Ferro-Manganese works at Jorda owned by the Tatas, at a price lower than the cost of production. How can you, in all fairness, either before men or before God or before your own conscience defend this indefensible measure? That is how you are frittering away your valuable resources.

I think the House will be interested to learn that we have rich forests and the timber of Orissa are being sold in Delhi in competition with Dehra Dun timber, at competitive prices. One has to take note of the long distance that the timbers are hauled across—about 1000 miles. Yet the traders or the lessees are able to get the Orissa timbers from the forests through exploitation and sell them in the northern Indian markets in competition with the timbers from Dehra Dun. That means that they get these forest coupes for a song or for nothing. That is also the pattern about mines. I venture to submit that our non-tax resources are not being properly utilised.

15.55 hrs.

[SHRI JAGANATHA RAO in the Chair]

The Government now thinks that the way of raising the resources is by adding new imposts on the meek peasants.

I had occasion to enquire about the administration of Sales Tax in our State. And, the Finance Minister may be interested to learn that everywhere—even from the traders—I got the report that the extent of Sales Tax evasion in the State of Orissa is of the order of 50 per cent or even more. In the case of certain goods like pharmaceutical goods, the evasion of Sales Tax is of the order of 70 per cent. With that background, if somebody proposes an increase in the Sales Tax on diesel and petroleum products, I really cannot defend it, because, in the ultimate analysis, with the increased impost on passenger traffic and the freight on goods, this additional Sales Tax on diesel and petroleum will have the effect of putting a premium on mobility. Today when we are living in an age when everyone is thinking of speed and mobility, this particular proposal will have the effect of taking the people back to the bullock cart age when people will just crawl and sneek and they will have no right to move about in an age of automobiles. The point I am trying to make is that if we can only plug the loopholes in our Sales Tax administration, there would be no need absolutely either to impose sales tax on foodgrains and onions or on petroleum and diesel oil. It is time enough that Government does something to see that the Sales Tax Administration is streamlined.

We have got our raw materials like bamboo, jute and iron ore, etc. Sales tax is not charged on transaction of these items as they come under the category of inter-State sales. In this particular regard, I would most humbly request the Central Government not to behave like a too nagging

mother-in-law. They have got all kinds of legal and constitutional impediments. Under inter-State sales we cannot charge any sales tax on transport of bamboo and jute which are exported in huge quantities to outside States. Had not these legal impediments been before us, we would have, certainly, raised a sizable income by charging sales tax on these. The State Tarding Corporation enters into contracts for iron ore and they say that we cannot charge any sales tax on iron ore because it comes under the purview of inter-State sales tax. The Central Government say that they will cut down our Plan expenditure because we cannot raise our resources. Here they are taking away what is legitimately due to us and they are not going to reimburse us. When there is deficit, we cannot raise resources and we go to the poor peasantry and propose fresh taxes.

I take this occasion to repeat once again what I have stated on an earlier occasion that we stand for the abolition of land revenue. I consider it a part of my mission and political duty, in life, to see that land revenue is abolished in States like Orissa because it is reactionary, retrograde and not progressive. You have no legal, political or moral right to tax the peasants who are already ruined while you are throwing away the profitable and worthwhile sectors of our resources to the wolves. Irrigation rates have been proposed from which the Government wants to raise some resources. The basic question has to be answered; whether a welfare State has got any duty towards the people to render or not. You, Sir, in your wisdom had posed the question and said: if you want to utilise the water, you must pay for it. Of course, we must have to pay for it but somebody has to strike a balance between what we have to pay, what the duties and obligations of the State are and what should be borne by those who are to pay. For instance, it is not only the irrigation rates; there is the better-

[Shri Mahanty]

ment levy; there is going to be water cess and so forth.

16 hrs.

I would like to know from you whether you have got any policy about the prices. If the peasant does not get an economic price for his produce, only in a notional sense is production increasing, you cannot go on just fleecing him in the shape of land revenue or betterment levy or water cess.

Shri C. K. Nair (Outer Delhi): Is it a surplus State or a deficit State in foodgrains?

Shri Mahanty: Orissa is surplus because half of its population in the tribal areas go without food and that is mopped up by unscrupulous traders. I am sorry to say that these foodgrains which are crystallised blood drops of the people are sold in Calcutta market at fantastic prices. I am sorry and I am ashamed that the coalition Government had to put its imprimatur and seal of approval on the common food zone with West Bengal. We are a surplus State because we go hungry. But have you any right to exploit the people who are already exploited? It is apart from the question whether it is a surplus or deficit State.

Dr. Samantsinhar: Who would purchase the surplus?

Shri Mahanty: They are purchased in the Calcutta markets where the people have a higher purchasing power. The difference in Orissa price and the Calcutta price was of the order of about Rs. 20, if my information is correct. Be that as it may, here is a State which Gandhiji had described so aptly as 'epitome of India's poverty', whose economy is mainly dependent on agriculture, yet having vast natural resources. Therefore, I plead that as every dark cloud has a silver lining, even through all these turmoils, one good thing has

emerged; we have pin-pointed the attention of the Centre to the basic problems of Orissa and that is the problem of poverty and I hope and believe that they will pay some attention to it.

Lastly—I am concluding in a minute—I should say, as I said earlier, the Union Finance Minister is in a very unenviable position because what he has done will not be certainly relished by the people of Orissa. But what can he do? Here is a Budget providing for Rs. 10 crores of deficit which means that the deficit amounts to about 25 per cent of the estimated total expenditure. This was a very unusual pattern, with the little experience that I have got about the State finances. The State finances unfortunately have no Nasik Press to stand by. It is unusual to provide for this huge deficit and if they have slashed it down, it is only to save themselves from the headache as to how to meet this deficit from the depleted resources. Be that as it may, the Union Finance Ministry would have been well-advised to strike a real balance between the needs of the State and the needs of the hour and their financial capacity. With these words, I beg to support the Budget proposals.

Dr. B. Gopala Reddi: Sir, I am indeed very thankful for the seven speakers who have participated in this debate and except perhaps Prof. Ranga all the rest of them are from Orissa State. They have brought to bear on the general discussion their intimate knowledge of the Orissa affairs. 25 years ago, Orissa State came into being on the 1st of April, 1936 and perhaps in another three or four days, the Orissa State can as well celebrate its silver jubilee.

Shri Chintamani Panigrahi: We are celebrating it.

Dr. B. Gopala Reddi: So, they can have a look back on what they have

done during the last 25 years. I know the people of Orissa had asked for a separate State and because they were torn into pieces in three or four States in Bihar, Orissa, Madras and perhaps in Central Provinces—they were brought into one State under one Government in 1936. Since then, they had the advantage of the merger of several princely States and the abolition of zamindari on the political side. Even on the economic side, I know a great deal of progress has been made during the last 25 years. Some of their dreams have been fulfilled after the advent of the Orissa State and therefore it is no use decrying that nothing has been done in the last 25 years. It will be a sad commentary on the leadership and on the people of Orissa if anybody were to say that they did not make much progress during the last 25 years; after all, 25 years is an auspicious period and we celebrate it with merriment and delight. We also look forward with a sort of renewed dedication to the people and see what we shall try to achieve in the next few years. I do not want any hon. Member of this House or elsewhere to say that their Governments, right from 1936 or so, have not been able to do much for the people. They can say that some progress has been made but more has to be done. That is so with every administration, whether it is municipal administration or State Administration or even the administration of the Government of India. We must admit that we have travelled quite a long way towards our goal but much more is to be traversed. But to say that nothing has been done from 1936, all because the administration was in the hands of the Congress Chief Ministers, is I think denying the facts of history. The people of Orissa also will not take it in that manner.

I have seen and I know Orissa to some extent. I used to halt at Cuttack and Puri and other places also on my way to Shantiniketan and back. I know the Orissa of today also and the progress that they have made during the

last 25 years. A number of bridges have been built, and irrigation facilities, education facilities and hospital facilities have come in the last 25 years. The Burla College was opened. Their university was till yesterday in Andhra State. There was only that Berhampore College; that was in the Andhra University. They had not even a High Court. Looking back, an Oriya must certainly feel delighted and proud that some really good progress had been made in Orissa after the advent of his own province in the last 25 years. I do not say that it is all because of the Congress Ministry. That is a different matter. But during the last 25 years, they did make progress. Member after Member complained that Orissa being a backward State, the Government of India is not paying adequate attention to it. Shri Mahanty repeated twice the Gandhiji's saying that Orissa's poverty epitomises the poverty of India.

Sir, I did travel with Gandhiji in some of the Orissa villages some years ago when he was going on his *padayatra*. I have seen the people. They are really poor. The State Government with the co-operation of the Central Government also have been trying their utmost to improve the conditions of the people. But, Sir, I also have the advantage of having travelled the entire country. I have seen all the 15 States after coming to Delhi. I have been to Rajasthan, Assam and other States. I know the districts of Telengana also to some extent and also Rayalaseema. Wherever we go the same complaint is put against the Government of India, that the Government of India is not paying adequate attention to their own State or district. If we go to Jammu and Kashmir where we have spent crores of rupees from 1948, the same complaint comes from the M.L.A.s and Ministers and the common people. Similar is the case with Rajasthan or Assam. I know that in Telengana

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conditions are no better than the conditions in some of the districts of Orissa. They are very backward indeed. Even the elementary rights have been denied to them, all because it was in a princely State. Therefore, it is not as though all the districts in all the States are moving forward and the State of Orissa alone is lagging behind.

Sir, Orissa has got the Hirakud Project and the Rourkela project, two mighty things which will certainly bring in its wake increased prosperity to the land. Then again, it is a matter of time and some matters have to be consolidated. The full utilisation of the Hirakud waters have to be taken advantage of. Rourkela also must come into its full stature before we can say that all the benefits have accrued to the Orissa people.

Therefore, Government of India is in a very difficult position in this respect. Their own requirements, their own responsibilities are ever on the increase. Every Ministry, from Railways to Education and to Health, is making increasing demands on the Planning Commission and the Finance Ministry. Again, it is not as though only the backward States are making demands. Even States like Bombay, West Bengal, Madras and Gujerat have their own problems and they press on the Planning Commission that they must have increased allocations during the Third Five Year Plan.

Sir, the Planning Commission and the Finance Ministry have thought about these problems for several months now. We knew that the Third Five Year Plan was coming and a good deal of thought was put into the discussions. We know that our resources do not match with our requirements. There is an eternal battle between our requirements and our resources. Every Ministry, every State and every administration wants an increased provision to meet the requirements. But where are the resour-

ces to come from? That is an eternal question that confronts us. Of course, we are anxious to help Orissa. We are anxious to give assistance to Rajasthan, Madhya Pradesh or Assam. But where are all these resources to come from? That is a question that confronts us at every turn, and there is no answer to it. Except by hard work, except by full exploitation of our own resources—our mineral resources or hydro resources—and increasing our own output in the industrial and agricultural sector we cannot bring increased prosperity. We can only bring increased prosperity by that slow process. The Third Five Year Plan is aiming at certain projects and commitments in expenditure. That will again bring increased prosperity. Thus we will have to go on our journey in the Fourth Plan and Fifth Plan also.

We cannot stop Bombay or Bengal from developing their own industries or agriculture till all other backward States also come on to their line. After all, we cannot achieve our Plan objectives and our national economy cannot progress if we stop all progressive States till all backward States also come on to their line. That will be a suicidal policy. So we will have to allow some of them to go ahead. At the same time, we will have also to look into regional disparities and help in developing States like Orissa. I do not want to be repeatedly told that Orissa is a backward State. That will neither help the people nor the Government. It is no use saying all the while that Gandhiji in 1922 or 1932 said that it epitomises the poverty of India. It does not help us. On the other hand it depresses us. Therefore, let us not call it a backward State. Let us call Orissa a developing State—not a fully developed State but a developing State. That is the word they are trying to use.

Shri Surendranath Dwivedy: You have borrowed that word from Yugoslavia, I believe.

Dr. B. Gopala Reddi: It may be Yugoslavia or ECAFE. I am not ashamed to borrow words from Yugoslavia or anybody else.

Shri Mahanty: But please do not forget Gandhiji.

Dr. B. Gopala Reddi: But how long will you go on repeating it. Do you want to repeat it all the time that in 1922 or 1932—I do not remember the date—Gandhiji said this?

Shri Mahanty: You all along go on repeating what Gandhiji said.

Dr. B. Gopala Reddi: Then you will have to tell Gandhiji that even though he said it some years ago we have by our own hard work come to a stage where Orissa is no more a backward State or a poor State but it is a fast developing State and the people are happy with the new set of circumstances.

Then, Sir, certain political matters also have been introduced into this, as to whether the termination of the coalition government was proper or not and whether the political parties acted in a responsible manner or not. These are all matters beyond my purview, and they have been discussed here perhaps on the floor of the House adequately. I do not want to go into those political matters. Anyhow, I wish Orissa had a popular government on the occasion of their silver jubilee. But that could not be there. I do not know who is to be blamed for it, whether it is the Congress or the Gantantra Parishad or whether it is due to other circumstances. I do not want to enter into all those details. Anyway, it is a pity that Orissa is deprived of a popular Government—I can share that sentiment with my hon. friends.

Sir, strangely enough a Congress Minister is now defending a Gantantra Parishad Budget. The budget was prepared by a Gantantra Parishad Finance Minister in Orissa. With certain modifications a Congress Minister is defending it. (Interruption). The

coalition is still continuing, that is what I want to say. Though it has terminated in Orissa it is continuing here till 1st April or so till the Budget is passed. We are still continuing that coalition.

Shri Chintamani Panigrahi: Is it so hard to break?

Dr. B. Gopala Reddi: Sir, the Budget was entirely prepared by the Gantantra Parishad Finance Minister. I have no complaints to make. But, of course, when it was brought to us we had to look into the matter. If it was presented in the Orissa Assembly we had no say in the matter. Now that it has come to the Government of India we do not want to allow to be shown to the country that a deficit of Rs. 10.26 crores is there especially when we are inaugurating the Third Five Year Plan with high hopes. We do not want State after State to come with deficit budgets to the magnitude of Rs. 10.26 crores.

Shri Surendranath Dwivedy: You want to hide it?

Dr. B. Gopala Reddi: Therefore, we tried to revise it, otherwise we had to take the entire responsibility without any discretion at all in the matter and present it as though it was coming from us. Then hon. Members certainly will criticise and ask how we are allowing a deficit of Rs. 10.26 crores and how we are going to bridge the gulf. Therefore, after all, being responsible to this hon. House, we have to take into cognizance all the facts. We have now reduced the deficit of Rs. 10.26 crores to Rs. 4.19 crores. That is what we have done. We have allowed the major items of expenditure and major items of taxation to remain. We have not tampered with them. Therefore, it retains its intrinsic character, and whether it is good or bad to a large extent the Gantantra Parishad also should shoulder the responsibility. It cannot merely say that the entire thing was done by the Congress or by Dr. Mahtab. Together

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they produced this Budget and we have brought down the deficit to this extent by retaining all the salient features of the Budget. Anyway, it was a novel experiment namely, the coalition. Some commend it and some decry it. Some say that the political consciousness of the people is now in a wrong direction. Some people say that because they had a stable Government they had some sort of administration and they wanted more money for developmental work. But this is a moot question and I do not want to enter into this controversy. After all, now that the Home Minister has announced that the elections will be held early in June, I hope a new popular Government will be installed at least by 1st July.

Shri Rajendra Singh (Chapra): Long before the Home Minister announced it, it was announced by the President of the Orissa Provincial Congress Committee.

Dr. B. Gopala Reddi: After all, every political party has a right to say what they want to say. The Communist Party want to say something, and the Ganatantra Parishad want to say something, and so on.

Shri Surendranath Dwivedy: He has misunderstood it. The point is, on the 23rd of this month, the President of the Provincial Congress Committee, or a person on his behalf, in Orissa said that early in June the elections are coming, although the Prime Minister here was not in a position to tell us even on the 21st, that the elections are going to be held.

Dr. B. Gopala Reddi: I do not know why we are being found fault with for ordering mid-term elections. Otherwise, as the Home Minister said yesterday, we will have to come before the House twice—once at the end of six months and again sometime in January, and we have to ask for the extension of the President's

rule twice. On the other hand, as we have done in the case of Kerala and in the case of the then Andhra State, we have done the same thing in the case of Orissa. There is nothing unusual. In Andhra, for instance, the Government of Andhra was taken over by the Centre in November, 1954, and the Government of India ordered an election in February, 1955, after four or five months. Likewise, in Kerala, after so much of agitation, the Ministry was dissolved and the Government taken over, and elections were ordered in four or five months thereafter. There is, therefore, nothing unusual in the case of Orissa. I do not know why the Communist Party or the PSP are finding fault with us, instead of congratulating and complimenting us for ordering fresh elections.

Shri Surendranath Dwivedy: It is very difficult to make you understand. You will take time to understand it.

Dr. B. Gopala Reddi: I do not want to understand it either. I am a believer in democracy, and I want to....

Shri Surendranath Dwivedy: Democracy to suit your convenience.

Dr. B. Gopala Reddi: Instead of keeping the administration in the hands of the Central Government, we are trying to have an election in three or four months. As we know, in England, the Opposition parties are never consulted at the time of the dissolution of Parliament or when they hold general election. I do not know why the Opposition is trying to find fault with us. Questions such as, "The opposition parties are not consulted" and "Have you consulted the Communist Party, have you consulted the Ganatantra Parishad," etc., have been raised. I do not know, and perhaps it will be a very unfortunate precedent for any Government to be consulting the Opposition parties.

Shri Surendranath Dwivedy: It is very difficult!

Dr. B. Gopala Reddi: It is not because of the Political body—the Orissa Provincial Congress Committee—that the Home Minister announced yesterday about the mid-term elections, but it is because in pursuance of the consistent policy which they have been following in Kerala and Andhra Pradesh and other States.

Shri Rajendra Singh: What about Punjab?

Dr. B. Gopala Reddi: For a few months, the President's rule was there. I think it was for 14 months; I do not remember the length of the period. *(Interruption).*

Some Hon. Members rose—

Dr. B. Gopala Reddi: I do not want to yield.

Shri D. C. Sharma (Gurdaspur): They are afraid of losing the elections!

Dr. B. Gopala Reddi: I am not an astrologer. I do not want to prophesy what is going to happen in June, but I thought that the political parties must be ready for any dissolution and an early election. I do not know why they should be fighting shy of a general election.

Some Hon. Members: No body is fighting shy.

Dr. B. Gopala Reddi: If it is in March or April, it is all right; if it is in June, you are not prepared.

Shri Chintamani Panigrahi: He is forcing the election on the State. He is misinterpreting facts.

Dr. B. Gopala Reddi: I thought that the Communist Party, at least in Parliament, wanted an election and wanted the democratic set-up of things, and they do not want the Congress Government at the Centre to be in charge of the Orissa Government. But it was said, "You, the Congress people, are trying to do it for your own sake, to

mobilise your strength", and we do not want to be accused of all these things. We want to have an early election. I fail to understand the other political parties trying to condemn the Congress Government because we are ordering an early election. The Congress Government at the Centre is ordering an early election, but we are not responsible for the dissolution of the coalition Government or the supersession of the popular Government in Orissa. Anyway that is a political matter, and I suppose in all political matters we get a little excited. Even the budget was being viewed in this way: each hon. Member who spoke on the Budget, including you yourself, have viewed it from their own point of view. It looked as though they were trying to begin their election campaign right from Parliament.

Mr. Chairman: Not in the House.

Dr. B. Gopala Reddi: The Raja Sahab said that the Prime Minister has gone to Rourkela to inaugurate the election campaign. I do not know how he got that impression. I do not know whether the Prime Minister has gone there to inaugurate any such campaign. But he has certainly gone to Rourkela.

Shri M. B. Thakore (Patan): When the Ministers started giving election speeches in the Parliament. It is natural that others follow suit.

Dr. B. Gopala Reddi: All the political parties must be alert and vigilant and they must be prepared. There is no question of anybody being indifferent about the election.

Mr. Chairman: May I remind the hon. Minister that he has to complete the reply by 4:45? So, he need not reply to the interruptions; he may proceed.

Dr. B. Gopala Reddi: Shri Chintamani Panigrahi and others said that they do not see any big thing being done in the budget. I thought they were looking at it from their own point of view. What Shri Chintamani Panigrahi is likely to say in May and

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June, he is trying to say even in March! After, all, we are on the eve of the general election, and you are all going to approach the people. You are giving a little sample of it even in this budget discussion. It is natural, and it is upto them to criticise the budget or support it. Anyhow, I must say that the Orissa Government have done a good piece of job there in their very difficult position, and they have tried to present a budget. We on our side have only reduced the revenue deficit from Rs. 10.26 crores to Rs. 4.19 crores.

Then they said that the additional taxation is all unrealistic and that we are not likely to realise it. In all these criticisms, there has been a little emphasis on the wrong side. After all, every Government, when it imposes a new taxation, may not be able to realise full revenue out of it in the first year, but later on, it gets tied up with its own machinery which will be geared up to collect the entire revenue and will be able to realise what it is trying to get from the new additional taxation. Much of the criticism was about the Pay Commission's scale of pay there, and they have been criticised for deleting that item of Rs. 1.97 crores. Here, the Finance Minister was quite explicit and clear when he said that there was no use dropping it or negating the State Government's proposals. I want to assure the hon. Members also that it is not our intention to do anything to negative their proposals. They have accepted the recommendations of their own Pay Commission, and we congratulate them. But the point is, apart from trying to bring down the deficit, the Finance Minister said that "the details of the recommendations made by the Committee are yet to be examined and it will take sometime before these can be implemented." Even here, when the Central Pay Commission's recommendations were before the Government here, it took several months before we issued orders. We

had to consult so many departments and so many data had to be collected. It was months before we issued the final orders, and I can say from my personal experience that even today there are some matters pending, awaiting final orders. Some of the departments are asking, "Why are you not implementing them" and so on. So, it takes time, and it will take some time before these can be implemented. The Finance Minister has said:

"It has, therefore, been decided to omit for the present.."

I want to emphasise this—

"the lump provision included for this purpose".

It is only a lump provision. There were no details; they had no exact data to show how much it is going to cost. They simply said, Rs. 1.97 crores on an *ad hoc* basis. We wanted to be more exact and we wanted to know the details. It is our intention to approach Parliamentary Supplementary demands in the course of the year. The Finance Minister has said:

"It is my intention to approach the Parliament by means of Supplementary Demands during the course of the year as soon as the State Government is in a position to frame a realistic estimate of their requirements on this account."

We cannot be more explicit than this. There is no intention of departing from their intentions. When there is a realistic estimate of their requirements, certainly they can bring forward their own supplementary demands in their own Assembly or if it is still under the President's administration, we can bring forward the supplementary demands.

The idea is not also to depart from the date. If they had said that this

would come into effect from 1st March, even if they give it in July, it can be given retrospective effect and this will take effect from 1st March. So, I do not want this to be said against us that the Orissa Government wanted to do something and the Central Government in their cussedness deleted that provision. We do want that proper salaries should be paid to our non-gazetted staff. I am glad the Orissa Government took courage and wanted to implement the pay scales recommended by the Pay Commission.

Coming to taxation, I am glad there was not much vehement criticism against the taxation proposals, though some hon. Members called it unrealistic, unrealisable, etc. I do not know why it should be termed like that. Again, there was some little doubt whether we are departing from our policy of prohibition, because we have shown an increase in excise revenue to the extent of Rs. 1.32 crores. Out of Rs. 2.87 crores, Rs. 1.32 crores will come from additional excise revenue. That is the experience of most of the State Governments which are trying to pursue the policy of prohibition.

For instance, in Mysore, they have prohibition in about 4 or 5 districts, but still revenue is the same, because in other districts, there is so much of money in their hands, perhaps some inflation and things like that and the standard of living in other districts is going up. You go on increasing the area of prohibition, but the revenue is the same. That is the experience in Mysore.

Shri Mohammed Imam (Chitaldrug): They drink more individually.

Dr. B. Gopala Reddi: What about collectively?

In Orissa also, We must take cognizance of the fact that their auction receipts are going up year after year. In Telangana, there is no prohibition, but year after year the revenue is going up very steadily, though

there is prohibition in Andhra. Therefore, in Orissa also, they are auctioning some of the foreign liquor shops and their revenues are increasing. So, this increase in excise revenue is expected to bring in Rs. 1.32 crores.

Then, proposed consolidation of the cess on land revenue and enhancement of rents as the result of settlement operations is expected to bring Rs. 41 lakhs. Revision of irrigation rates following the enactment of the Orissa Irrigation Act will bring in Rs. 45 lakhs.

Shri Mahanty said, "I do not want land revenue to be collected at all. I want the liquidation of land revenue, it should not be a source of revenue for the Government. Even as I want water, the land also requires water and so there should not be any irrigation cess. Even as I get water free, the land must get water free." May I point out that in municipal areas, water is not free? I am not getting drinking water without paying for it to the municipality. When even drinking water is being taxed by the municipality, I do not see why irrigation rates should not be charged and increased if necessary. The Planning Commission still believes that in our rural sector, the land revenue and irrigation rates should certainly be enhanced to get additional resources for the States' requirements. They still feel that in certain States at least the rural peasants are not paying adequate land revenue and irrigation rates. In recent years the Planning Commission was impressing upon the State Governments to enhance the water rates, the betterment levy, etc. I do not know when we can abolish land revenue. May be after 10 or 15 years, when there is so much of industrial activity, perhaps we can forego the land revenue. But in the present state of finance, I do not think any State Government will be able to abolish altogether land revenue. They have to depend increasingly upon land revenue irrigation rates.

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The proposed imposition of a tax on passenger fares and freights is expected to bring in about Rs. 26 lakhs. Again, most of the States have done that. In Madras, Andhra, everywhere they have imposed additional taxation on passenger fares. I do not see why Orissa also should not try to get a little more money from this source.

Everytime whenever there is a little taxation measure, the common man comes into the picture. They say, it is going to hit the uncommon man. In Orissa, who is that uncommon man from whom I can get that additional taxation? We have abolished the zamindaries and princely States. There are no big industrialists in Orissa. Who is that uncommon man from whom any Government can get money.

Shri Chintamani Panigrahi: How much do you get from the mineral resources of Orissa?

Dr. B. Gopala Reddi: *Bhoomata* has got so much of gold, diamond and mineral resources, but it requires crores of rupees of investment to be exploited. Therefore, there is no use merely saying *Ratnagarbha*, *Bhoogar-bha* *Hiranyagarbha* and all that. It requires crores of rupees for exploitation and that amount has to be found.

Then, there was some criticism that Orissa was given only Rs. 160 crores for the third Plan. Even within that Rs. 160 crores, perhaps the Orissa Government was asked to get the necessary resources. If they ask Rs. 200 crores or Rs. 250 crores, immediately the Planning Commission will say, "Where are your resources? How are you going to raise it?" I am glad when the third Plan for Orissa was being finalised, there was a popular Government and the whole thing was

finalised in consultation with the Chief Minister and the Finance Minister there. I am happy that at least at that point there was a popular Government. Otherwise, if the Planning Commission and the Finance Ministry here say during the President's rule that Rs. 160 crores may be given to Orissa, there would have been big criticism that we have done it arbitrarily and we have not taken the requirements of Orissa into consideration. In full consultation with the State Government and with all the departmental people, the Planning Commission came to the conclusion that Orissa should be given only Rs. 160 crores and not more, though their requirement was certainly much higher than what the resources warranted.

The other administrative matters will certainly be looked into by the State Government and the Governor, because for another three months—April, May and June—the Governor will be in charge, and all the administrative criticisms, whenever there is wastage of expenditure, etc. will certainly be looked into. Shri Panigrahi complained that the expenditure on police is on the increase. That is not peculiar to Orissa. When some of our towns are becoming bigger, when there are industrial areas where a large number of people are being employed, certainly we have to maintain law and order. In some cases, law and order takes a very high priority even before social services. We cannot escape from the fact that we have to give them law and order before we give them schools and hospitals.

Shri Chintamani Panigrahi: It has become a police State.

Dr. B. Gopala Reddi: You may call it police State; I call it a Welfare State. In a Welfare State, law and order is a very essential point. Otherwise, all your schools and hospitals

will mean nothing when there is a fear of property and fear of life, when children cannot go to schools safely. What is the use of opening schools when the children are likely to be kidnapped on the way? (*Interruption*). Therefore, there is nothing peculiar in that and I may assure the hon. Member that all the administrative matters that were raised here will be looked into. The Secretaries of most of the spending departments are here. They have watched the proceedings of this House. Whatever suggestions have been made here will certainly be examined by the Secretaries and by the Governor ultimately. I need not go into all the matters like Raj Bhawan expenditure and so on which have been raised. I do not know how any State Government can function without a residence for the Governor, as long as we have got the Governor under the Constitution. After all, when there is a Governor, we must give him residence and things like that. As Shri Jaganatha Rao has stated, since the seat of the Government is Bhubaneshwar, the Governor has also to be there, instead of being at Puri or Cuttack.

I am very happy that hon. Members have given very useful suggestions. There was the complaint that there was lack of time and the budget papers were given to hon. Members only yesterday. In spite of that, they were able to come forward with very useful suggestions. I do not know what would have happened if we had supplied those papers two or three days ago, when without any time they have given so many very useful suggestions, and seven hon. Members have participated in the debate. All the administrative matters will be looked into by the Governor. I am thankful to the hon. Members for having given me an opportunity to defend the budget prepared by a Ganatantra Parishad Ministry.

16.42 hrs.

ORISSA* DEMANDS FOR GRANTS ON ACCOUNTS

Mr. Speaker: I shall now put to vote the Demands for Grants on Account in respect of the State of Orissa for 1961-62.

The question is:

"That the respective sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President on account out of the Consolidated Fund of the State of Orissa to defray the charges which will come in course of payment during the year ending the 31st day of March, 1962, in respect of the following Demands entered in second column thereof:

Demands Nos. 1 to 51, 53 to 55, 57, 58 and 60.

The motion was adopted

[*The motions for Orissa Demands for Grants on Account which were adopted by the Lok Sabha are reproduced below—Ed.*]

DEMAND NO. 1—ELECTION AND OTHER EXPENDITURE RELATING TO THE HOME DEPARTMENT

"That a sum not exceeding Rs. 6,67,000 be granted to the President, on Account, out of the Consolidated Fund of the State of Orissa to defray the charges which will come in course of payment during the year ending the 31st day of March, 1962, in respect of 'Election and other Expenditure relating to the Home Department'."

DEMAND NO. 2—JAILS

"That a sum not exceeding Rs. 6,22,000 be granted to the President, on Account, out of the Consolidated Fund of the State of Orissa to defray the charges which will come in course of

*Moved, with the recommendation of the President.