

THE PEOPLE'S RAJ—SUPPLEMENT — 26-2-1953

WHAT GOVT. DOES FOR YOUR WELFARE



सत्यमेव जयते

**FINANCE MINISTER'S
BUDGET SPEECH**

1953

**Speech of Dr. Jivraj N. Mehta, Minister
for Finance, Prohibition and Industries,
presenting the Budget Estimates for
1953-54 to the Bombay Legislative
Assembly, on February 21, 1953**

Mr. Speaker, Sir, I rise to present the Budget for the year 1953-54. It will be appropriate if in doing so I review the financial developments which have taken place in the course of the year before turning to the prospects for the next year. I had an occasion to review the financial position of the State in the last Poona Session about eight months back. In the short interval since then, there have, however, been important developments which have made a material difference to our finances.

The effect of the world trends on the financial position of the country will be reviewed when the Central Budget is presented at the end of the month. Though those trends are of special importance in considering the position of the country as a whole, they also affect in no small measure the finances of a State and particularly of a State like ours, which depends for its prosperity on industry and national and international trade. For the first time after over a decade of war-time and post-war spurt of inflationary rise in prices, it looked as if we were

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turning the corner during 1952. I deliberately say that it only looked because I wonder how long the trend which was noticed in the last 12 months will continue. Viewing the changes in the last twelve months, it may be noticed that the Economic Adviser's general index of wholesale prices receded from 431 in January 1952 to 374 in January 1953, indicating a fall of nearly 15 per cent. The largest reduction has been in regard to industrial raw materials, the group index of which has gone down by nearly 30 per cent. Some effect of this has already been noticed in retail prices also.

INDUSTRIAL PEACE

The year under review, like the previous one, was one of comparative industrial peace, as in these two years the number of man-days lost by industrial disputes within the State were 1/10th of those in 1950-51; the actual numbers of man-days lost in these years being 10 lakh days in each of the years 1951-52 and 1952-53, compared to a little over 100 lakh man-days lost in 1950-51. This enabled industrial production to be kept up. There is, however, at present a slackening of internal as well as external demands, which is undoubtedly a source of anxiety.

Three major events which have substantially affected the financial pattern of our State are (i) the large-scale scarcity conditions prevailing this year, (ii) the recommendations of the Finance Commission and (iii) the pattern of expenditure to be incurred under the first Five-Year Plan. It is necessary to examine the effect of these factors in order to appreciate properly the Budget that I am presenting. Taking the last event first, I may say that,

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during the last 15 years, there has been a significant expansion in the scale and nature of activities undertaken by the State Government. The acceptance of the goal of the welfare State and the concerted drive for planned socio-economic developments are clearly reflected in the following figures of Governmental expenditure in 1937-38 and 1952-53:

		(In lakhs of rupees)	
		1937-38	1952-53 (Revised estimates)
1.	Total expenditure on Revenue Account	12,14	68,24
2.	Expenditure on nation building activities within the Revenue Account	4,61	36,62
3.	Capital expenditure on nation building activities outside the Revenue Account	13	9,30

INCREASE IN EXPENDITURE

While the total expenditure in the State has increased, during the period, to about five and a half times, the expenditure on nation-building activities has increased, during the period, to over 8.5 times. The size of capital expenditure on nation-building activities, which was negligible 15 years ago, is now over three-fourths of the old budget. Looking at this position with the background of the change in the country, as a whole and the present structure of prices, it would be found that, in 1937-38, the expenditure of all the Provinces put together on social

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services was only Rs. 19.55 crores and formed 25.3 per cent of their total expenditure. In 1952-53, this expenditure rose to Rs. 128.92 crores, forming 29.4 per cent of their total budget. This shows that this growth of expenditure on social services is fairly general in all the States. *The development in this State is on a still large scale, our expenditure in 1952-53 on comparable items of such expenditure, e.g., agriculture, rural development, veterinary, education, medical, public health, labour and special amenities to backward classes being over 40 per cent. Our expenditure at present on items of nation-building activities is over 54 per cent of the budget as against 38 per cent in 1937-38.* As the House is aware, Post-War Development Plans were taken in hand in Bombay soon after the popular Government assumed office. Since then our efforts have been merged in and harmonised with the Five-Year Plan, which has been drawn up for the country as a whole. According to the Plan, the State Governments in India have been assigned the task of a targetted expenditure of Rs. 8,29 crores out of the total provision of Rs. 2,069 crores for the country as a whole.

DEVELOPMENT SCHEMES

Printed copies of the Plan and figures of Development Schemes in the Plan have been available for some time. The figures given in the Development Schemes are of great interest. It will not be out of place, however, if I draw attention of the House to a few of the figures which throw light on the part that Bombay will play in implementing the Plan. The schemes in the Plan can be divided under the major heads of Agriculture and Rural

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Development, Major Irrigation and Power Projects, Transport, Industry, Social Services and Miscellaneous. For the country as a whole 17.5 per cent of the total expenditure under the Plan will be incurred on agriculture and rural development, 27.1 per cent on major irrigation and power projects, 24.1 per cent on transport, 8.3 per cent on industry, 16.4 per cent on social services including education, health, housing, labour and labour welfare and welfare of backward classes and 6.6 per cent on miscellaneous schemes. In Bombay we would be incurring 19.6 per cent of our total expenditure on schemes of agriculture and rural development as against 17.5 per cent for the country as a whole. Looking at it from another point of view, the expenditure in Bombay will be 16.5 per cent of the expenditure of all the States together in this Section.

MAJOR IRRIGATION AND POWER PROJECTS

Under major irrigation and power projects, we will be incurring an expenditure of 22.6 per cent of our total expenditure under the Plan. This is a sector in which we must look forward to greater development in the years to come. We are, indeed, happy that appreciating our needs, the Central Government will be financing the first stage of the Koyna Hydro-Electric Project designed to give 2,40,000 K.W. of electric energy. We may confidently hope that in the next Plan, it will be possible to provide to a very much larger extent for our needs of major irrigation works. In the meantime, we are also developing minor and medium irrigation schemes to the best of our resources. I may also mention that in the matters of irrigation and roads, our State has been con-

siderably backward as compared with some other States, due mainly to geographical reasons and the existence of a large number of Indian States made large-scale integrated development in these fields very difficult. Since the merger of the States, our progress in these fields is considerable and in the course of the next few years, we must make up for the time lag, as there can be no doubt that rapid development in both these respects is highly essential to a State like ours.

SOCIAL SERVICES

Our important contribution in the present Plan is in the field of social services on which we will be incurring 45.9 per cent of our total expenditure under the Plan. This is mainly due to the fact that we will be spending Rs. 46.32 crores on education, which forms 31.5 per cent of our total expenditure on the Plan. The population of Bombay State is 10.37 per cent, while its area is 10.15 per cent of the whole country. Our part of the Plan is, however, 17.6 per cent of the share of all the States together. This position is also reflected in our share under different major heads. Under agriculture and rural development, the percentage comes to 16.5, for major irrigation and power projects it is 11.2, for industry 13.4, for transport 15.8 and for social services which include education, health and welfare of labour and backward classes the percentage comes to 28.8.

We have undertaken to implement the Plan fully and whole-heartedly and to bend all our resources and energy to that purpose. It will be necessary to develop our resources to the fullest extent and we will have to

depend entirely on ourselves for the purpose. While recommending grants-in-aid for different purposes under the Constitution, the Finance Commission has observed, in discussing the claims of Bombay, that "considering the developed economy of the State, the size of its budget and the resilience of its resources, we do not recommend any grant-in-aid to it." This one sentence summarizes how the country sees us, whatever may be our point of view in the matter.

BOMBAY'S SHARE IS GREATER

From the States' part of expenditure of Rs. 829 crores under the Plan, Bombay has a leading share of Rs. 146 crores, i.e., 17.6 per cent, as against our population and area of a little over 10 per cent. Of this target, during the first three years ending with 1953-54, the Government of Bombay will be incurring an expenditure of Rs. 84.09 crores or over 57 per cent. But for the scarcity conditions to which I will refer shortly, we could have provided at least Rs. 8 crores more to spend on the Plan in the course of its first three years. The details of expenditure on the Five-Year Plan Schemes and the Community Development Projects compared to the targets are indicated in the following statement :

					(in lakhs of rupees)		
		Five-years total.	1951-52.	1952-53	1953-54		
I. Agriculture and Community Development—							
Agriculture	...	17,48.	3,31	3,71	3,54		
Community Projects	...	2,82.	..	6	83		
Vetrinary and Animal Husbandry	..	1,67	19	22	15		

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Dairying and Milk Supply	6,02	1,11	66	87
Forests ..	84	4	7	7
Co-operation ..	1,23	25	28	22
Fisheries ..	16	2	2	2
Rural Development ..	1,32	16	20	19
	<u>31,54</u>	<u>5,08</u>	<u>5,22</u>	<u>5,89</u>
ii. Major Irrigation and				
Power Projects—				
Irrigation ..	22,66	2,32	2,70	4,69
Power Projects ..	10,43	2,56	4,15	3,61
	<u>33,09</u>	<u>4,88</u>	<u>6,85</u>	<u>8,30</u>
iii. Industry—				
Cottage Industries ..	1,03	11	12	19
Other Industries ..	2,50	2	21	20
	<u>3,53</u>	<u>13</u>	<u>33</u>	<u>39</u>
iv. Transport—				
Road ..	11,63	74	3,08	4,35
Road Transport (Nationalised) ..	2,00	Nil.	15	Nil.
Ports and Harbours ..	25	..	3	6
	<u>13,88</u>	<u>74</u>	<u>3,26</u>	<u>4,41</u>
v. Social Services—				
Education ..	46,32	9,25	9,83	10,08
Medical ..	5,36	1,29	1,32	85
Public Health ..	11,17	1,17	1,51	1,43
Housing ..	77	14	58	10

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Labour and Labour				
Welfare	..	1,41	10	12
Backward Classes	..	2,13	34	28
		—————	—————	—————
		67,16	12,29	13,64
		—————	—————	—————
Total	*	1,49,20	23,12	*29,30
		—————	—————	—————
				*31,67

(*is inclusive of the expenditure on Community Development Projects).

IMPORTANT ACTIVITIES COVERED

It will thus be seen that our development programme covers all important activities of Government, viz., Agriculture, Major and Minor Irrigation Works, Power Projects, Transport, Education, Medical and Public Health, ameliorative measures for Backward Classes, Labour, etc. Ours is a comparatively advanced industrial State and it is necessary that we should educate our people as quickly as possible. We have had also to provide facilities for technical and professional education so that the requisite numbers of engineers, agricultural graduates, technologists, technicians, doctors and other trained personnel needed for the development of a welfare state become available as early as possible.

Dealing next with the recommendations of the Finance Commission, I may say that they will make a material difference to the financial position of the State. This is only natural as our share of the income-tax hitherto was 16.3 per cent of our total revenue; the other Union grants accounting for 2.2 per cent of the revenue, i.e., we are dependent for nearly 1/5th of our sources on the Union Government. Like all other States, we had re-

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presented our case to the Finance Commission for a reasonable share from income-tax receipts as well as from the receipts of Union Excise Duties. We had suggested that 60 per cent of income-tax receipts may be shared by the States as against 50 per cent hitherto and this may be allocated on the basis of collections, industrial labour and other considerations such as the need, the backward character, etc., of the State. We had also represented that it would be inappropriate to introduce in the distribution of taxes considerations which would apply to grants-in-aid and that the main emphasis on the distribution of the divisible part on the basis of population was unscientific. After taking all points of view into consideration the Commission came to the following conclusion :

"Taking all the considerations into account, we believe that the basis of collections, either unadjusted or adjusted with reference to residence of taxpayers, will not secure by itself an equitable distribution among the various States. We think, besides, that even if it were practicable to ascertain precisely the contribution of the various units to the pool of income-tax, distribution based solely on this criterion might not be satisfactory. It might not substantially conform to the relative responsibility of the various States to provide Governmental services to the people. Whatever the theoretical validity of alternative indices of contribution, a proper scheme of distribution should not overlook the broad purpose of the devolution of revenues to the States, which is to make larger funds available to them to

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meet their expanding responsibilities in respect of the welfare of their population.

In so far as needs should, in our view, form the main criterion of distribution, we consider that only a broad measure of need, such as is given by the respective populations of the States, is suitable for application in the distribution of the proceeds of a shared tax. Further, refinements of the needs criterion or specialised and particular measure of needs should be left for consideration in relation to grants-in-aid, as such factors like area, or sparseness of population, economic backwardness, financial difficulties, special burdens or commitments of a State, etc., are more relevant to the determination of grants-in-aid."

The Commission considered that in so far as needs should form the main criterion of distribution, only a broad measure of need, such as is given by the respective populations of the State, was suitable for application in the distribution of the proceeds of a shared tax.

SHARE OF DIVISIBLE POOL

On this view of the position, it has proposed that 20 per cent of the State share of the Divisible Pool should be distributed among the States on the basis of relative collections of States and 80 per cent on the basis of their relative population, according to the Census of 1951. According to this recommendation, our share comes to 17.5 per cent of the Divisible Pool as against 21 per cent hitherto. I cannot but express the deep disappointment of this Government at this result. I do not, however,

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propose to go now into the merits of our claim or to examine the force of reasoning adopted by the Commission, as such a step cannot serve any useful purpose at this stage. After examining the question of distribution of Central Excise, the Commission recommended that 40 per cent of the duties on tobacco (including cigarettes, cigars, etc.), matches and vegetable products should be allocated to the States on the population basis. It has also recommended that in view of this, the compensation of Rs. 54 lakhs, which was hitherto being paid to the Government of Bombay for suspending our taxation on tobacco, should be discontinued. The Finance Commission has also recommended abolition of what has come to be known as revenue gap grants, which were being given to certain States as a result of the position created by the merger of old Indian States. The net outcome of these recommendations is that as against an average income of Rs. 11.60 crores, for the period 1949-50 to 1951-52, we would have had an income of Rs. 11.25 crores for those years.

COUNTRY'S RESOURCES

The recommendations of the Finance Commission, of course, do not apply to that period; but the figures worked out by them give an idea of the net difference by their scheme of distribution of financial resources of the country as a whole.

Out of the total amount of Rs. 65.12 crores distributed amongst all Part A and Part B States, our share was hitherto Rs. 11.6 crores. While under the recommendations of the Commission, out of the Rs. 85.93 crores dis-

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tributed amongst all the States, our share will work out at Rs. 11.25 crores only. In other words, though an additional amount of Rs. 20.81 crores will be distributed, Bombay will be the only State which will be getting Rs. 35 lakhs less than what has been its share hitherto. Our reason for disappointment at this out-come will be obvious when I mention that every other State in the whole country has got something more from the recommendations of the Commission, either in the form of a share of excise duty or a share of income-tax or as a grant-in-aid. On the basis of population, Bombay contributes relatively more in the way of Union excise duties if consumption, on which ultimately depend receipts of such duties, is taken into consideration. We are also the largest contributors to the income-tax revenue, thanks to the ability, the resourcefulness and the industry of our people and the facilities we have provided for labour. These virtues are evidently at a discount when the wealth so contributed is being distributed among the component parts of the country; not that we grudge what is allotted to other States, particularly to those which are under-developed.

The Commission has given in its report a table comparing what each State on an average is expected to receive under all its recommendations taken together, with the corresponding sums the Part 'A' States received during the three years ended 1951-52 and Part 'B' States during the two years ended 1951-52. As this table will be of considerable interest in assessing the impact of

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the recommendations of the Commission on the finance
Average for the period 1949-50 to 1951-52

	Share of Income- Tax.	Grants- in-aid under Article 273.	Grants- in-aid under substan- tive po- sition of Article 273(1)	"Reve- nue & p Grants".	Total under the Exis- ting Sche- mes.
Assam	1,45	46	30	..	2,21
Bihar	6,14	39	..	2	6,55
Bombay	10,18	..	..	1,42	11,60
Hyderabad .. ..	..	..	..	1,25	1,25
Madhya Bharat	6	..	..	..	6
Madhya Pradesh	2,91	..	..	44	3,35
Madras	8,56	..	..	..	8,56
Mysore .. ..	..	..	..	3,45	3,45
Orissa	1,44	6	40	11	2,01
Patiala and East Punjab States Union.	16	..	..	..	16
Punjab	2,59	..	84†	..	3,43
Rajasthan	10	..	..	..	10
Saurashtra .. ..	..	..	..	2,75	2,75
Travancore-Cochin .. ..	..	..	..	3,22	3,22
Uttar Pradesh	8,88	..	..	..	8,88
West Bengal	6,32	1,14	..	8	7,54
Total	48,79	2,05	1,54	12,74	65,12

(Source : Report of the Finance Commission,

† Discontinued from 1951-52. The grants-in-aid to Punjab were *ad hoc*.

Note.—(1) Assam and the other States with Scheduled Areas and Scheduled Tribes will, in addition, receive grants under the two provisos to Article 275 (1) of the Constitution. Assam will also

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of the State, I reproduce it in full :
under the Commission's Scheme.

Share of Income- Tax and Win Excise	Grants- in aid under Article 273	General Grants- in-aid under substan- tive por- tion of Article 275(1)	"Reve- nue Gap Grants".	Total	Pri- mary Educa- tion Grants.	Com- mission Award, and Total under Finan- ce
1,70	75	1,00	..	3,45	..	3,45
7,30	75	..	..	8,05	50	3,55
11,25	..	..	..	11,25	..	11,25
2,35	..	..	..	3,35	24	3,59
1,35	..	..	..	1,35	11	1,46
3,90	..	..	..	3,90	30	4,20
11,10	..	..	..	11,10	..	11,10
1,70	..	40	1,58*	3,68	..	3,68
2,65	15	75	..	3,55	19	3,74
60	..	..	..	60	5	65
2,40	..	1,25	..	3,65	17	3,82
2,65	..	..	..	2,65	24	2,89
75	..	40	1,87*	3,02	..	3,02
1,60	..	45	98*	3,23	..	3,23
11,70	..	..	..	11,70	..	11,70
7,30	1,50	80	..	9,60	..	9,60
71,50	3,15	5,05	4,43	84,13	1,80	85,93

October 1, 1952, pages 108-109.) ..

* As the share of divisible taxes of these States is expected to be less than the guaranteed "Revenue Gap Grants" the States will receive the latter. The balance of these grants after allowing for the share of divisible taxes is shown in this column.

receive Rs. 40 lakhs under sub-clause (a) of the second proviso to

A local factor which must make deep inroads on our finances is the prevalence of widespread scarcity conditions in the State during 1952-53. This calamity coming on the top of the scarcity prevailing in over 5,000 villages, during 1951-52, has created a problem for us. I am happy to say that in the latter year, with the co-operation of a large body of public workers and particularly of the population of the area affected, we were able to get over these conditions without any loss of life or appreciable damage to the cattle wealth. About 25 lakh persons were that year affected by scarcity, while during this year a population of 64 lakhs in 7,967 villages spread over in all the three regions of Maharashtra, Karnatak and Gujarat has been affected. Scarcity has been declared in 4,914 villages and population affected is 47.57 lakhs. In the rest of the villages conditions akin to scarcity prevail. Since the middle of September almost the entire administration of the State Government had to adjust its work to meet the situation created by this calamity which not only switched out of gear several plans and affected our revenue but also required large additional resources in order to ensure that the

Article 275 (1).

2. In addition to the share of revenues under the Commissioner's scheme the States will also receive the outstanding arrears of their share of incometax in respect of the period before April 1, 1952. The budget for 1952-53 assumes that these arrears will be Rs. 5 crores and, if the actual amount is of this order, Madras will receive Rs. 87 lakhs, Bombay Rs. 105 lakhs, West Bengal Rs. 68 lakhs, Uttar Pradesh Rs. 90 lakhs, Punjab Rs. 27 lakhs, Bihar Rs. 63 lakhs, Madhya Pradesh Rs. 30 lakhs, Assam Rs. 15 lakhs and Orissa Rs. 15 lakhs.

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sufferings of the people are avoided. I will be failing in my duty if I did not make a reference to the whole-hearted support and help rendered by various public, social, charitable and other organisations in the State. The Central States Famine Relief Committee and all other organisations or individuals who have volunteered to help, deserve our whole-hearted thanks for the splendid efforts made in organising relief by supplying clothes, rendering medical aid and supplying milk and other nutritious food to children. Over 1,35,000 persons are attending scarcity works and it is estimated that by the beginning of April, this number would go up to two lakhs. The question is not only of finding work for a large number of people, but it is also necessary to see that they are given sufficient foodgrains within their means, that their health does not suffer and that their labours are used on the works which by and large would not only be productive but would also help in preventing similar conditions arising in future. To ensure that their health is maintained the wages have now been fixed on basis of piece-work, provision for the supply of foodgrains has been made and arrangements are also made for the medical assistance of those coming over to seek work. In starting scarcity relief works we have given the highest priority to works of minor and medium irrigation by sanctioning such works, costing in all Rs. 283 lakhs for the current and next years, so as to ensure their early completion. This figure will show a further increase when we implement the recommendations of the Ram Murti Committee.

I am glad to inform the House that in this matter, the Government of India has also been of great assis-

tance and has agreed to give a loan of Rs. 117 lakhs for starting minor and medium irrigation works in different districts. This loan is out of the provision of Rs. 15 crores set apart in the Five-Year Plan for fighting scarcity and famine conditions. Next to irrigation, we have given preference to bunding. In the current year, bunding programme costing Rs. 52 lakhs is in progress and for the next year we have made a provision of Rs. 24 lakhs, which will be supplemented by such funds as may be necessary from the grants under the "Famine" head. We have likewise undertaken a number of road works in the scarcity areas, which will be continued next year also.

WORKS UNDERTAKEN BY P. W. D.

Over and above this, the Public Works Department has in hand a number of works for roads and bridges under the National Highways, Central Road Fund, State Road Fund and the general revenues, estimated to cost Rs. 4½ crores. These will be of material help in finding employment to scarcity-affected persons, though some of these works may not be in scarcity-affected areas. In carrying out all these works, whether for relief of scarcity or under normal condition, though the primary question is of finding finance, it is also necessary to find sufficient technical men to prepare plans and to supervise the works in progress.

There are a number of persons living in the scarcity areas, who are aged and infirm. The Government has, therefore, provided gratuitous relief to such persons as cannot be employed on scarcity works. The services of the Village Industries Committee have been of great assistance in working out schemes of spinning and other cottage industries to provide work for those who may not be able to go to ordinary relief works.

FODDER

In order to look after essential cattle, it will be necessary for the Government to purchase about 10 crore pounds of fodder, costing nearly Rs. 48 lakhs. About one-third of this cost is on account of freight, transport and distribution charges, which will be borne entirely by the Government as against a subsidy of 25 per cent given last year. This will have to be supplemented by concentrates, like groundnut cake and cotton-seed. It has also become necessary to open cattle camps for non-essential cattle and to maintain transit camps to look after cattle on their way to the camps. It is not possible to estimate at this stage the extra cost on this account as it must depend on the number of cattle taking advantage of the scheme. Eighty-six tankers are also being utilised for supplying drinking water to the area. Thirty-six of these have been supplied by the army authorities. The following table gives an idea of the burden of scarcity conditions during the last five years which will also indirectly give an idea of the likely expenditure the

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State will have further to incur to cope with scarcity conditions during at least the first four months of 1953-54
(Figures in lakhs of Rupees)

Year	Direct expenditure on famine relief.	Increase in tagai loans directly attributable to famine.	Loss in land revenue demand.	Total cost of famines.
1946-47	1.83	68	35	2.86
1948-49	1.09	1.45	35	2.89
1949-50	1.11	1.00	20	2.31
1951-52	80	1.20	60	2.60
1952-53	2.08*	1.60	1.14	4.82

(estimated).

In addition to the direct cost of scarcity, there is also the loss in land revenue. In the current year, the budget estimate of land revenue was Rs. 6.30 crores. Due to scarcity conditions, there will be a drop of nearly over a crores of rupees this year and of a substantial amount next year. Considerably more expenditure on scarcity relief and other items connected with scarcity will be incurred in 1953-54 also. I must also make a mention of another item of expenditure, which increases on account of scarcity and that is tagai. During the current year, additional tagai to the extent of Rs. 160 lakhs had to be given and over Rs. 200 lakhs would likewise need to be given as tagai in 1953-54.

* (This does not include the cost of bunding—Rs. 52 lakhs—and road and minor irrigation works other than those taken up directly as relief works—started because of scarcity conditions, as similar amounts have not been included in the previous years' figures).

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After reviewing the general factors which affected the budgetary position, I will now turn to the detailed figures for the current year. The following table gives the position (i) as at the time of the budget estimates, (ii) as modified at the time of the supplementary demands and (iii) the position as it exists under the 8-monthly revised estimates :

	(In lakhs of Rs.)		
	Budget estimates as presented in January 1952 Session	Modified budget estimates as mentioned in the Budget Speech of June last	Eight monthly Revised Estimates
Revenue	61,54.49	67,53.09	64,33.77
Expenditure	63,17.62	67,50.90	68,24.13
Surplus (+) or			
Deficit (-)	-1,63.13	+2.19	-3,90.36

The budget estimates as approved by this House in the last Session showed a surplus of Rs. 2.19 lakhs. The latest revised estimates, however, show a deficit of Rs. 390 lakhs. The House would naturally like to know the reasons for such a large variation. While the revenue has gone down by nearly Rs. 320 lakhs after allowing for the surplus of 2.19 lakhs as anticipated in the Budget speech of June 1952, the expenditure has increased by nearly Rs. 73 lakhs. The main fall in revenue is under sales tax to the extent of Rs. 300 lakhs, while there is a fall under land revenue of over Rs. 100 lakhs. In my speech when presenting the budget estimates in June last, I had taken into

account receipts of Rs. 95 lakhs on account of surcharge on land revenue. The House is aware that this measure was dropped. As regards the motor vehicles tax, the increase in receipts is expected to be Rs. 41 lakhs as against Rs. 50 lakhs and sales tax on motor spirit is expected to bring about Rs. 50 lakhs as against Rs. 75 lakhs.

MOTOR VEHICLES TAX

The fall in motor vehicles tax is due to the reduction in the tax on goods vehicles, which was subsequently granted. The fall in sales tax on motor spirits is due mainly to less consumption of motor spirit on account of slump in trade. The main short fall in revenue is on account of lower receipts from sales tax. The sales tax receipts are directly related to the quantum of business and prices of commodities. On account of the present slump, as there is recession in business, sales tax receipts are naturally affected adversely. The fall is also partly due to the fact that the Act could not be brought into force till November, 1952. As the House is aware, the validity of the Act was challenged in the High Court, which held that the legislation was *ultra vires* of the powers of the Legislature and was, therefore, declared invalid. The Government has filed an appeal in the Supreme Court. In order to meet the situation created by the judgment of the High Court, the Government had to enact suitable measures. As the High Court judgment also affected the old Act, two Ordinances had actually to be promulgated. These Ordinances will expire on March 29, 1953. In view of this, suitable legislation

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will be placed before this House in due time for levying sales tax.

The increase in expenditure is mostly due to additional grants of Rs. 131 lakhs for famine relief under 54-Famine, Rs. 57 lakhs for communications under 50-Civil Works, Rs. 53 lakhs for Minor Irrigation Works and Rs. 30 lakhs for Bunding. There are also other supplementary demands, which have been explained in the Explanatory Memorandum printed with the Supplementary Demand presented to the House three days back. Though the total Supplementary Demands amount to Rs. 644 lakhs a large part of the expenditure is balanced by surrenders under most of the Heads of expenditure. As soon as it was realised that large expenditure will have to be incurred to cope with the scarcity conditions prevailing in the State, the administration had to divert its energies, as I have already mentioned, to fighting these conditions. As a result of this, it was inevitable that there should be a reduction in normal expenditure under a number of Heads. As a result of these efforts, though the Supplementary Demands amount to Rs. 644 lakhs, the overall revenue deficit is Rs. 390 lakhs; thus resulting in the saving of a sum of Rs. 254 lakhs, partly by economy in expenditure and partly by postponing some items of expenditure or liabilities.

REVISED ESTIMATES UNDER CAPITAL HEADS

Under the Capital Heads, against the estimated expenditure of Rs. 13.93 lakhs referred to while presenting the supplementary demands in June last, the revised estimate stands at Rs. 11.80 lakhs. At the time of the

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Introduction of the last Budget, the following resources were taken into account to finance Capital Works :

	(Figures in lakhs of rupees)
Open market loan	200
Transfer from Bombay Development Fund	250
Transfer from revenue surplus ...	100
Central loan for housing displaced persons	300
Central assistance—	
(a) for Major Irrigation Works ...	116
(b) for Minor Irrigation Works ...	34
(c) for tube well scheme	150
	1,150

Thus there was a gap of Rs. 2.43 lakhs, which was intended to be met from the available resources. The latest revised estimate for capital expenditure is Rs. 1,180 lakhs and it is proposed to be met as indicated below:-

	(Figures in lakhs of rupees)
Open market loan	366
Transfer from Bombay Development Fund	250
Transfer from revenue surplus ...	Nil
Central loan for housing displaced persons	146

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Central assistance—

(a) for Major Irrigation Works ...	100
(b) for Minor Irrigation Works ...	54
(c) for Tube Wells	40
(d) for power schemes	200
	<hr/>
	1,156

Thus there is a gap of Rs. 24 lakhs only between the figures of the revised estimates and the available resources.

ACHIEVEMENTS IN LAST 6 YEARS

So far I have given a picture in terms of revenue and expenditure, which though of great importance from the point of view of Budget, is necessarily dry. I, however, hope that it will not be found to be devoid of interest. *Looking to the general picture of the conditions in the States, during the period of the last six years, I think this Government can derive considerable satisfaction from the fact that it is full of achievements, life and zest.* The Governor has referred to some of the developmental activities of the State in his inspiring address on Monday last. I do not wish to tread the same ground again but will refer in brief to a few of the developments, which deserve more than a passing notice. As the House is aware, in 1948, the Bombay Tenancy and Agricultural Lands Act was passed. This has been implemented in the course of the last four years, with the result that the position of the tenants is now secure. Considerable administrative work has arisen in implementing the Act and I am glad to inform the House that it is being im

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plemented with fair efficiency. In the last session, amendments were made to the Act which (1) secured the position of the ordinary tenant with ten years' tenure, (2) enabled the tenant to mortgage his tenancy rights as a security against tagai loans and (3) enabled him to purchase land by paying the price in instalments. Among the new measures, a Bill to abolish personal Inams has been passed by the Legislature. The rules for the resumption of Saranjam Jagirs and other Inams of political nature have been brought into force from November 1952. In addition, five new Bills for the abolition of Ankadia System, Baroda Watanis, Matadari and Mulgiras tenures obtaining in the merged State areas and of Kauli and Kattuban tenures have been prepared and will be placed before the Legislature during the current session. *With the implementation of these measures, we would be bringing about a complete revolution in our system of land tenure in that the land would come mainly in the possession of those who till it and would so remain; and that a direct relation would be established between the tiller of the soil and the State without any intermediary in most cases. Ours would thus be a silent land revolution brought about in the course of the last six years.*

COMPULSORY PRIMARY EDUCATION

There has also been very good progress in implementing the policy of compulsory primary education. From the figures collected by the Finance Commission, it would be found that our State comes second in the whole country in the matter of Primary Education. Out of the 45,66,000 children in the age group of 6 to 11,

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29,24,000 children attend schools which works out to 64 per cent. As you are aware, Sir, the highest literacy is of course in Travancore-Cochin, where 98.8 per cent of children of the school-going age attend schools. The number of primary schools has increased from 18,992 in 1946-47 to 28,335 in 1951-52 and the number of Training Institutions for Primary Teachers from 62 in 1946-47 to 97, excluding those which are under private management. The expenditure in this State on education during 1946-47 was Rs. 4.5 crores only. This has now mounted to Rs. 12.62 crores. This is exclusive of the cost of buildings, maintenance charges, etc., which are provided for under other Budget Heads and also does not include the cost of Agricultural, Industrial, Veterinary, Medical education, etc. If this expenditure is also taken into account the total cost would not be less than Rs. 14 crores, which is over 20 per cent of our total revenue expenditure. Compulsory primary education is in force in 23 districts of the State in villages with a population of 1,000 and above. The expenditure on this account has increased from about 3½ crores to cover Rs. 9 crores, during the course of the years. Had it not been for the scarcity conditions during the previous year and this year we would have further extended the application of the Compulsory Primary Education Act. I may add that 225 schools have so far been opened in the merged State areas, some of which were educationally backward. The Government also gives a substantial grant to secondary schools in the form of maintenance and dearness allowance grants.

In developing education, we have also paid special attention to the advancement of Backward Classes by

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providing freeships, scholarships, hostel facilities, etc. In the course of the last five years the number of Backward Class students attending different types of educational institutions has increased nearly three times.

UNIVERSITIES

Up to 1946-47, the liabilities of the State, so far as University Education was concerned, was confined only to the Bombay University. Subsequently, liabilities have been undertaken for five more universities. The number of Arts and Professional colleges has more than doubled from 56 in 1946-47 to 115 in 1950-51. Seven Engineering colleges (of which two are Government colleges) have been started against two in 1947, 10 technical schools against two in 1947, six Government Medical colleges against one in 1947. Besides the provision of an agricultural college at Dharwar and an expansion of the agricultural college at Poona, the Government has established 16 agricultural schools in the different parts of the State, with a view to helping agricultural development; and considerable experimental work is being done in the farms attached to these institutions. *The rapid progress made by the Government, during the last six years in the development of industrial, professional and technical education ought to go a long way to meet the requirements of an industrially and technically developed State like ours and helping it to achieve the goal of a welfare State.*

One of the main achievement of this Government is in the field of medical relief. Schemes to control malaria have been introduced in nine districts, viz., Thana, Kar-

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war, Dharwar, Ahmedabad, Bijapur, Kaira, West Khandesh, Panchmahals and Dangs. In certain other districts like Ramnagiri, Poona and Surat, limited schemes are in progress. Under the joint auspices of the World Health Organisation, the Government of India and the State Government schemes for malaria control, referred to by the Governor in his address to both the Houses, are being extended to the remaining districts. Malaria surveys of all the districts in the State have been undertaken and are about to be completed. As a result of the steps so far taken by the Government, mortality due to malaria has progressively fallen year by year, so that in 1951 it was less than half of what it was five years earlier. This will be clear from the following table :

Year.	Mortality rate per mille of population.	
1947	...	1.8
1948	...	1.5
1949	...	1.0
195081
195176

The system of fighting epidemics such as cholera, small-pox, etc., has also been brought to such a pitch that whenever an epidemic breaks out steps are taken immediately to prevent its spread and to inoculate or vaccinate persons in the areas affected. Plague has been entirely wiped out from our State. It is a matter of general knowledge that there have not been large epidemics in the last few years. This may be partly due to the

grace of nature, but I have no doubt that our public health measures have also contributed to this as would be evidenced by the fact that the death rate, which was 23 in 1946 per thousand of the population, has dropped year by year to 15.19 per thousand in 1951. The rate of infant mortality has likewise dropped from 162.78 per thousand of live births in 1946 to 117.17 per thousand in 1951.

BUILDINGS FOR MEDICAL COLLEGES

New buildings for medical colleges and affiliated hospitals are being constructed at Poona and Ahmedabad. The Poona College has already shifted to the new building and the Ahmedabad Medical College will likewise do so in a few weeks' time. The actual expenditure incurred up to the end of December 1952 on these works was Rs. 77 lakhs at Poona and Rs. 110 lakhs at Ahmedabad. Further expenditure at these institutions will be necessary to complete the schemes. We have also almost completed the buildings in connection with medical education and residence for nurses in Baroda which the former Government of that State had started.

In view of the prevalence of tuberculosis in the State, the most useful activity to withstand its ravages is that of B.C.G. Vaccination. The Government has provided facilities for such vaccination during the last four years. It is proposed to intensify this campaign and the Government has accordingly made a provision of Rs. 1 lakh in the budget, in the first instance, for that purpose.

Another useful activity in the interest of labour from health point of view is the Employees' State Insurance

Scheme. To implement this scheme a provision of Rs. 4 lakhs has been made for the purpose in the budget.

RURAL DEVELOPMENT

As I have mentioned earlier, agriculture and rural development form a very important plank in our Five-Year Plan. Most of the measures under agriculture are directed towards growing more food grains. As a result of Five-Year Plan, an additional production of over 3½ lakh tons of foodgrains is expected to be achieved on the completion of the irrigation schemes in hand. This will be achieved, as mentioned by the Governor in his address, by the use of improved seeds, manure, fertilizers, irrigation, both major and minor, including co-operative irrigation schemes, tube wells, mechanical cultivation, soil conservation, reclamation of waste and khar lands. A scheme for intensive cultivation of paddy in 17 districts of the State is also in operation. A scheme for popularising the Japanese method of paddy cultivation, which envisages laying out of 3,240 demonstration plots in paddy-growing areas, is under the consideration of the Government. One training-cum-development project has been established at Anand under the auspices of the Ford Foundation, where agricultural officers are trained in advanced extension methods and intensive development is being carried out in 100 surrounding villages. Training centres have also been established at Kolhapur and Arbhavi.

One of the important activities which we have newly undertaken in recent years is that of Road Transport. In 1947, the Government decided to nationalise road

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transport services throughout the State, the main object being to co-ordinate the different media of transport with a view to eliminating unhealthy competition, avoidance of duplication and wastefulness and providing adequate facilities of transport, keeping in view the needs of economy and efficiency. In the beginning, this was done by carrying out amendments to the Motor Vehicles Act, 1939, but subsequently an Act was passed by the Central Government, viz., the Road Transport Corporations Act. A Corporation has been set up under the Act consisting of 11 members, including the Chairman. By the end of December 1952, the Corporation operated passenger services on a total route mileage of 30,275 miles and it had a total fleet of 1,892 vehicles. The nationalisation of the passenger road transport has now progressed so far that all the 13 divisions in which the State has been divided for the purpose would be completely nationalised during 1953-54. The Corporation maintains 31 up-to-date garages, 30 depots, 12 regional workshops and one central overhaul workshop.

MILK SCHEME

Another important trading activity of the State Government is in regard to milk. The present milk distribution system based on the Dairy at Aarey and the procurement of a part of requirements of milk from Anand for consumption in the City of Bombay had a modest beginning in March 1947, with an initial turnover of 500 maunds of milk per day. The scheme has now expanded to the extent of handling over 3,500 maunds of milk daily, which is approximately equal to half the supply of milk for domestic consumption in Greater Bombay. Nearly

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6 lakh persons take advantage of the scheme apart from the supplies made to hospitals, schools and other institutions. The milk is distributed from 681 centres throughout Greater Bombay, inclusive of 130 centres for distribution of toned milk. The experiment of collection of village produced milk in Anand area, its processing and long distance transport to Bombay under refrigerated condition has proved an unqualified success. From a small beginning when about 3,500 lbs. milk was being imported per day in 1945, to-day the milk distribution scheme imports more than 1 lakh lbs. a day. The milk is pasteurised at the Central Dairy at Aarey, which started functioning from December 1950. Its present capacity has increased to pasteurisation and bottling of 3,500 maunds of milk every day, and there is still scope for pasteurisation of an additional quantity of 2,500 maunds. There is also a cattle colony at Aarey, which in its 26 units houses about 13,000 head of cattle. A dry farm has also been provided at Palghar. Many eminent visitors to this City from India as well as from abroad have expressed high appreciation of the undertaking which is unique in the East.

ELECTRICITY

Another trading activity which has been making very good progress is of production and distribution of electricity. The Government has undertaken several major power projects estimated to cost over Rs. 16 crores. These are North and South Gujerat Electric Grid Schemes, Power House at Chola, Joz Karnatak Electric Scheme, Radhanagari Hydro-Electric Project and certain nursery schemes in different districts based on diesel power sta-

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tions. The electrification has advanced so far in the different parts of the State that the revenue receipts expected therefrom in 1953-54 would come to Rs 93,44,000 as against Rs. 12,93,255 in 1950-51. This is apart from the collections realised as electricity duty thereon. An amount of Rs. 10 lakhs has also been sanctioned for renovating and rehabilitating power houses in the merged areas. A total provision of Rs. 470 lakhs has been made during 1953-54 for Electric Projects. This includes an amount of Rs. 129 lakhs for the Koyana Project.

MAJOR IRRIGATION PROJECTS

While speaking of our activities under the Five-Year Plan, I have already referred to the schemes of major irrigation. In view of the low proportion of irrigated land in this State compared to the extent of irrigation in some other parts of the country, the then Congress Ministry on assuming office in 1946, took steps to ascertain the areas in which major irrigation projects could be started. Seventeen major irrigation works of varying size and importance were considered for purposes of development. One of these works, viz., the Ghataprabha Valley Development Project consisted of two parts, viz., the Ghataprabha Left Bank Project and the Ghataprabha Right Bank Project, with the necessary dam at a suitable site. Two major irrigation works were subsequently taken over from the merged States, viz., the Kolchi Weir Project in Ramdurg State and the irrigation part of the Radhanagari Hydro-Electric Project in Kolhapur State. Thus, there are 20 different schemes which can be said to be under execution or under consideration for further development. In the case of nine of these, costing over Rs. 20 crores, plans

and estimates are sanctioned and works are in progress in various stages of development. These, when completed, will irrigate over 8 lakh acres of land and produce over 2,15,000 tons of additional foodgrains. Out of the remaining schemes, plans and estimates of one irrigating about a lakh of acres, with an estimated foodgrain production of 25,000 tons, is ready and awaits final scrutiny; and four others are under investigation. The remaining six schemes are Watrak Canal and Wardala Tank in Gujarat and Budhial, Wasdare, Umbergaon tanks and the raising of Chankapur dam in Maharashtra. Compared to the projects already completed or under progress or under investigation, these six schemes are relatively small and much more expensive on the basis of cost per acre, except in the case of the Watrak Canal.

OTHER IRRIGATION PROJECTS

In addition to the various major irrigation projects I have just referred to, as many as 50 other irrigation projects were taken up under the Post-War Reconstruction Scheme No 76, estimated to cost Rs. 103 lakhs. Out of these 40 projects costing Rs. 52 lakhs, irrigating 23,817 acres and yielding 5,385 tons of additional foodgrains are already constructed, and the balance of 10 projects, which are estimated to irrigate 22,000 acres are in progress. In addition to these works of major and medium irrigation, the Government has also taken up a number of minor irrigation projects throughout the State. Our first special programme of minor irrigation works under the Plan was launched with the assistance of a loan of Rs. 1 crore from the Government of India obtained in 1950. The programme envisaged repairs to existing

works as well as construction of new ones. As many as 621 minor irrigation works have been completed under this scheme. These works would assist in irrigating 67,878 acres with an estimated yield of 16,747 tons of additional foodgrains. Under this Scheme, 631 more works, which are at different stages of construction at present, are expected to be completed before the break of the next monsoon. They would irrigate 91,352 acres, with an estimated yield of 20,643 tons of foodgrains. As this programme is now nearing completion, the Government of India has been approached with a further programme costing Rs. 2 crores and a provision of Rs. 60 lakhs has been included in the budget estimates for the coming year. In addition to the above, the Government of India has also given us a loan of Rs. 117 lakhs for financing minor irrigation schemes in scarcity areas as already stated. The Government of Bombay is also financing from its own resources further irrigation works costing over Rs. 1½ crores throughout the State. Several works have been approved under these schemes in East and West Khandesh, Nasik, Ahmednagar, Sholapur, North and South Satara, Poona, Belgaum, Dharwar, Bijapur, Ahmedabad, Panchmahals and Amreli Districts, to fight scarcity conditions in these districts.

ROADS AND BUILDINGS

Other important activities of the Public Works Department are the construction of roads and buildings. It will not be out of place if I give a short review of these activities during recent years.

Subsequent to the popular Government taking office in 1946, it was contemplated to construct new roads and

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bridges and to improvise or reconstruct existing roads and bridges as under:

	<i>Improvement or reconstruction</i>	<i>New construc- tion.</i>
	<i>Miles</i>	<i>Miles</i>
(1) State Highways ...	268.37	6.17
(2) Major district roads ...	291.35	411.71
(3) Minor district roads ...	170.72	386.28
(4) Village roads ...	61.83	242.32
	792.27	1046.48
Major bridges (Number)	5	45

So far as National Highways are concerned, they are the liability of the Government of India and are, therefore, not included in the above figures.

FUNDS FOR ROAD WORKS

Out of the planning of 1,838 miles of new and reconstructed roads and 50 bridges, 194 miles of new (99 miles) and reconstructed (95 miles) roads and 5 bridges are completed; while 581 miles of new roads (338 miles) and reconstructed (243 miles) roads and 20 bridges are in different stages of construction. Now that regular sources of revenue for the construction and maintenance of roads and bridges have been provided by amending the Motor Vehicles Tax and the Sales Tax on Petrol Acts passed in the last Session of the Legislature, there is a great spurt in these constructions. Plans have been prepared for alignments of State highways, Major District Roads and Other District Roads in almost all the dis-

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tricts which will facilitate the construction of the required roads and bridges.

Buildings.—The following are some of the important buildings which are either completed or under construction :

Building for B. J. Medical College and New Civil Hospital, Ahmedabad.

B. J. Medical College and Hospital, Poona.

Building for the New Medical College and Hospital Extension, Baroda.

Building for out-patients department at Shri Sayaji General Hospital, Baroda.

Lalbai Dalpatram College of Engineering, Ahmedabad.

Building for the College of Agriculture, Dharwar.

Additional buildings for the College of Engineering, Poona.

Building for Sydenham College of Commerce and Economics.

New out-patients Department at St. George's Hospital.

Visnagar College Building.

The Taraporewalla Aquarium.

Secretariat Annexe.

Girls' Hostel near Charni Road, Bombay.

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Hostel for students of the Elphinstone College and Institute of Science.

Hostel for Lady Students, Grant Medical College.
97 Training Colleges (for Primary School teachers).
16 Agricultural Schools.
10 Technical and Industrial Schools.

The Government has decided to construct a new Secretariat building on the Foreshore Road, Bombay, to remove congestion in Government offices particularly in the Secretariat Departments and some of the subordinate offices under them. The building when constructed will mean a saving to the Government as an amount of Rs. 4 lakhs every year is paid as rent. A provision of Rs. 15 lakhs has been included for this work in the next year's budget.

The Government has also decided to construct quarters for members of the Legislature on the Backbay Reclamation for providing accommodation for 180 members, the foundation stone for which was laid by the Governor on February 16. The work, which will be started this year, is estimated to cost Rs. 19 lakhs and the provision of Rs. 10 lakhs (inclusive of establishment and tool and plant charges) has been included in the budget estimates for 1953-54.

7 CRORES SPENT ON BUILDINGS

The total amount spent by the Government on buildings during the last six years is approximately Rs. 7 crores and a total provision of Rs. 2.32 crores under revenue and capital heads has been made in the next year's budget.

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As the House is aware, a programme of carrying out development in rural areas on all fronts has been undertaken throughout the country under the Community Development Projects, which form a part of the Indo-U.S. Technical Co-operation Agreement. These projects are in five areas in Bombay State, viz. (1) Vijapur and Kalol talukas of Mehsana District, (2) Kalyan, Karjat and Khalapur talukas of Thana and Kolaba Districts, (3) Karvir and Panhala talukas of Kolhapur District, (4) Hukeri and Gokak talukas of Belgaum District, and (5) 100 villages in Malpur Mahal and Modasa taluka in Sabarkantha District. The chief aim of the Community Projects is to secure all-round development by intensive work in which activities of different fields are closely integrated with one another. The main line of activities are: (a) agriculture and rural development including irrigation, (b) cottage and small scale industries, (c) education including vocational and technical training, (d) health, (e) housing and district communications. The estimated cost of each project is about Rs. 65 lakhs in a period of three years. The Community Development Projects were inaugurated on October 2, 1952, and a modest beginning has been made to start work under different programmes of development. The important items are distribution of improved seeds and manures and an improvement of water supply for agricultural purposes. Minor irrigation works and construction of new dispensaries and the extension of existing ones have also been undertaken in these areas. *With the help of villagers, progress is being made in the construction of school buildings and village approach roads. A provision of about Rs. 83 lakhs is made in the next year's*

budget for the purpose. These projects have created considerable interest in the rural population in the areas concerned, who have rendered assistance in various ways towards the development envisaged by these projects.

o **JAIL REFORMS**

One conspicuous reform carried out by this Government, which does not readily come to the notice of the general public, is in jail administration. The Government's policy in regard to prisoners is that of reformation with a view to making them useful citizens after their release from jail. With this object in view, several reforms have been introduced in the jail administration based mainly on the recommendations of the Jail Reforms Committee set up in 1946. Some of the important reforms are revised classification of prisoners, abolition of the punishment of whipping without prior sanction of the Government and abolition of penal diet, gunny clothing and use of fetters. A system of payment of wages to prisoners has been introduced. Canteens have been opened in jails from which prisoners may buy articles of food, including tea, milk or coffee, from the remuneration at their credit. Smoking is now permitted in jails. Well-behaved non-habitual offenders sentenced to more than one year and who have not been convicted of robbery, dacoity or whose presence is not considered to be dangerous to peace and tranquillity are released on furlough for short periods. Persons are released on parole more frequently for important personal reasons. Privileges regarding letters and interviews have also been liberalised. So also have been the rules regarding sup-

ply of books. Prisoners are now supplied with newspapers and are permitted to use private clothing as a reward for good behaviour and work. Conservancy work is now allotted only to those who do this work outside as a profession and those who volunteer for it. Outside sweepers are employed if sufficient prisoners are not available for the work. The scheme of spinning, which was first introduced only in one prison, has now been extended to other prisons. Half an hour's physical training is prescribed for all prisoners, while prisoners in Class I are allowed to play indoor games like chess, carrom, drafts, etc.

CO-OPERATIVE MOVEMENT

The Co-operative Movement has also made great progress during the last six years. The number of societies has increased from 6,653 in 1946 to 16,932 in 1952, and the membership has increased from 11.9 lakhs to 25.3 lakhs, and the working capital from Rs. 29.8 crores to Rs. 93.6 crores. The number of co-operative farming societies has gone up to 224. The Government has also given special subsidies to co-operative lift irrigation schemes, which have a target of bringing about 55,000 acres of land under irrigation. Multi-purpose societies, which undertake not only credit business but also arrange for the supply of requisite implements and sale of produce, are being encouraged. Their number, during the last six years, has risen from 264 to 3,226, covering over 12,000 villages, and having a membership of 3½ lakhs. There were 927 housing societies. The Government has also now established the Bombay Co-operative Housing Finance Society, with sanctioned capi-

tal of Rs. one crore, out of which the Government has agreed to contribute half and to guarantee a dividend of 3½ per cent, on the entire share capital. The Government has also started 29 Sarvodaya Centres, with which many members of the House must be already familiar.

SETTLEMENT OF LABOUR DISPUTES

Another beneficial activity is that of settlement of labour disputes. Under the Bombay Industrial Relations Act, 1948, which applies to some industries, the Government has constituted an Industrial Court, with jurisdiction over the whole State. In addition, Labour Courts and Wage Boards have been set up under the Act. The disputes in industries not covered by the Bombay Industrial Relations Act are dealt with under the Industrial Disputes Act. The Acts also provide for conciliation machinery, which handles disputes at initial stages and attempts to settle them before any need to go to Court arises. In addition, facilities have also been provided for settling such disputes by voluntary arbitration, thanks to the initiative in this regard taken by the Millowners and Textile Labour Association of Ahmedabad City. Their example is worthy of being emulated in other industrial areas to ensure peace in the industry. Besides encouraging production, which will be beneficial not only to the parties directly concerned, but also to the State as a whole in its drive for more export trade to earn the exchange so necessary for the import of foodgrains required for maintenance of the nation's health until we are self-sufficient in this regard, and for the import of heavy and other machinery required for industrial development. The Labour Welfare Department runs 54 La-

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bour Welfare Centres compared to 23 Centres in 1945. These provide recreation and educational facilities through visual aids, exhibitions, dramas, music, indoor and outdoor games, etc. The Government is also maintaining Industrial Training Workshops for training in weaving, leather goods manufacturing, chemical goods manufacturing, carpentry, tailoring, mechanics, automobile engineering, etc., by admitting apprentices so as to provide skilled labour.

PAY OF EX-EMPLOYEES OF MERGED STATES

One complaint which is repeatedly brought to my notice is about the delay in fixing the pay of ex-employees of merged States, who have been absorbed in the service of this State, and in fixing the pension of those who have been retrenched or who have retired. As the pay scales and pension rules prevalent in the former State areas were different from those in this State, the merger gave rise to considerable difficulties in the matters of fixation of pay and pension. There were about 30,500 cases for fixation of pay in the beginning, out of which about 15,400 have so far been disposed of, and though the remaining number is still large, they are expected to be completed by May 1953, as the procedure is now well settled. Almost all the pension cases out of a total of 10,000 have been finalised by now. The delay in the disposal of these cases was mainly due to the non-availability of proper records of history of services in the offices of the merged State areas.

Another problem which required to be settled with some care was of rehabilitation of about 4 lakhs of people who migrated from West Pakistan to this State as a

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result of the partition of the country. This question has been dealt with in detail in the Governor's Address. I need not, therefore, go into details here, except to say that, as the first step, the Government had to tackle the problem of gratuitous relief given in the shape of free ration, clothing, etc. In April 1949, it was decided to stop relief gradually as rehabilitation progressed and this has now been stopped, except in the case of the infirm and of women and children without means of subsistence of their own. The following table shows the number of persons who have received gratuitous relief and indicates to that extent, however incomplete it be, the extent of rehabilitation achieved :

Date	Numbers of persons receiving gratuitous relief
15th January 1949	207 868
15th October 1949	105 176
15th January 1950	33 167
31st March 1951	11 427
30th June 1952	11 821

Much, however, still remains to be done.

After giving a brief outline of some of the activities of the Government in some important spheres, during the course of the current year and the previous five years, I would turn now to the main task before me today. I should like, with your permission, Sir, to mention a few of the important features of the budget for 1953-54, which I am placing before the House for its consideration. In 1953-54, we anticipate a revenue of Rs. 67,83.58 lakhs and an expenditure of Rs. 67,76.09

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lakhs, leaving a small surplus of Rs. 7.49 lakhs on revenue account. Care has also been taken to ensure that the progress of development plans is maintained. It may be added that while settling the budget provisions the Government has decided to reduce further the expenditure on ordinary travelling allowance by 10 per cent.

The provision under Income-tax and Union Excise Duties has been made on the basis of the recommendations of the Finance Commission, which have been accepted by the Government of India. Though the receipts from land revenue indicate a decrease, it is counter-balanced by receipts accruing from the operation of Acts abolishing certain land tenures. I may mention here that the Government proposes to place before the House, in the course of this Session, a Bill enabling the Government to pay compensation to Inamdars in interest-bearing bonds. The receipts from sales tax on commodities other than petrol have been estimated at Rs. 14 crores. Steps are being taken to expedite assessment of sales tax, which has fallen in heavy arrears due to a number of reasons. As a result the Government expects a substantial recovery of the arrears.

NO NEW TAXES

It is not proposed to levy any new taxes next year or to increase any of the existing taxes. There will, however, be a few minor amendments to the Bombay Finance Act of 1932 which have become necessary to make the operation of the Act more logical and equitable.

An amount of Rs. 2.5 crores—the same as in the current year—is being withdrawn from the Bombay State

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Development Fund for financing capital expenditure. According to the accounts procedure, these withdrawals have to be shown as transferred from the Debt Deposit Section to the receipt side and to be provided on the expenditure side.

On the expenditure side, provision has been made for transferring Rs. 167 lakhs from the motor vehicles tax receipts and Rs. 88 lakhs from petrol tax receipts to the State Road Fund. There is also a provision of Rs. 60 lakhs for minor irrigation works, which are being financed from a loan from the Government of India. There is a provision of Rs. 83 lakhs for Community Development Projects under General Administration and Loans Section.

MAJOR IRRIGATION & POWER PROJECTS

The budget provides for a capital expenditure of Rs. 17.81 lakhs, which is exclusive of the expenditure on State schemes of State Trading. Sufficient funds have been provided for the early completion of the major irrigation and power projects in progress. The following table shows the broad summary of the provisions made:

Electricity Schemes.

(Rupees in thousands)

1. Radhanagari Hydro-Electric Project	...	7.82
2. Kolhapur Emergency Irrigation and City Conversion Scheme	... ..	6.29
3. Jog Distribution Scheme	78.38
4. Chola Power Station	1,03.61
5. North Gujarat Electric Scheme	40.00

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6. South Gujarat and Baroda Electric Schemes	77.12
7. Electrification of Towns and Villages	...				19.46
8. Preliminary investigation in connection with Koyna Hydro-Electric Scheme	...				2.00
9. Other Works	...	...	...	...	6.98
10. Establishment and other Charges	...				26.54
11. Koyna Hydro-Electric Project—First Stage (To be financed from Central Assistance)	...	...	...	...	1,29.00
					4 97,20

Irrigation Schemes.

1. Gangapur Storage Project	...	...	...	...	56.00
2. Ghataprabha Left Bank Canal Project	...				1,27.00
3. Mahi Right Bank Canal Project	...	...	...	...	8.20
4. Ranand Tank	...	...	...	...	6.00
5. Kolchi Weir	...	...	...	...	4.00
6. Kakrapara Project	...	...	...	...	2,65.70
7. Other Minor Projects	...	...	...	...	25.60
					Total ... 4,92.50
Establishment, tools and plant charges	...				28.51
					Total ... 5,21.01

A provision of Rs. 74.70 lakhs has also been made under the head "70—Capital Outlay on Improvement of

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Public Health" and Rs. 1,18.70 lakhs for construction of buildings, under "81—Capital Outlay on Civil Works Outside the Revenue Account"; the details of which are given in the budget. There is also a provision of Rs. 15 lakhs for contribution to the State Industrial Finance Corporation. The House will recollect that I had referred to this in my last budget speech. Some time has been taken in settling the preliminaries of the Corporation and it has thus become necessary to carry forward the budget provision to the next year. I have, however, no doubt that the Corporation will come into existence in the course of the next few months. In addition, Rs. 315 lakhs have been provided for housing schemes for displaced persons and Rs. 105 lakhs for Tube Well Scheme. The last two schemes will be financed by loans from the Government of India and the Koyna Hydro-Electric Project will be taken up on receipt of the necessary loan from that Government. The capital expenditure on the other schemes will be met by a withdrawal of Rs. 250 lakhs from the Bombay State Development Fund, withdrawal of Rs. 82 lakhs from the Sugarcane Cess Fund and Milk Fund, assistance from the Government of India as provided for the Five-Year Plan and by floating a loan in the open market and from balances available during the year.

PRIMARY SCHOOL BUILDINGS

A new activity which is being undertaken by Government is the construction of primary school buildings by advancing a loan from the balances of provident fund of primary teachers taken over by the Government. A provision of Rs. 50 lakhs has been made for the pur-

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pose. Similarly, a programme of industrial housing is being undertaken from loans to be advanced by the Central Government out of the balances of the provident fund of industrial workers. The programme envisages an expenditure of Rs. 60 lakhs during the current year. An intimation about the construction of tenements for industrial workers at an estimated cost of Rs. 910 lakhs during next year has been received from the Government of India after our budget estimates were finalized. A provision of Rs. 2 crores has been made in the budget and it will be necessary for me, therefore, to come before the House with a supplementary demand in regard to the balance in due course.

Looking to the magnitude of the task that we have undertaken and our effort towards the establishment of a Welfare State I would claim, Sir, that the results that we have achieved so far in that direction will not be regarded as unsatisfactory. I would like to take this opportunity to thank the members of the Estimates Committee and the Public Accounts Committee for their suggestions which have enabled the Government to prune down expenditure and to improve methods where necessary. May I in conclusion state that in spite of all difficulties which we experienced this year and with which we are faced next year, we have been enabled to balance our budget by pruning non-essential expenditure. I am sure you will agree with me that this will be welcomed with satisfaction by all concerned.

Sir, I thank you again and also thank the members of the House for listening to me very patiently. I present the budget for the financial year 1953-54.