



FINANCE DEPARTMENT

BUDGET DISCUSSIONS

FOR

1951-52

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FINANCE DEPARTMENT

BUDGET DISCUSSIONS

FOR

1931-32

THE MADRAS LEGISLATIVE ASSEMBLY.

Monday, the 26th February 1951.

PRESIDENTATION OF THE BUDGET FOR 1951-52.

THE HON. SRI B. GOPALA REDDI :—“ Sir, I rise to present to the House the Revised Estimate for the current year 1950-51 and the Budget Estimate for the next year 1951-52. This is the fourth Budget that I have had the honour to present to the House. The Legislature has almost served its normal term, and I expect that the next Budget will be presented to new and enlarged House.”

2. We have just lived out the first half of the present century. The 50 years that have gone by, constitute a very momentous period in the history of the human race. I, for one, find it difficult to visualize that 50 years ago, there was no aeroplane, wireless transmission, broadcasting, or cinematography. The atom, which we thought was indivisible, has succumbed to the impact of human ingenuity and a new triumph has been recorded by man over matter. There have been great revolutions in the political and social spheres as well, effacing familiar land-marks. Sceptre and Crown have tumbled down, and the faces of nations have changed. The one outstanding feature in the political kaleidoscope, is the emergence of Asia, as a force to reckon with in the Council of the World—a fact that the West finds difficult to comprehend.

Europe's tentacles over Asia began to retract with the defeat of Russia at the hands of Japan in the first decade of this century. Though the rising Sun of Japan has now suffered an eclipse, China has arisen. India, Burma, Ceylon and Indonesia have all shaken themselves free of the fetters which had bound them down for two centuries, and colonialism as a form of Government, stands discredited throughout Asia.

But then, are the people anywhere, free from fear and frustration today? They recall how the first World War, waged to end war for all time, led only to the economic depression of the Thirties and to the still more frightful holocaust of World War II. The aftermath of inflation and scarcity is still on the people and yet they are in daily dread of a *Maha Pralaya*.

[Sri H. Gopala Reddy] [24th February 1951]

bursting forth anew. Never until now, has man's knowledge so outrun his wisdom and rendered him incapable of adjusting himself to his environment. He seems to have plucked the forbidden fruit, before it had ripened in the fulness of time and he is intent on making a fatal use of it. The danger is much greater than a breakdown of civilization—civilizations have grown, faded and vanished before. The danger now is of the disintegration of the human personality. A creative pause is necessary—a period in which man can regain his lost sense of origin, rhythm and continuity. This is the lesson that the great Men of our Age—Shri Aurobindo and Mahatma Gandhi—have endeavoured to teach us. The Life Force tries to assert itself through the voices of these great men, but as ever, the brute in Man is out to crucify the active apostles of peace and goodwill amongst men, and to stone their followers.

Today, India tries to follow the footsteps of the Father in the path of peace, though her friends would seem to misunderstand her. She believes, that man can still be made to realize the wisdom of beating out swords into ploughshares and so pursues her plans for the peaceful development of her sons and daughters. And the Madras State too put its faith in the people and hopes to push on steadily with the implementation of various measures for their well-being, despite difficulties.

Law and
Order.

3. The maintenance of Law and Order has been our chief problem since the attainment of independence. You may remember how just across our borders in Hyderabad, a militant clique was conspiring to plunge this country into a civil war and did, for a while, spread panic and fear in our border districts. Encouraged by these unsettled conditions, the Communists came out in almost open rebellion, threatening life and property in those areas. The doctrines of hatred preached by members of that party, were imbibed by misguided agricultural labourers of Tanjore and Malabar districts, which too caused us grave concern. Industrial labour too was restive and as much as 2 million man-days were lost in strikes and lock-outs, in each of the years, 1947 and 1948.

26th February 1951] [Sri P. Gopala Reddi]

Under the indomitable leadership of the Sardar, whose loss we bemoaned only recently, we braced ourselves up to meet these threats to our existence as a civilized nation. Hon'ble Members are no doubt familiar with the history of the police action and the steps we had taken to meet the Communist menace, but they have a special relevance in the present context. The police budget which stood at Rs. 3 crores in 1945-46, is now nearly Rs. 7 crores. A portion of this increase, is accounted for by the unavoidable enhancement in the dearness and other allowances, but we had also to strengthen the forces and equip them with modern arms. Even during the current year, we had to recruit six more companies of Special Armed Police, to raise the effective strength of that force to 24 companies. The housing conditions of our district police were none too satisfactory, and the discontent caused thereby amongst the subordinate ranks, was threatened to be exploited by subversive elements. In order to redress this grievance, we had sanctioned a housing programme costing over Rs. 64 lakhs, spread over four years in the last Budget. Another three-year programme costing Rs. 24 lakhs had been included as a Part II Scheme in this Budget.

4. No doubt we are paying a heavy price, but we should keep in mind that the people of this country had been used to autocratic rule all through the modern ages, and we have for the first time launched our ship of State in democratic waters. This form of Government can thrive, only if complete freedom of thought and expression is maintained, and in a land of many faiths, castes and racial stocks, this requires considerable experimenting and adaptation. However, we may note with pardonable pride, that during these early days of our independence, we had allowed absolute freedom of worship, thought and mode of life and are in a position to rely on robust public opinion, to stifle the antics of certain individuals by the process of sheer ridicule. No doubt, we have enacted a few special laws, but they are in operation only against those who claim the right of inciting people to arson, loot and sabotage. If to-day our Prime Minister's voice is heard with respect in the councils of nations, and if the great American

Freedom of
expression.

[Sri P. Gopala Reddi] [26th February 1951]

Republic is proposing to give us material assistance in food and money for the development of our country, it is largely because we have been able to establish a stable Government on full democratic lines and, therefore, we should not mind some little extra expenditure on the maintenance of our security services. I am confident that the House will join with me when I take this opportunity to record my appreciation of the arduous work turned out by our police forces in safeguarding our freedom against subversion attempts.

Regional
conditions

5. Dame Nature too seems to be offended with us and has shown her angry visage through flood, drought and quake. We in Madras have been denied her grace for the fourth year in succession. The north-east monsoon failed in a majority of districts mostly in Tamil-Nad during the year 1950. Excepting the four districts of Bellary, Nellore, South Kanara and Malabar, the total rainfall in the year has been much below the normal. For the past two or three years, conditions bordering on famine have prevailed in districts like North Arcot, Salem, Coimbatore and Ramnathapuram; South Arcot and Chittoor have also now come into the list. The failure of crops has therefore been on a large scale. The only relieving feature in this gloomy picture is that paddy crops in deltaic areas have survived.

Food
position

6. The food position in 1951 is therefore expected to be very difficult. The situation can be met only by large imports of foodgrains and the Government of India are trying their best to assist us. But under the present unsettled world conditions, we cannot be certain of foreign imports, and so, the Government of India have asked all State Governments to cut down the ration to a total of 9 ounces per adult per day, and we have fallen in line. It is needless to say, that the Government are anxious to raise the total ration or at least the rice content of it, at the earliest moment possible. Meanwhile, it is the duty of every one of us to put up with the present austere conditions and avoid waste.

The Government of India have so far allotted to this State only a total quota of 5 lakhs tons of

26th February 1951] [Sri A. Gopala Reddi]

imported foodgrains for the year 1951, of which not more than 1 lakh tons may be in the shape of rice. The Madras Government, supported by the unanimous voice of this House, are pressing for a larger quota, and let us hope that assistance of a substantial nature will reach us in time.

7. The extent to which both the Government of India and this Government have been subsidizing food supply, is not generally recognized. During the seven years from 1943-44 to 1949-50, the total trading loss on grain supply schemes has amounted to over Rs. 17½ crores. Establishment and overhead charges have resulted in a further expenditure of about Rs. 5½ crores. The amount of procurement bonus paid to ryots is about Rs. 8 crores, of which a sum of about Rs. 5½ crores only, has been recovered from consumers. Thus, the total food subsidy during these years has worked out to Rs. 25½ crores, of which the Government of India's share has been about Rs. 11 crores, made up of Rs. 8 crores by way of subsidy on overseas imports and Rs. 3 crores as procurement bonus, mostly earmarked for expenditure on intensive cultivation schemes. In other words, the Madras Government have been incurring an expenditure on the average, of more than Rs. 2 crores a year, by way of supplying food to the people, and they can hardly afford to add to this commitment.

The Government of India have recently announced some material changes in their food policy, which will affect our revenues very adversely. Imported rice from overseas was being supplied to us by that Government at the pooled average price of Rs. 22 per imperial maund during 1950, and the cost per maund including incidentals worked out to about Rs. 22-8-0. The average wholesale issue price of rice in the State during that year was about Rs. 15-5-0 a maund. Thus the loss per maund on account of the subsidized sale of rice in the State worked out to about Rs. 7-3-0 per maund or nearly Rs. 196 a ton, and this loss had been shared by the Government of India and the Madras Government in the ratio of 3:1. The Government of India have now decided to subsidize only a limited quantity of foodgrains from the 1st of

[Sri R. Gopala Reddy] [26th February 1951]

January 1951. For the present, they have intimated that they will subsidize only 50,000 tons of rice and 123,000 tons of wheat. This means that this Government will have to find about Rs. 2 crores more, if they should sell foodgrains at the present retail prices. With a view to reduce this additional loss, the issue price of rice has been raised throughout the State by eight annas a maund or roughly 4 pice on a Madras measure.

Since 1948-49, the Government of India have been giving a bonus at the rate of 8 annas per maund on foodgrains procured by this Government, which worked out to about Rs. 2 crores a year. The only condition attached to this grant was, that it should be made use of on approved Grow More Food Schemes and we have been making full use of this bounty. According to their revised policy, this Government will be able to earn a bonus, only if imports are kept below 4 lakhs of tons, and even so, the grant will be only of the order of Rs. 27 lakhs. This State has no option but to press for the maximum imports to feed the people even at the present starvation level and therefore, for all practical purposes, we cannot hope to lay claim to the bonus and the sum of about Rs. 2 crores hitherto derived by us, is now lost to us. No doubt, the Government of India have their own financial difficulties, but as a Member of the State Government, I cannot but feel, that these changes in policy are hitting us hard at a time of special difficulty.

Procurement
of food-
grains.

8. Hon'ble Members are aware that this Government have, in deference to the views generally expressed in this House, recently changed their procurement policy. Intensive procurement of paddy is now confined only to the delta areas of the surplus districts of East Godavari, West Godavari, Krishna, Guntur, Nellore and to the whole of Tanjore district. In Malabar and the Nilgiris, which are highly deficit districts, intensive procurement of paddy and millets is continued as before. Procurement of paddy under an easy system of levy has been ordered to be adopted in parts of South Arcot, Tiruchirappalli, Madurai and Srikakulam districts and in the entire district of South Kanara. Rural rationing has been abolished in all districts except in Malabar and the Nilgiris and

25th February 1951] [Sh. J. Gopala Kaddi]

in the Hoedrug taluk of South Kanara district. Grain shops will be opened in industrial centres, and fair price shops in other areas from where distress is reported. Millets will be allowed to circulate freely within each district, but transport from one district to another will be controlled by permits, on a zonal scheme. Some little retrenchment in the procurement staff seems possible, and this will be effected as soon as the new scheme gets stabilized.

§ Rationing and controls are but temporary expedients to meet the food problem. The real remedy is to increase production and to endeavour to make the country self-sufficient. A three-year plan (1949-52) has been in operation in this State, with the assistance of the Government of India, on the basis generally of a half-grant on the unproductive portions of the outlay.

The most important item in this programme is the renovation of our existing irrigation tanks, which have all lost a good portion of their capacity by centuries of neglect and silting. We have about 25,000 of them in this State and we are now taking on hand about 7,000 for repairs. Seven Food Production Executive divisions have been organized for this purpose and they have commenced operations very largely in the zamindari areas, which we have recently taken over. An amount of Rs. 90 lakhs is being spent on them during this year and a provision of Rs. 150 lakhs is being made for the ensuing year. This work is intended largely to stabilize the existing precarious irrigation under the tanks and therefore, there is no net return to the exchequer, except where small extents are brought newly under irrigation, wherever that is possible without prejudice to registered ayants.

Side by side with this measure, the Public Works Department has also taken up the construction of about 300 small irrigation schemes spread throughout the State. A good many of them are in our deltas, where with comparatively small outlay in the form of extensions to an existing channel, the digging of a new channel or the widening of a drainage course,

[Sri B. Gopala Reddy] [26th February 1931]

large areas can be brought under wet crops. Appreciable headway has been made in this direction, with an outlay of Rs. 60 lakhs in the current year and it is proposed to spend Rs. 70 lakhs more in the ensuing year.

Well-subsidy
scheme.

Hon. Members are already familiar with our Well-subsidy Scheme. So far, we have granted subsidy loans to the extent of Rs. 731 lakhs for the construction of 168,000 new wells and for the repair of 31,300 old wells. The current year's programme consists of 12,300 new wells for a subsidy loan amount of Rs. 94 lakhs, and we hope to continue this in the next year with a programme of 7,600 wells costing Rs. 38 lakhs as loan subsidy. Considerable criticism has been levelled on the success or otherwise of this scheme; but the Government feel that, on the whole, the scheme has conferred appreciable benefits on the people, the full effects of which can be gauged only in a year of normal rainfall, which we have not had for a long time now. However, the scope of the scheme is being restricted in the coming year to only a few selected areas which, according to our experts, are more favourably situated for this kind of development.

Tube wells.

Another important scheme sanctioned in the course of the year at a total cost of Rs. 9 lakhs is the sinking of 161 artesian wells in the South Arcot district, each well capable of irrigating 50 acres. There may be fair prospects of irrigation development under this scheme, but we have yet to gather the necessary data by an underground survey of water resources, and this is being taken up. The danger in proceeding headlong in this direction is that artesian wells have a tendency to dry up in the course of about 10 years and, therefore, unless the annual return from the outlay is substantial, there might be wastage in the long run. The Industries department has taken up his experimental work and we have provided Rs. 19 lakhs in the current year and Rs. 11 lakhs in the ensuing year, for the purchase of up-to-date boring sets.

Pump sets.

Lift irrigation is becoming increasingly popular amongst agriculturists, especially since the seasons have been disappointing us in consecutive years. The Agricultural department have set a target of supplying about 4,400 oil engines with pump sets before the end

26th February 1951.] [Sri. B. Gopala Reddy]

of 1951-52 at a cost of Rs. 150 lakhs. During the current year, we are importing 1,350 oil engines costing Rs. 58 lakhs, and we are providing for a supply of 1,200 oil engines in the ensuing year. Our Electricity department is also busy with a similar programme on a long range basis for our rural areas. About 13,000 electric pumpsets are now in use for lifting water from irrigation wells and that department has set a target of constructing up 3,000 new pumpsets each year at an approximate cost of Rs. 50 lakhs per annum. I am glad to inform the House that, in this form of rural electrification, we have taken a long march over other States.

In dealing with unclaimed virgin land, we have noticed that tractor-ploughing can yield good results. The development of this mechanical device is being impeded by their expensive maintenance and upkeep. We are gradually training up enough technicians to handle these costly machines, of which we will have 273 by the end of this year. Provision is being made in the next year's budget to buy 58 machines, making up a total of 326. Tractor-ploughing has become so popular that the Government have decided, with effect from this year, that hire charges need no longer be on a subsidized basis.

We have also been taking measures to enhance the yield on lands by improved methods of cultivation, the most important of which is the supply of chemical manures. It was feared that ryots were averse to the extensive use of chemical manures, since that might impair the fertility of the soil in the long run. But our experts seem to think that the injurious effect could be kept under check, if ammonium sulphate is mixed with phosphates and accordingly a drive was launched in our deltas to popularize the use of chemical manures with considerable success. Interest-free loans were granted at Rs. 25 per acre, subject to a maximum of Rs. 200 per ryot and the ryots in the deltas took advantage of this concession to the extent of Rs. 64 lakhs to the end of December. The scheme has also been extended to the second-crop paddy in the East and West Godavari districts, and a sum of Rs. 12 lakhs has been sanctioned for distribution as

[Sri B. Gopala Reddi] [26th February 1961]

takkari loans. It is too soon to judge the results; but if it is found successful, the experiment would be repeated in the coming years.

In the matter of these intensive cultivation schemes, we are entirely at the mercy of the monsoons. Human toil and sweat can only improvise the instruments for gathering up Nature's bounty, but if that is denied to us to the extent we deserve, all that we can do is not to lose ourselves in despair. Banking on a favourable season, we had imported this year about 150,000 tons of chemical fertilizers at a cost of nearly Rs. 5 crores. Two-fifths of this eagerly sought-for commodity, is now lying locked up in our godowns, because the roots are unable to use it in the absence of timely rains. Quite apart from the frustration thereby caused on the food-front, about Rs. 2 crores of our slender resources are now lying idle, causing us considerable embarrassment on the ways and means side. If our intensive cultivation schemes have not yielded spectacular results, it cannot all be attributed to the lack of effort on the part of the Government and their officers. Let us hope that these schemes will bear fruit in abundance in the next year with plentiful and timely rains.

Forest
wealth.

10. Forestry must go side by side with agriculture in the preservation of our rural economy. Owing to the heavy demand for timber and charcoal during the war period, our forests were over-exploited. Disafforestation was also going on at a reckless pace in the search for more land to grow food. These tendencies, which seemed to ruin our forest resources, have been checked and the Government are now bestowing their special attention to the development and conservation of our forests. The working plans circle has been revived so that the exploitation of forest lands is made on a planned basis, allowing those lands time to recuperate. Special attention is being paid to casuarina plantation to supplement our fuel resources. A scheme for the plantation of wattle has been organized on the Nilgiris. The forest areas recently taken over from the zamindars and panchayats, are being organized into a separate circle for

29th February 1951] [Sri-B. Gopala Reddi]

their proper conservation. It is hoped that by these and other measures, our forests would soon be enabled to recover from the war damage.

11. In our desperate need for augmenting food supplies, we are now paying growing attention to our fisheries, both inland and deep sea. This department, which had been functioning somewhat indifferently as a part of the Industries department, has now been reorganized under a full-time Director. A Seed Collection and Distribution Scheme at a cost of Rs. 2.5 lakhs non-recurring and Rs. 6 lakhs recurring has been sanctioned recently. This aims at stocking our vast inland waters with fingerlings of quick-growing species in the beginning of the season. Provision has been made for stocking 50,000 acres which are expected to yield about 10,000 tons of fish valued at a crore of rupees in about six months' time. The Mettur Reservoir which has an area of 40,000 acres and an average depth of 50 feet, contains very rich fisheries which have been developed by careful conservation and stocking during the last ten years. A pilot scheme costing about Rs. 32,000 for exploiting a small fraction of the fisheries has been sanctioned by the Government and about 1,500 lb. of fish are taken out every day. As fish is an item of food which goes bad quickly, the Government have arranged for quick transport facilities. Fifteen motor vans with seating accommodation for 24 persons and their catch, are run under departmental supervision. Only a nominal fee is charged for the use of the vans. Fishermen are also taken back to their villages, after they finish their work in the markets. As an encouragement to fishermen to resort to hygienic curing, the Government have reduced the issue price of salt in the fish-curing yards from about Rs. 2-9-0 to Rs. 1-4-0 per maund, and this is being well appreciated by the poor fisher folk especially in the Malabar district. A scheme for exploring the possibilities of fishing with power craft has also been sanctioned. Provision has been made for constructing six boats at Rs. 3,000 each and installing diesel engines in them costing Rs. 3,500 each. Such boats are within the capacity of some of the richer fishermen, and to enable others to resort to this method, co-operative societies of fishermen are being organized. The catches by this method are expected

[Sh. B. Gopala Reddy] [28th February 1951]

to be six times those obtained by ordinary catamarans. The programme for the development of fisheries aims at providing over 80,000 tons of fish in each of the years 1950-51 and 1951-52 as against a production of only about 6,000 tons in 1949-50.

Animal husbandry.

12. The Government have also paid due attention to the improvement of livestock, which forms the back-bone of Indian agriculture. Prior to 1946-47, this State had only two livestock farms, one at Lam near Guntur and the other at Hosur in the Salem district. The accepted policy of the Government is to open a cattle farm for each district or at least for a group of districts. In pursuance of this policy, new farms have been opened in Visakhapatnam and Bellary districts, and arrangements are being made for opening a farm in Malabar and South Kanara districts. In addition, the farm at Chintaladevi (Nellore district) has been taken over by the Government to serve as a feeder farm to the Livestock Research Station, Lam. Provision has been made in the Budget for next year for the starting of a district livestock farm at Podukkottai. The number of pure-bred bulls in the different breeds issued from the farms, increased from 54 in 1945-46 to 107 in 1949-50. During 1949-50, the dairy attached to the farm at Visakhapatnam produced 5 lakhs pounds of milk, of which 3.6 lakhs pounds were sold as fluid milk. This dairy is equipped with the latest machinery for pasteurization, processing and storage of milk. The scheme for the salvage of milk cows in Madras City introduced in 1944-45, has become popular. The number admitted under this scheme has increased from 80 in 1945-46 to 226 in 1949-50. In order to extend the usefulness of good bulls, which are in short supply, a centre for the artificial insemination of cows was opened at the Madras Veterinary College during 1948-49. Two more centres at Coimbatore and Guntur were opened at the end of 1949-50 and provision is being made to open new centres at Octacumund and the Anaimalais in the ensuing budget. Seven hundred and six cows and she-buffaloes were served by the Madras centre alone in 1949-50. The Government Milk Factory at Madras has also continued to develop, and the production of milk from powder in 1951 is estimated at over 35 lakhs of pounds.

25th February 1951] [Sri B. Gopala Iyalli]

13. The intensive cultivation schemes, so far mentioned, will, no doubt, help us to face our immediate food deficits; but we shall be nowhere near our goal of self-sufficiency, unless we are able to put to productive use, the vast resources of our river systems, now running to waste into the sea. Unfortunately for us the execution of major irrigation works costs a good deal of money under present conditions, and we do not have the means to go all the way we desire. Even so, we have initiated a modest programme during the life of the present House, and that programme is making rapid progress. It consists of the Tungabhadra multi-purpose project, expected to bring under irrigation about 3 lakhs of acres in Rayalaseema, the Bhavani project covering about 2 lakhs of acres in Coimbatore, the Malampuzha project protecting about 40,000 acres in Malabar, and a few other medium-sized projects in other parts of the State. The Upper Pennar project in Anantapur and the Masimuttar project in Tirunelveli are the ones sanctioned during the course of the current year. Materials, machinery and man-power have all been organized at various work-spots and at the present rate of progress, this programme may be completed by 1952-53, when we would have brought newly under irrigation about 1 million acres or roughly about 10 per cent of the existing irrigated extent. This programme is estimated to cost about Rs. 40 crores of which we have so far invested about Rs. 20 crores including the outlay of Rs. 8 crores during the current year. A provision of Rs. 9.4 crores is being made for this programme in our estimates for the next year.

14. Though Agricultural development leading to increased food production, is the first requisite for this State, industrial development also has to go hand in hand, in order to raise the general standard of life of the people. In laying down policies in this field, the State Government has only a subordinate role to play, because under the Constitution, decisions affecting important matters such as overseas trade, import control, tariff regulations and capital formation, are taken by the Central Government. It is, however, the duty of this Government to watch

Industrial Development.

[Sri B. Gopala Sakh] [25th February 1951]

and aid the development of industries in the State with particular reference to the needs and claims of the people of this State. Barring a few public utilities like electricity or transport, it has not been the policy of this Government to acquire private industries or start new factories in competition with existing ones. This Government have been of the view, that the resources of the State are hardly adequate for being invested in fields such as irrigation and electricity, where private enterprise cannot be expected to enter and therefore, there is no need at all for the Government for a long time to come, to step into the domains of private enterprise. This Government have therefore restricted themselves to the task of assisting existing industries and regulating the promotion of new ones.

State Aid to
Industries.

The State Aid to Industries Act is an old one, but very little use had been made of the provisions of the Act till recently, as could be seen from the fact that only a sum of Rs. 8,000 was granted as aid under this Act in 1947. We have now overhauled this machinery and a sum of Rs. 27 lakhs was disbursed as aid in 1948-49 and a sum of Rs. 45 lakhs is expected to be disbursed in the current year. A large provision is being made for the ensuing year also.

Industrial
Investment
Corporation.

Under this Act, aid should normally be restricted to the building up of new and nascent industries. But old and established industries are also in need of help, and accommodation is also required by industrialists towards working capital. With a view to liberalise the scope of assistance to industrialists, this Government have recently sponsored an Industrial Investment Corporation with a share capital of Rs. 2 crores, the Government themselves taking up 51 per cent of the shares. This Corporation has just commenced functioning and it is now possible for any industry to seek and obtain aid from the Corporation at about 5½ per cent, provided of course, the industry is able to satisfy the Corporation about its essential soundness. It was the hope of the Government, that the financing agencies of this State would willingly take up their allotted 49 per cent of the shares of this Corporation, especially since the Government have guaranteed a 3 per cent return on their shares. The

26th February 1951] [Sri B. Gopala Reddi]

response has, however, been inadequate and I take this opportunity to appeal to the various Banks, Insurance companies and co-operative institutions of this State, to play the part expected of them in this experiment in co-operative financing. There is some little overlapping between the functions of the Corporation and the State Aid to Industries Act, but this is being reviewed and will be set right almost immediately.

Under the post-war plan for the development of the textile industry, 339,000 spindles were allocated to this State. So far, six new textile mills, two in Coimbatore, two in Malabar, one each in Guntur and Bellary districts have been started with a total spindleage of 68,500. Four existing mills have expanded their capacities by about 15,000 spindles. About 50,000 spindles ordered by certain existing and new mills have been received at the respective mill sites and are in the course of erection. It will thus be seen that about a third of this State's quota has been effectively utilized, and it is hoped that the balance will be utilized without undue delay.

We have made appreciable headway in the field of cement. The total production capacity of the cement industry in this State is over 10 lakhs of tons per annum. The total actual annual production of cement in this State during 1949-50 was 4.7 lakhs of tons, while the demand was less than 4 lakhs of tons. All the factories have increased their output and a new factory has commenced production in the Tirunelveli district. The question of starting another new cement factory in Rayalaseema, with a capacity of 1 lakh of tons, is also under active consideration, and if this one too materializes, we shall have no cement scarcity in any part of the State. Even now there is some excess production in the Southern districts, which is being exported to other States and countries.

There are at present 13 sugar factories in this State, producing in all about 52,000 tons of sugar. Under the expansion programme of the sugar industry, five of the existing sugar factories have been permitted to expand their crushing capacity and ten new factories have been permitted to be established. The

[Sri B. Gopala Reddy] [26th February 1951]

production of sugar in the State is expected to increase by about 20,000 tons per annum on the completion of the expansion programme.

Power
Alcohol.

In order to utilize the molasses, which are mostly wasted at present, and to find an alternative motor-fuel, this Government have, with the previous approval of the Government of India, sanctioned the establishment of four distilleries to produce about 14½ lakhs gallons of power alcohol per annum.

Transport

Under the Government of India's programme for expanding the Vannaspadi industry, ten new factories have been permitted to be set up in this State to manufacture about 45,000 tons. Five factories, one each in Tondiarpet (Madras), Tiruchirappalli, Kurnool, Guntur and Chittoor have already started production, while the rest will start production shortly.

Heavy
Industries.

In respect of certain basic industries of All-India importance like Iron and Steel, Magnesium products, Aluminium, Ammonium phosphate, electrical power plant, etc., this Government have been urging the Government of India on the need to establish these industries in this State. So far, nothing tangible has been achieved, but let us hope that the Government of India will in due course be impressed with the advantage of locating an Aluminium industry in this State, taking advantage of cheap hydro-electric power from the Grid and the plentiful supply of good bauxite ore in the Salem district.

The Government are running factories of their own on a small scale for the production of coir, soap, shark liver oil, silk, paper and ceramic wares. These are intended primarily to serve as model units and for training the technical personnel needed by private enterprise.

Electricity.

15. Madras cannot hope to base her economy on heavy industries, however hard she may try, in the absence of coal or oil for motive power. Lignite has recently been located in South Arcot district, but unfortunately, the deposits are wedged in between two layers of artesian springs. Experiments on dewatering the strata are now being carried on by the State, and we would have spent over Rs. 20 lakhs by

26th February 1951] [Sri H. Gopiah Reddy]

the end of this year on lignite investigation, but it remains to be seen, whether the commercial exploitation of this resource, would be feasible or economic. The little industrial development that has been achieved, especially in the fields of textiles and cement, was rendered possible by the initiative of the State, in harnessing her hydro-electric resources. The Pykara, Papanasani and Mettur hydro-electric stations of the South, were developed by the State and are inter-connected in one Transmission Grid, covering the Southern districts. The thermal plant of Madras City, was recently acquired by the State and connected to the Grid which is now having a total installed capacity of about 175,000 k.w.a. 69 per cent of the power developed in the Grid, is consumed in industries and about 31 per cent in agriculture, mainly for lifting water from wells. Rural electrification has received increasing attention in recent years, and to-day, we have over 1,500 villages electrified. The resources so far harnessed, have been put to full use and further progress is possible only, if generating capacity is enhanced. With this object, this Government launched a five-year plan, immediately after the war, as on the irrigation model. Execution is now in full swing on two new hydro-electric stations at Makkand and Moyar and the capacity of all the existing hydro and thermal stations is being augmented. In spite of shortages and delayed deliveries of plant, the smaller items of this programme are now coming into fruition, and when the programme is completed by 1952-53, another 150,000 k.w.a. of generating capacity would have been added to the Grid, thereby doubling the production of power in the State.

The cost of this programme is Rs. 40 crores, as in the case of the Irrigation programme, of which we have so far invested about Rs. 20 crores including the outlay for the current year. The completion of the programme in the next two years is dependent upon adequate capital being available, on which I shall dwell a little later.

16. Ours is a land of distances and therefore, we have to devote special attention to the improvement of communications in order to promote agricultural

Communications
and
Transportation

[Sri B. Gopala Reddi] [29th February 1951]

and industrial advancement. A Five-year Programme of Road Development, costing about Rs. 12 crores, has been drawn up and is now under implementation. This programme aims at the construction of about 10,000 miles of new village roads, besides improvements to the existing road-system such as metalling of about 3,300 miles of earthen roads, providing dustless surfacing to about 475 miles of important roads and constructing bridges at a cost of about Rs. 363 lakhs. All works in this programme have been selected in consultation with local authorities, according to the needs of each area. That portion of the programme relating to the formation of new village roads, is the responsibility of district boards, generally on a half-grant basis and in some cases on a full-grant basis, and they have, after their reconstitution, taken to the work seriously. So far, about 1,000 miles of new roads have been formed and with the measures recently taken to speed up land acquisition, this part of the programme can be expected to gather momentum. An amount of Rs. 525 lakhs has been spent on this programme including the outlay for the current year, and a provision of Rs. 195 lakhs has been made for the next year. Two big bridges one on the Coleroon at Annikaranchatram and another on the Bharathapuzha in Malabar are now coming up under this programme.

Hon. Members are no doubt aware, that the upkeep and maintenance of our important arteries of communication such as the Madras-Cape Comorin, Madras-Kozhikode and Madras-Calcutta roads, are now vested in the Central Government. That Government too have a similar programme of improvements to the roads under their control and work is now in progress on the Pegalur bridge on the Cauvery, the Pennar bridge in Nellore and the bridge to span our arm of the Godavari at Alampur. The Godavari bridge is the largest of these, costing over Rs. 2 crores. The Government of India originally agreed to pay about Rs. 1.2 crores only towards the cost of this bridge, but this Government are now pressing on them to increase the amount.

State
Transport.

17. While on the subject of communications, I shall refer to the State Transport Department in Madras. The three units, viz., the Government Bus

26th February 1951] [Sri B. Gopala Reddy]

Service, the Government Automobile Workshop and the Government Coach Building Factory have all continued to function satisfactorily. The main problem to be tackled in this field, is the quick clearance of the peak-hour traffic. Increasing the number of buses will be utterly uneconomic, but something could be done by putting in buses of larger capacity in replacement of the existing ones. As a preliminary step in this direction, the Government have sanctioned the purchase of two single-decker diesel buses of larger seating capacity and of popular make. For the benefit of the workers, the Government have sanctioned the opening of a dispensary in the Bodyguard lines and proposals are under consideration for the employment of a Labour Welfare Officer. Considerable improvement has been effected in the Automobile Workshop, which has repaired and overhauled 515 buses of the Government Bus Service and 540 vehicles of other Government Departments. The Three-Man Committee constituted by the Government, made some recommendations calculated to improve the working of the Government Bus Service, which have been implemented, wherever feasible. The net revenue to end of March 1949 for the three commercial units amounted to nearly Rs. 17 lakhs. The results for the year 1949-50 were, however, not so favourable owing to the increased cost of petrol, spare-parts and accessories, and the enhancement of the motor vehicles tax, but the position is being retrieved. It is hoped that larger profits will be earned in the current and next years. I may mention here that our fares are the cheapest in India. For financial and other reasons, the Government have deferred for the present, the nationalization of motor transport on mufassal routes.

The Madras Electric Tramways Company have offered to sell their undertaking and the matter is under the consideration of the Government.

18. This Government have no direct part to play in the development of civil aviation, but they have been taking certain measures to foster air-mindedness amongst our young men. A scholarship fund was instituted by the Government for assisting poor pupils desiring to take up flying as a profession, and the first award has now been made. The Government

[Sri B. Gopala Reddi] [26th February 1951]

have also given grants to the Madras Flying Club for the purchase of aircraft, both trainer and others, and have recently sanctioned a fixed annual subsidy of Rs. 25,000 and also a contribution at Rs. 7-8-0 per hour of training given to pupils of this State, subject to a maximum of Rs. 50,000 a year. The recent institution of a Championship Shield to be awarded to the best pilot trainee of the year and the exemption of aviation spirit from the Madras Sales Tax, are further indications of the Government's desire to encourage air-mindedness in the State.

19. Let me now turn to the welfare services of the State.

Medical
relief and
public
health.

The health of the people is the primary concern of every modern State. This Government have also been endeavouring to do their best in this direction; but owing to various limitations, their achievements might not have been spectacular. The buildings accommodating our headquarters and district hospitals are all very much overcrowded, with patients overflowing into the corridors. In order to relieve this congestion, a modest building programme has been launched and has already made appreciable headway. The details are—

	Estimated cost.	Expendi- ture to the end of 1950-51.	Project Estimate, 1951-52.
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
1. Extension of the King George Hospital and the Andhra Medical College, Visakhapatnam.	75	22	12
2. Extension of the Government General Hospital, Madras.	34	20	14
3. Improvements and extensions to Rajah M. Ramaswami Mudaliyar's Lying-in Hospital.	10	1	1
4. Extension of the Stanley Medical College, Madras.	45	14	3
5. Construction of Nurses' quarters in the Kanchi Health Hospital, Madras.	7	1	2
6. Improvements to Taluk Headquarters Hospitals, etc.	40	8	20
7. Improvements to the Government Hospitals, Mangalore.	20	..	8
8. Construction of a Headquarters Hospital at Eluru.	28	2	4
9. Construction of a new Headquarters Hospital at Nellore.	28	11	10
10. Construction of a Headquarters Hospital at Tirunelveli.	22	12	8
11. Construction of new hospital buildings at Tuticorin.	10	2	2
Total ..	325	114	69

25th February 1951] [Sri B. Gopala Reddy]

The total cost of this programme is over Rs. 3 crores of which a third has already been incurred and a provision of about Rs. one crore is being made in the next year's budget. The new hospital at Tiruchirappalli has been opened and the one at Kozhikode is expected to be completed soon.

Side by side with this building programme, the bed strength of certain hospitals is being increased, wherever that is possible with a few alterations and additions to existing buildings. Provision is being made in the next year's budget to increase the bed strength of the General Hospital, Madras, by 238, Lady Goschen Hospital, Mangalore, by 40, Headquarters Hospital, Ramanathapuram, by 30, Erskine Hospital, Mathurai, by 85, Headquarters Hospital, Nellore, by 32, and Government Hospital, Nagapattinam, by 34. The policy of taking over under the Government, taluk hospitals maintained by local bodies, is being pursued steadily, and the next year's budget provides for the taking over of six more hospitals. The expansion and improvement of hospitals cannot be implemented, unless there is an adequate number of trained personnel to attend on patients. Facilities for training nurses have been gradually enlarged, and provision has been made for training an additional 120 nurses in each batch, bringing the sanctioned strength of nurses under training at a time, to 739. Permanent provision has also been made for the training of 153 midwives in each batch, and a new scheme for the training of 100 more midwives in each course, is included in the next year's budget. To increase the number of medical personnel required for the Government and other hospitals, the Government have given high priority for the expansion of the medical colleges. The number of seats available annually, in the colleges of modern medicine in this State, has risen from 252 in 1945-46 to 310 at present. Provision for training 45 dentists to the degree standard each year, has been made for the first time. The Government also propose to open a new Medical College at Mathurai and convert the Medical College at Guntur into a full-fledged one, so that additional personnel can be trained there itself, instead of being counted against the

[Sri B. Gopala Reddi] [26th February 1951]

increased provision made in the Andhra Medical College. When these two new colleges come into being, there will be in all, six medical colleges in this State including the private college at Vellore. In order to attract a larger number of medical graduates to Government service, the Civil Assistant Surgeons, Class II is being upgraded to Class I, in respect of graduates and provision for this purpose has been made in the Budget for the next year. The number of Maternity and Child Welfare Centres is also being added to every year. The present number is 461, and provision has been made for increasing the number still further. The total number of dispensaries and hospitals of modern medicine which was 1,187 in 1946, has now risen to 1,332. In order to enable as many citizens as possible, to obtain free treatment in Government hospitals, the limit of income of patients for such treatment, has been increased from Rs. 50 to Rs. 100 per mensem. Special allotments of very costly modern drugs such as Streptomycin, Penicillin, etc., have been made and new drugs like Chloromycetin and Aureomycin are being added to this list in the next year. In the field of Indigenous medicine also, some progress has been made. There are now 712 dispensaries as against 621 in 1946.

*Sanitation
and Water
supply.*

While expanding facilities for medical relief, the Government recognize that prevention is better than cure, and are therefore laying special emphasis on the improvement of water-supply and drainage. As the House is aware, the Government appointed a special committee to report on the measures necessary for the provision of water-supply and drainage all over the State. As per the recommendations of this Committee, the Government have embarked on a Five-year plan for municipal towns (1946-54) as the first stage of a Twenty-year plan. They have accepted in respect of the Five-year plan, commitments by way of grants to the extent of Rs. 20 lakhs in the first year, Rs. 40 lakhs each, in the next two years and Rs. 80 lakhs each, in the last two years. Under the new policy, local bodies will be called on to contribute only to the extent their finances would permit, and the balance would be found by the Government. Even the portion to be contributed by the local body, could

26th February 1951] [Sri B. Gopala Reddi]

be advanced to it as a loan. In order to implement this programme, the Sanitary Engineering Department has been reorganized recently and five public health divisions have been constituted under the Sanitary Engineer to be in sole charge of these works.

Rural water-supply has also been given special attention and a ten-year plan is now under execution, through the agency of the Revenue staff and the minor irrigation staff. An expenditure of over Rs. 50 lakhs is being incurred every year.

The total expenditure on the medical and public health departments (excluding expenditure on buildings) has increased from Rs. 234 lakhs in 1945-46 to about Rs. 450 lakhs at present.

20. The expenditure on 'Education' which stood at about Rs. 4½ crores in 1945-46, will exceed Rs. 10 crores in the current year. The figures are—

	Rs. CRORES.
1945-46	4.5
1946-47	5.2
1947-48	7.0
1948-49	8.9
1949-50	9.6
1950-51 (Revised Estimate) ..	10.3

It will register a further increase during the next year, the budget provision being Rs. 11½ crores in the Revenue Account and Rs. 30 lakhs in the Capital Account. This provision does not include the outlay on buildings met from the Revenue Account, the expenditure on specialized institutions like medical and agricultural colleges and the large sums spent on the education of Harijan and backward classes. The following figures will indicate the expansion of education in recent years:—

	Strength.
Elementary Schools (boys and girls)—	
1945-46	32.4 lakhs.
1949-50	40.9 ..
Secondary Schools (boys and girls)—	
1945-46	4.1 lakhs.
1949-50	6.0 ..
Arts Colleges (men and women) including Oriental Colleges—	
1945-46	28,000
1949-50	43,000

[Sri B. Gopala Reddi] [26th February 1961]

We have about 350 basic elementary schools, 50 basic training schools and 850 adult literary schools. During the current year, 150 secondary schools (including 7 for girls) were opened—137 under local bodies and 22 under private management. Of these, 48 were high schools. It is the intention of the Government to open as many new elementary schools as possible in order to reach the target of compulsory elementary education and with this object, a lump-sum provision of Rs. 5 lakhs is being made in the next year's budget.

Four new second grade colleges, Sri Thiagaraja College, Washermanpet, Pachaiyappa's College, Kanchipuram, S.S.M. College, Narasaraopet and a college at Guduvada were started this year. Seven new training colleges for graduate teachers, two under Government management and the rest under private management, were also opened during this year. A comprehensive scheme of adult education costing about Rs. 14 lakhs is now being implemented, the cost being borne equally by this Government and the Government of India. Under this scheme, about 3,000 centres will be opened for the education of adults. Facilities for the education of defective children have also been increased from year to year.

The National Cadet Corps inaugurated in 1948-49 has been progressively strengthened. The question of forming an Air Wing of the senior division of the Corps is under consideration.

The scheme of bifurcated courses in secondary schools is progressing. Such courses are now in force in 138 schools (32 in engineering, 44 in secretarial, 21 in agriculture, 19 in domestic science, 3 in music and 16 in teaching practice). The introduction of teaching practice as one of the diversified courses of studies, is an experiment carried out in this year. Full fee remission, in addition to a stipend of Rs. 5 per mensem in Form V and Rs. 7 per mensem in Form VI, are given to students, who take up this course. The Government also intend to compensate in full, the non-Government secondary schools for the fee income foregone by them.

25th February 1951] [Sri B. Gopala Reddy]

The betterment of the conditions of service of elementary school teachers has received the careful attention of the Government from time to time. Recently, the Government sanctioned an increase of Rs. 2 per mensem in the scale of teaching grants for elementary school teachers, and it has been made obligatory on the part of the management to pay Rs. 3 per mensem to each teacher in addition, from their own funds. This involves an additional expenditure to the Government of over Rs. 14 lakhs per annum.

A large number of new schemes relating to education, have as usual, been provided for in the next year's budget, as detailed in the Budget Memorandum. The total provision made for new schemes is Rs. 93 lakhs, including Rs. 3 lakhs for additional grants to the three Universities.

21. The intensive rural reconstruction scheme ^{social welfare} which was initiated during the last quarter of 1948, has now been in operation for about 4 years. Under this scheme, works are generally executed, only on a contributory basis, by obtaining for every grant made by the Government, a large measure of local contribution in money, kind or labour. The villagers themselves generally execute these works, thereby saving contractors' profits. Quite apart from the material benefits of these works, the joint association of villagers for these common purposes, does infuse a new spirit into them and brings about a silent revolution in their mental outlook towards the problems of life. Sri R. K. Patil, Member of the Planning Commission who visited the rural development areas during December last, has given an appreciative account of the work done in these areas. The following figures pertaining to the selected firkas will give an idea of the progress made in this direction:—

(1) Rural water-supply—

Number of wells and other drinking water sources newly constructed, improved or repaired	948
Number under construction or repair	258

(2) Village communications—

Length of roads newly formed or improved	650 miles.
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[Sri R. Gopala Reddy] [26th February 1951]

(3) Education—		
Number of schools opened	Nearly 1,000	
Number of radio sets installed	110	
Number of reading rooms and libraries opened or improved	About 1,000	
(4) Medical and Public Health—		
Number of dispensaries, maternity centres and child welfare centres opened	13	
Number of Grama Seva Sargistas formed	Nearly 1,400	
(5) Agriculture—		
Extent of waste land brought under cultivation	Nearly 4,000 acres.	

Among the many measures for rural welfare, the Khadi programme has held a high place. The intensive part of the scheme, which is being worked in seven centres, has enabled more than 31,000 families to be engaged on handspun yarn. The receipts from Khadi produced in these centres, are expected to be about Rs. 15 lakhs in the current year. The Extensive Khadi Scheme has been introduced in 19 of the firkas selected for Rural Welfare work, and its further extension is under the consideration of the Government. The progress achieved in the Tirumangalam Firkas in particular, has been specially encouraging, and the Government are proposing to convert it into an Intensive Khadi centre.

The development of other cottage industries is also making headway. The Government have just sanctioned a scheme, prepared by Sir M. Visweswarayya, for the development of small scale or rural industries. The scheme provides for the formation of village group units for every 15 to 20 villages and the constitution of Village Group Committees for these units composed of competent business-men and leaders of the area, with Government agents advising them in the discharge of their functions. A Co-ordinating Committee will also function in each taluk, consisting of all the Presidents of the Group Committee as members, and presided over by the Director of Industries and Commerce. This scheme will be complementary to the Village Industries scheme, sanctioned early in January 1950. It is proposed to give annual grants not exceeding Rs. 1,500 to each of these group committees. The scheme will first be tried as an experimental measure in two taluks

26th February 1951] [Sri J. Gopala Reddy]

in each of the districts of Nellore and Tiruchirappalli and if successful, will be extended to other taluks in the district, in a period of two or three years.

Advisory Boards have been constituted in selected areas to advise the Government as to the measures to be taken to develop such industries as the match industry, palmyrah fibre and leaf products, leather goods manufacture, woollen cumby and blanket weaving, pile targets and handmade cotton lace. A State Cottage Industries Board has also been formed to devise ways and means for the intensive development of the industries. An Inter-State Joint Drugget Industry Advisory Board for Madras and Mysore has been constituted, and it has met seven times and fixed standards and specifications for druggets intended for export to the U.S.A., where there is a good market for it.

22. As the House is aware, the Government have taken special steps for the drawing up of a Ten-Year Plan for the development of the Agency Tracts. A Tribes Advisory Council has also been recently set up consisting of 12 members of the scheduled tribes, three non-officials and myself as Chairman. The Budget for 1951-52 provides for the following new schemes for these areas:—

(1) Opening of 3 Elementary schools, 2 in the East Godavari Agency and one in the Visakhapatnam Agency.

(2) Establishment of Boarding Homes in three selected centres in the Visakhapatnam Agency for the benefit of 125 pupils belonging to the Hill tribes in Elementary schools.

(3) Conversion of 24 posts of Lower Elementary Grade Teachers into Higher grade.

(4) Construction of a Travellers' Bungalow and semi-permanent buildings for the offices in the Araku Valley.

(5) Formation of a road from Rampa Chodavaram to Bhadrachalam.

23. As Honourable Members know, Harijan Welfare has been receiving increasing attention from the Government. The number of special Harijan schools

Harijan Welfare.

[Sri B. Gopala Reddy] [29th February 1951]

has risen from 1,100 in 1946 to about 1,900 in 1950. The number of pupils has risen from about 78,000 to nearly 100,000. On the supply of midday meals to these pupils alone, the Government are now spending about Rs. 12½ lakhs a year. The number of scholarships granted to the eligible communities, has risen from 5,800 in 1945-46 to 14,000 in the last year, and it is still rising. The cost on this account is now nearly Rs. 6 lakhs a year. The number of Harijan hostels maintained by the Government was 18 in 1949-50.

The provision of healthy and suitable house-sites for relieving congestion in the Harijan churis is another high priority measure taken by the Government. A special staff has been sanctioned for the acquisition of house-sites for the houseless Harijans and agricultural labourers in the Tanjore district, and a provision of Rs. 5 lakhs has been made for expenditure in the current year. Other amenities, like the provision of wells, burial grounds, approach roads and drainage facilities are also being provided on an increased scale.

The Government are also paying special attention to the uplift of the backward classes. The lumpsum allotment of Rs. 5 lakhs for their amelioration, provided in the current year's budget, has since been raised to Rs. 7½ lakhs. A similar provision is made in the budget for next year. The expenditure on Harijan uplift has been increasing from year to year, as the following figures will show:—

	RS. LAKHS.
1945-46	39
1946-47	35
1947-48	41
1948-49	64
1949-50	82
1950-51 (Revised Estimate) ..	106

The total expenditure on the uplift of Harijans and backward classes is expected to go up to Rs. 118 lakhs in 1951-52. I hope that all Harijan Members including my hon. Friend Sri Nagappa and others interested in their welfare, will appreciate what we are doing.

26th February 1951] [SRI B. GOPALA REDDI]

24. To relieve the prevailing distress in the villages ^{affected by drought} affected by drought, the Collectors have been asked ^{to postpone collection of kists, wherever necessary and to take steps to intensify the minor irrigation and other works, to provide employment for agricultural labourers. Remissions on a liberal scale will be granted, wherever needed. The Revised Estimate for the current year provides for a cost of Rs. 50 lakhs by way of postponement or remission of kists; but from the reports that are now coming in, this provision will be materially exceeded.}

Distribution of cash doles was sanctioned to the distressed weavers in two villages in the Krishna district for a period of one month, and relief works were then started. Cash relief has since been ordered to be distributed to the weavers in some distressed areas in the districts of West Godavari, Guntur, Salem, Madurai and Ramanathapuram also. This will last till fresh supplies of yarn are received or till relief works are started.

The Government have great sympathy for the weavers in their present sad plight and they assure them that their cause is being advocated vigorously before the Government of India. Now that the Government of India have promised to allot increased quotas of yarn for this State, I hope that the position will improve ere long and that there will be no need for cash doles or relief works.

25. The abolition of Zamindaris is a reform of ^{abolition of} far-reaching consequence, initiated by the present House. The first batch of estates was taken over by the Government in September 1949, after depositing with the Tribunals a sum of Rs. 132 lakhs towards portion of the estimated compensation. A second batch was taken over in September 1950 and the last and final batch in January 1951. Arrangements have yet to be made for depositing large sums before the Tribunals, towards the compensation amount on the later batches and provision is being made in the budget for this purpose. Inams and certain estates, in respect of which Courts have issued stay orders, are still lying over and this part of the work also will be pushed through. The zamindaris have no doubt disappeared, but an enormous amount of work

[Eri B. Gopala Reddy] [22th February 1951]

still remains, before these areas are surveyed and settled on the ryotwari basis. The work of fixing reduced rents has been completed and the ryots have begun to derive the major benefit of the reform. Survey and Settlement parties have been sanctioned and they have commenced operations. An outlay of about Rs. 10 crores, spread over a period of years, will be needed, before these operations are completed and these lands fall into the pattern of adjacent ryotwari holdings. In the meanwhile, as mentioned by me earlier, the irrigation works in these areas are being attended to as a part of the Tank Restoration Scheme. This House may very legitimately feel gratified that it has been instrumental in exacting this wise measure, and thereby enabling this Government to fulfil the long-cherished dream of vast sections of our agricultural folk.

Land
Revenue
Reform.

26. The Land Revenue Reform Committee has recently submitted the preliminary report on land tenures and connected problems such as elimination of non-cultivating pattadars, conferment of occupancy rights, fixation of fair rents and ensuring fair wages for agricultural labourers. The final report of the Committee covering such questions as the assessment of land revenue, and the preparation of a Land Revenue Code, is expected to be submitted to the Government by the end of March 1951.

Tax relief in
the merged
areas.

27. I may in this connexion mention the special steps taken by the Government to ease the burden of taxation in the merged areas of Sandur and Banganapalle. In the Sandur area, the Government have reduced the assessment to the level of the neighbouring areas with effect from fasli 1350 and this will be in force till the State lands are regularly settled on a ryotwari basis.

In respect of Banganapalle area also, the Government have accepted the recommendations of the Board of Revenue for setting right the inequalities obtaining in the rates of assessment when compared with the rates obtaining in the adjoining ryotwari taluks of Kurnoor district. The Government do not desire to postpone the question of giving relief, till after the supplemental survey and resettlement of the State are completed. Detailed proposals submitted

26th February 1951] [Sri A. Gopala Reddi]

by the Board of Revenue in this regard, are under the consideration of the Government. It is proposed to give effect to these concessions with effect from this fiscal.

The reduction in the total assessment in the two areas will be about one-fourth.

25. The scheme of separation of the judiciary from the executive is being steadily extended. ^{Separation of the Judiciary from the Executive.} It was introduced in the six districts of South Arcot, Cuddapah, Kurnool, Srikakulam, Ramanathapuram and Visakhapatnam on the 15th August 1950. The further extension of the scheme to the four districts of Coimbatore, Nilgiris, Salem and Nellore has also been ordered. When this is done, the number of districts in which the scheme is in force will be 10, leaving only nine more districts to get the benefit of this important reform. Hon. Members are aware that recruitment to the magistracy is now being made largely from the Bar. The scale of pay we have fixed for Sub-Magistrates, is not adequate to draw out the proper men from the Bar and therefore, that scale is being revised suitably with effect from the ensuing year.

29. The advent of freedom has given a fillip to the development of fine arts in the country. ^{Encouragement of Fine Arts.} As the hon. Members are aware, the Madras Government have taken various steps to give an impetus in this direction. As the latest instance of this kind, I am happy to announce, that the entertainment tax on dramatic performances will be abolished with effect from the 1st April 1951 (Hear, hear). I hope that this will lead to the revival of the ancient art which has still great potentialities for the elevation of the people and benefit the actors and the writers of plays alike. The Government will review the position after a period of two years. The recommendations of the Dramatic Revival Committee are under the consideration of the Government. The Government are aware that great importance is attached to the building of a National Theatre.

30. There has been an insistent demand from Government servants for some additional relief to them, ^{Relief to Government servants.} with reference to the rise in the cost of living. After a careful consideration of the matter, the Government have decided to raise the rate of House Rent allowance now given to the non-gazetted Government servants

[Sri B. Gopala Reddi] [26th February 1951]

with effect from the 1st April 1951 and to extend the concession to new areas. This concession involves an extra cost to the Government of about Rs. 20 lakhs per annum, and I hope that the non-gazetted Government servants will appreciate it. While sympathising fully with the general condition of the non-gazetted Government officers, the Government have not found it possible to give further concessions, having regard to their present financial position.

Growth of
revenue and
expenditure.

31. Let me now turn to the total figures of Revenue and Expenditure of the State. The total normal revenue (excluding Excise revenue) and expenditure on Revenue Account (excluding transfers from or to the Revenue Reserve Fund) since 1945-46 have been as follows:—

Year.	Revenue (excluding Excise Revenue).	Expenditure (excluding State Treasury disbursements).	Excise Revenue.
19	19	19	19
	RS.	RS.	RS.
	CRORES.	CRORES.	CRORES.
1945-46	31.2	32.3	16.8
1946-47	35.3	44.8	14.7
1947-48	40.0	46.0	16.7
1948-49	42.6	51.3	1.7
1949-50	55.1	58.8	0.6
1950-51 (Revised Estimate).	59.2	59.1	0.5

Apart from land revenue, the main sources of revenue now are, the General Sales Tax and other commercial taxes, Share of Income-tax, Stamps, Receipts under Motor Vehicles Acts and Receipts from Electricity schemes. The following figures in crores of rupees will show the growth of revenue under these heads:—

(Figures in crores of rupees.)

Year.	Sales General Tax.	Other commercial taxes.	Income-tax.	Stamps.	Receipts under Motor Vehicles Acts.	Receipts from Electricity Schemes.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1945-46	5.8	1.5	4.3	3.7	1.4	0.5
1946-47	7.0	1.6	4.3	4.4	1.3	0.5
1947-48	8.1	2.0	4.4	3.4	1.5	0.6
1948-49	13.0	2.2	8.4	4.1	2.0	0.0
1949-50	15.1	2.3	8.2	4.3	2.0	1.0
1950-51 (Revised Estimate).	15.8	2.0	8.3	4.7	2.4	1.7

24th February 1951.] [Sri B. Gopala Reddi]

We should be very careful to maintain these growing sources of revenue. But as I said in my last Budget Speech, we have to contend against certain adverse factors.

32. In regard to sales tax, against an estimated ^{Sales tax.} revenue of Rs. 15.75 lakhs in the current year, the budget estimate for the next year is only Rs. 15.10 lakhs. The reduction is mainly due to the ban on the levy of a tax on purchase or sale of goods in the course of Inter-State trade or commerce, as laid down in Article 286 of the Constitution. No correct estimate of the loss of revenue involved, on account of this ban, has yet been made, but it is likely to be of the order of Rs. 70 lakhs at least.

The tax reliefs that this Government have decided to give by way of the discontinuance of the levy of a sales tax on newspapers from the 1st January 1951 and the halving of the tax on sales of handloom cloth from the 15th February 1951 also tend to reduce these receipts, though only to a small extent. It is therefore quite out of the question for this State, to forego any further portion of this tax, either in respect of the tax levied on 'essential goods' or in any other manner. I may in this connexion refer to the fact that the Sales Tax Tribunal will come into being shortly.

33. Regarding land revenue, the figure has stood ^{Land} at Rs. 8 crores, notwithstanding the extension of the ^{revenue.} area brought under cultivation from time to time, and the general increase in prices. However, there will be an addition to this revenue from this year by way of collections in the zamindari areas taken over by the Government. But the net additional revenue on this account has to be set apart, to enable payment of the balance of compensation to zamindars in due course.

34. As regards income-tax, I have explained the ^{Constitution.} position fully in my last Budget Speech. Our share of the divisible pool of income-tax is only 17½ per cent from 1950-51 according to the Dashamukh Award, and we can only hope that the Finance Commission, which may be set up by the President shortly, will find itself in a position to recommend a larger allocation.

[Sri B. Gopala Reddi] [26th February 1951]

Receipts
under the
Motor
Vehicles
Act.

35. The recommendations of the Motor Vehicles Taxation Enquiry Committee are now under the consideration of the Government of India and the State Governments. I hope that the final decision will not materially affect this important source of revenue.

Receipts
from
Electricity
schemes.

36. One relieving feature from the point of view of our revenues is that our Electricity schemes have now begun to give us increasing dividends. I hope that the Department will keep a close watch over operating costs, to keep them down to the minimum, consistent with efficiency.

Grants
from the
Government
of India
for Post-war
Develop-
ment and
Grow More
Food
schemes.

37. Another important addition to our revenues in recent years has been the grant, given by the Government of India, for Post-war Development and Grow More Food schemes, which I referred to in detail in my last Budget Speech. The total grant received by this Government from 1946-7 to 1949-50 was about Rs. 16 crores, including Rs. 3 crores of special procurement bonus. The Government of India have, however, stopped their grants for Post-war Development schemes with effect from the current year and, as I have pointed out already, they have changed their policy in respect of special procurement bonus also. It is, however, hoped that they will give increased grants for Grow More Food schemes.

Growth of
expenditure.

38. Our expenditure has also been rising from year to year on account of the expansion of our welfare services, as I have indicated already.

Accounts, 1949-50.

39. I shall now briefly review the accounts of last year (1949-50) and the Revised Estimate for the current year (1950-51), before I pass on to the figures for next year. The Revenue for 1949-50 amounted to Rs. 53.80 lakhs, while the expenditure on Revenue Account amounted to Rs. 55.54 lakhs, resulting in a surplus of Rs. 35 lakhs. It will be noticed that this surplus is only slightly less than that anticipated in the Revised Estimate for the year (Rs. 53 lakhs). The capital outlay excluding State Trading Schemes, amounted to Rs. 12.85 lakhs, showing an increase of Rs. 57 lakhs over the revised estimate, the increase occurring mainly on irrigation schemes. The actual adjustments in the year on account of State Trading

26th February 1951] [Sri B. Gopala Reddi]

Schemes, resulted in a large net credit of Rs. 4.50 crores, against the revised estimate anticipation of Rs. 2.50 crores. This is mainly due to some arrear adjustments made in the year and does not represent the net profit to Government on the year's trading.

Revised Estimate, 1950-51.

40. Coming to the current year, 1950-51, the revised estimate anticipates a total revenue of Rs. 59.70 lakhs, against the budget figure of Rs. 55.21 lakhs. The figures of expenditure on Revenue Account also show a rise from Rs. 55.57 lakhs to Rs. 59.07 lakhs. The variations are spread over several heads of revenue and expenditure, and these are explained in the Finance Secretary's Budget Memorandum, 1951-52. I may mention in passing, that both the figures of revenue and expenditure, are inflated by a sum of about Rs. 50 lakhs, on account of a change in classification, whereby the transactions relating to the Seed Multiplication scheme of the Agricultural Department are accounted for separately as departmental receipts and expenditure, instead of being treated as a State Trading Scheme in the Capital Account, as before. The net result is that the current year is expected to close with a surplus of Rs. 63 lakhs, as against the deficit of Rs. 36 lakhs anticipated in the budget estimate for the year. One single contributing factor to this betterment is the rise in the receipts under the Madras General Sales Tax, which is expected to be Rs. 15.75 lakhs, against the budget figure of Rs. 15.00 lakhs, as I have already mentioned. Our *Kannadaku* has not failed us, though Nature has been disappointing.

41. The total capital expenditure outside the Revenue Account excluding State Trading Schemes, is now estimated at Rs. 19.45 crores, against the budget figure of Rs. 15.49 crores. The large increase of about Rs. 3 crores occurs mainly in respect of Irrigation and Electricity schemes. The capital outlay on Irrigation is now expected to be nearly Rs. 8 crores against the budget figure of Rs. 5.79 crores. Likewise, the expenditure on Electricity schemes is expected to rise to Rs. 7 crores, against the budget figure of Rs. 5.60 crores. I may mention in this

[Sri R. Gopala Reddy] [29th February 1951]

connection that the estimate for Electricity schemes includes a provision of Rs. 90 lakhs for payment of the balance of compensation due to the Madras Electric Supply Corporation.

The transactions relating to the State Trading Schemes are now expected to result in a credit of Rs. 204 lakhs, though the budget anticipated that there would be no large debit or credit. This betterment is mainly due to an anticipated recovery from the Government of India of arrears of subsidy on account of imported grains and the adjustment to this head only in the current year, of the sale proceeds realized by Collectors in previous years.

Loans and
advances
by the
Madras
Government,
1950-51.

42. The Budget for the current year took credit for recoveries amounting to Rs. 412 lakhs, and provided for advances to the extent of Rs. 314 lakhs. According to the Revised Estimate, the corresponding figures are: Rs. 448 lakhs and Rs. 647 lakhs. The increase in the advances is due to the provision made for the special loans for chemical manures and larger provision made for takkavi loans in the flood-damaged areas of the northern districts and for loans under the State Aid to Industries Act.

Borrowings,
1950-51.

43. As the House is aware, the Government raised an open market loan on the 31st July 1950 (3 per cent Development Bonds, 1950). This loan was quite a success, and the amount realized was Rs. 440 lakhs roundly, including Rs. 128 lakhs realized in respect of the Manimuttar Project in the Tirumalveli district. The Government of India have also sanctioned loans to the extent of Rs. 146 lakhs to cover the capital expenditure on specific Grow More Food schemes (purchase of agricultural machinery, unproductive irrigation schemes, etc.). The terms for the repayment of these loans have not yet been settled in full.

Debt
positions.

44. A statement* of the debt position of the Government will be found as an Appendix to the printed copy of my speech. The total outstanding balance of loans due to the Government of India on the 31st March 1951 will be Rs. 137 crores, and the outstanding balance of loans raised in the open

* Printed as Appendix on pages 48-52 infra.

26th February 1951] [Sri B. Gopala Reddy]

market will be Rs. 19.4 crores. It is anticipated that the ways and means advances now outstanding, would be repaid before the end of the year. The total outstanding loans will thus be Rs. 33 crores, which is only 55 per cent of the present annual revenue. As against this public debt, the loans repayable to the Government by local bodies, agriculturists, and others will be about Rs. 18 crores.

43. The year 1950-51 started with a balance of Rs. 38 crores in the shape of cash and securities including the amounts pertaining to the Revenue Reserve Fund. On the basis of the estimates now available, it will close with a balance of Rs. 31 crores. The Government will also hold separately securities belonging to the Sinking Fund, Famine Relief Fund and the Electricity Depreciation and Special Reserve Funds, of the purchase value of Rs. 5.7 crores.

Budget Estimate, 1951-52.

44. I now come to the figures of the Budget for next year. The estimates for the Revenue Account are—

	RS. LAKHS.
A. Revenue	60.65
B. Expenditure on Revenue Account .. .	60.30
C. Deficit	— 67

Hon. Members will find, as usual, details of the figures for the Revised Estimate for 1950-51 and the Budget Estimate for 1951-52, in an Appendix* to the printed copy of my speech. As compared with the Revised Estimate for 1950-51, the Budget for 1951-52 anticipates that the total revenue will be only slightly less than in the current year (Rs. — 7 lakhs), but the estimate of expenditure in the next year is greater than that for the current year by Rs. 123 lakhs, practically the whole of which occurs under 'Education'. I shall not trouble the House with detailed reasons for the variations that occur under individual heads which are explained in full in the Finance Secretary's Memorandum. I shall only draw attention to the fact that, but for the anticipated fall in the receipts from Income-tax (Rs. 51 lakhs), and

* Printed as Appendix on pages 51-57 infra.

[Sri D. Gopala Reddi], [20th February 1951]

General Sales Tax (Rs. 95 lakhs) to which I have already referred, the deficit would have been converted into a large surplus as in the current year. The estimate of Income-tax as shown in the Budget, is based on the figures furnished by the Government of India some time earlier. I have just received information that according to the latest estimates of the Government of India, our share is likely to be larger than the Budget figure by Rs. 44 lakhs. Accordingly the deficit of Rs. 67 lakhs, shown in the next year's budget, will be reduced to Rs. 23 lakhs. When this deficit is set against the surplus of Rs. 35 lakhs in 1949-50 and Rs. 63 lakhs anticipated in 1950-51, it may be treated as of no great significance and will therefore be left uncovered.

New
Schemes,
1951-52.

47. The total net cost in 1951-52 of the new schemes included in the Budget, is Rs. 194 lakhs debitable to the Revenue Account and Rs. 369 lakhs debitable to the Capital and Debt Accounts, while schemes costing Rs. 11 lakhs will be financed from the Village Reconstruction and Harijan Uplift Fund. The ultimate cost of all the schemes is Rs. 88 lakhs recurring and Rs. 615 lakhs non-recurring. I have already referred to some of these schemes, and the full list is given in Appendix I to the Budget Memorandum.

The provision for new schemes made in the Capital Account alone is Rs. 281 lakhs, including Rs. 226 lakhs for Tank Improvement and other Grow More Food schemes, Rs. 38 lakhs for the acquisition of local authority electrical undertakings and Rs. 22 lakhs for new building works. The important items of new works are—construction of buildings for Basic Education schools (Rs. 5 lakhs), improvement of certain taluk headquarters hospitals (Rs. 5 lakhs), construction of quarters for police subordinate staff in Madras and other places (Rs. 8 lakhs), and construction of additional quarters for Government servants at Todhunternagar, Saidapet (Rs. 4 lakhs). The number of private and local authority electrical undertakings, so far taken over by the Government, is 14 and it is expected that 36 more undertakings will be taken over in the next year.

26th February 1951] [Sri B. Gopala Reddi]

In the Debt Account, a provision of Rs. 86 lakhs is made mainly for the grant of loans to local bodies for various purposes.

A token provision has been made for each of the following items, pending formulation of detailed proposals or preparation of plans and estimates:—

Contribution to a poor-man's Housing Fund.

Opening of a Second Grade Arts College in Sriekakulam district.

Acquisition of land and construction of buildings for Government offices and residential quarters in Sriekakulam.

Increase of bed strength, employment of additional staff, purchase of equipment and structural alterations to the buildings of the General Hospital, Madras.

Acquisition of additional lands for the Government T.B. Sanatorium, Tambaram.

Acquisition of site for the Infectious Diseases Hospital, Madurai.

Opening of a medical college at Madurai.

Opening of a medical college at Guntur.

Construction of a hostel for the women employees of the Government.

Appointment of a Commercial Taxes Tribunal.

I may mention in this connexion that only a token provision has been made in the budget for the contribution to the village panchayats under section 71 of the Madras Village Panchayats Act, 1950 also, pending proposals for the amendment of the Act, which will be placed before the Legislature shortly.

48. In my last Budget Speech, I drew attention to the large capital expenditure* of nearly Rs. 29 crores incurred by this Government on schemes beneficial to the people from 1946-7 to 1949-50. By the end of this year, the total expenditure would have risen to about Rs. 44 crores excluding the transactions under State Trading Schemes, and the deposits on account of payment of advance compensation to zamindars. As I have already pointed out, the expenditure has been mainly on the implementation of the programme

Capital
Expenditure,
1951-52.

* Printed as Appendix on pages 25-31 *infra*.

[Sri B. Gopala Reddi] [26th February, 1951]

for irrigation and electricity development. For the successful completion of this programme, a sum of Rs. 40 crores more is necessary, spread over the two years 1951-52 and 1952-53. Through the necessary provision has been made in the budget for next year, the real problem is to find the money for it. We have the necessary resources in the shape of our reserve funds, but as these are invested in Government of India securities, we can realize only a portion of our requirements by selling them, having regard to the general condition of the securities market. It is therefore necessary that this Government should be able to obtain sufficient aid from the Centre by way of loans, and also to raise loans in the open-market for substantial sums. If the Government of India and the general public do not respond to our needs in time, and if consequently, these high priority works, which are in an advanced stage of construction, have to be slowed down, much waste and disappointment would be caused, apart from the adverse effects on agriculture and industry in this State. It was with considerable concentration and effort that Madras had built up the organization required for executing the present programme. Machinery and transport costing several lakhs of rupees, with workshops for their maintenance, have been set up and they have several more years of useful life. In order to meet the demand for technical man-power, four new engineering colleges including the Annamalai Engineering College and several polytechnics, had been started and trained men have just begun to come out of these institutions in large numbers. About 30 Public Works divisions, with their full complement of staff, are now engaged on these constructions. The key-personnel of this organization, have all been trained overseas at Government expense and a good few of them are now capable of holding their own in international circles. I hope the House will permit me to take this opportunity to congratulate our Engineers on the great work they are doing. It is very much in the national interest that the present programme should be completed in time and that steps should be taken for the execution of a further programme. As a matter of fact, the Planning Commission of the Government of India is all for the development of our

[26th February 1951] [Sri B. Gopala Reddi]

irrigation and electricity projects according to plan, but the Government of India have to assist this Government to find the necessary funds. I firmly hope that they would be able to show a way and that the public-spirited people of this State and elsewhere also will extend their hearty co-operation in this matter in due course.

As I have said before, this Government have taken 51 per cent of the shares in the Madras Industrial Investment Corporation to the value of Rs. 102 lakhs. One-half of this amount was paid in 1948-9 and the balance will be paid before the end of this year. As regards payment of advance compensation to zamindars, a sum of Rs. 132 lakhs was placed in deposit with the Tribunal last year as already mentioned. A provision of Rs. 116 lakhs in the current year and Rs. 120 lakhs in the next year has been made for further deposits (including interim payments).

49. Under loans and advances by the Madras Government, it is expected that there will be net disbursements of about Rs. 200 lakhs, as in the current year. The gross provision of Rs. 432 lakhs includes Rs. 35 lakhs for short-term loans to the Madras Co-operative Land Mortgage Bank, Rs. 130 lakhs for advances to cultivators, including Rs. 38 lakhs for well-subsidy loans, Rs. 35 lakhs for State Aid to Industries, and Rs. 104 lakhs for local bodies. The loans also include nearly Rs. 13 lakhs to the Madras City Improvement Trust for housing schemes, Rs. 80 lakhs for building societies, and Rs. 15 lakhs for housing societies in rural areas, and Rs. 4.5 lakhs to the Annamalai University for the construction of hostels.

Loans and
Advances
by the
Madras
Government,
1951-52.

50. As usual, no credit is taken in the budget for the proceeds of loans that may be raised in the open-market or taken from the Government of India in 1951-52, to finance capital outlay and loans and advances to local bodies, etc. The withdrawal from the invested cash balances, which is now shown in the budget, will be eventually reduced by the amount of any new loans raised.

New loans.

51. The year 1951-52 is expected to start with a balance of Rs. 31 crores including cash and securities in the Revenue Reserve Fund. It is estimated to

Opening and
Closing
Balance,
1951-52.

[Shi B. Gopala Reddi] [26th February 1951]

close with a balance of about Rs. 10 crores, without allowing for any new loans that may be raised. In addition, Government will hold separately securities belonging to the Sinking Fund, Famine Relief Fund and the Electricity Depreciation and Special Reserve Funds of the purchase value of Rs. 6 crores. Full details of the position relating to these and other special funds, will be found in Appendices III to VII of the Budget Memorandum.

Appendix II to the Budget Memorandum gives a detailed statement of the Government's liabilities and other assets of certain kinds. The liabilities on the 31st March 1951 are estimated at Rs. 108 crores and assets at Rs. 131 crores. The excess of the assets over the liabilities is thus Rs. 23 crores.

52. Sir, I have come to the end of my speech. I should take this opportunity to thank Shri B. Rama Rao, Governor of the Reserve Bank of India, and his Deputies and Shri Chintaman Deshmukh, Finance Minister to the Government of India, for the full assistance they gave in the matter of financial accommodation required by this Government in this year. Owing to the fact that no open market loan was raised and no loan was also given by the Government of India last year, our ways and means position became very difficult even from the beginning of this year. But for the help given by the Reserve Bank, with the support of the Government of India, in regard to ways and means advances and sales of securities, we would really have been hard put to meet our capital expenditure. I am sure that the Government of India and the Reserve Bank will continue to help us in the next year also.

I take this opportunity of placing on record my great appreciation of the work of the Finance Secretary, Mr. T. A. Varghese, I.C.S., who has taken charge of the post in April 1950. His experience as Secretary in a spending department like the Public Works Department, has stood him in good stead, and

29th February 1931] [Sri B. Gopala Reddi]

he has a complete picture of the requirements of the Government on the expenditure side. As usual, his able Assistants have put in hard work during the year and they too deserve special appreciation.

53. The Budget that I have presented contains no surprises, but it provides some little relief from existing taxation. There has been ministerial responsibility in this State for a generation, and far-reaching changes are now in the offing. The elections under the new Constitution are expected to take place next winter as scheduled, and arrangements in this regard are proceeding apace. Will it be amiss if I now take a little time to stress again that this Legislature and the popular Government have some little real achievements to their credit! The author of the *Tirukural* holds that "freedom from sickness and want, increased production and wealth, widespread contentment and joy, and security" are the prime requisites of an ideal State. He has placed 'security' last, evidently to show that all else is unreal without it. I think that the Madras Government can well claim to have preserved Law and Order and engendered a general sense of security, without resort to Draconian measures. One can appreciate the general sense of security now prevailing in Madras and the rest of India, only if he compares it with the conditions in other Asiatic countries, which have also found their freedom recently. Security includes freedom of speech and action. The fact that some persons vehemently criticise the Government for all that they do or omit to do, is sufficient proof of the *bona fides* of the Government in this respect. The separation of the Judiciary from the Executive and the supremacy of the courts have also contributed to the general feeling of security. We cannot possibly guarantee complete freedom from sickness and want, but I think I have said enough already, to indicate that effective steps continue to be taken by the Government, within the resources at their disposal, to improve the health of the people and to provide adequate medical relief. That this Government are now making an all-out effort

[Sri B. Gopala Reddy] [26th February 1951]

against great odds, to increase agricultural and industrial production, should be clear from the facts that I have placed before the House in regard to the implementation of the several development schemes, particularly those in regard to Irrigation and Electricity. Then what about the spreading of contentment and joy? This should certainly begin with the more unfortunate among us. The abolition of untouchability and the throwing open of temples have really given a new meaning to the life of the submerged section of the State. The abolition of drink is intended to enable a class of people to rediscover themselves and to set them on the road to prosperity. Again, the thousands of ryots, who have been held in age-long serfdom in the zamindari areas, will now hold their heads high, and labour for their own enjoyment and not for that of another. The spread of education and the encouragement of fine arts, added to other measures of rural welfare, including the reorientation of village panchayats, in pursuance of the recent Act of this Legislature, should certainly help to put a little more joy into the life of the common people, though, in their new-found rights, they may feel the urge to express discontent at some inconsiderable inconvenience.

I do not mean to say that all is well with this State. What I do claim is that we need not feel apologetic about what we have done. We are certainly on the road to make political freedom understandable to the common man. It is not good to be obsessed with the difficulties of the present day. The difficulties are there to be faced and overcome, and not to be brooded over. Though we may not ignore the fateful present for a distant future, yet we should have the courage and the vision to see things in their proper perspective. Other nations than ourselves have suffered grievous set-backs in recent times, but they are fast coming into their own, through hard labour and unwavering faith. They perhaps believe that "their own disasters and miseries have been only a necessary destruction, opening the way to new construction, or temporary set-backs of no greater importance to the general trend of evolution, than are the waiflets raised by a contrary breeze to the sweep of the in-coming tide". Indeed,

26th February 1951] [Sri B. Gopala Reddi]

we owe it to the great Titans, who have laboured for us and passed away, to have such a robust faith in ourselves and to jointly labour for the welfare of our State and the country. I conclude with a prayer to the Goddess of Prosperity, in the words of Sarojini Devi:—

‘Hearken, O Lotus-born!

Prosper our estates and kindred and cattle,
And cherish our hearth-fires and coffers and corn,
O watch o’er our seasons of peace and of battle,

Hearken, O Lotus-born!’

Jai Bharat!

MR. SPEAKER:—“The general discussion on the Budget will begin to-morrow. I adjourn the House till 11 o’clock on Tuesday, the 27th February 1951.”

The House then adjourned to meet again at 11 a.m. on Tuesday, the 27th February 1951.

THE HISTORY OF THE
CITY OF BOSTON
FROM THE FIRST SETTLEMENT
TO THE PRESENT TIME
BY
JOHN B. HENNING

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TO THE PRESENT TIME
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25th February 1951]

AND THE MADRAS GOVERNMENT DEBT AND FINANCE DEPARTMENT

APPENDIX.

TABLE I.

[Vide page 38 supra.]

STATEMENT OF THE DEBT POSITION OF THE MADRAS GOVERNMENT.

I. OPEN-MARKET LOANS.

(1) When issued.	(2) Description of loan.	(3) Total amount issued.	(4) Amount, that will be paid standing on 31st March 1951.	(5) Remarks.
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	
		LAKHS.	LAKHS.	
September 1937 and September 1940.	2% Loan, 1937 and II issues.	2,39.54	2,18.66	
September 1939.	2% Loan, 1939.	1,51.29	1,42.48	
June 1939	2% Loan, 1939.	1,90.00	1,23.46	
September 1942	2% Loan, 1942.	1,25.00	1,23.23	
September 1942	2% Loan, 1942.	1,25.10	1,23.10	
August 1944	2% Loan, 1944.	1,00.00	1,00.00	
September 1945	2% Loan, 1945.	3,00.00	2,73.68	
September 1946.	2% Loan, 1946.	4,29.38	3,94.82	
July 1948	2% Development Bonds, 1948.	4,29.72	4,29.72	
	Total ..	20,43.93	19,43.18	

II. LOANS FROM THE CENTRAL GOVERNMENT.

(1) Pre-autonomy consolidated debt.	1,24.74	The Madras Govern- ment's debt to the Government of India after certain adjustments amounted to Rs. 1,50.71 lakhs on 1st April 1937. This debt was consolidated into a 4½ per cent loan and it is repayable by 1951-52 by half-yearly equated instalments.
(2) Post-independence debt—		
1947-48 ..	4,00.00	These are loans given by the Govern- ment of India for
1948-49 ..	1,00.00	capital expendi- ture on Irrigation and Electricity Schemes when the Madras Government did not raise any market loan. Interest is payable at 2-7½ per cent half- yearly. The principal is repayable after 15 years in cash.

1950-51—

Fisheries Pre- gressive—	1.43	Interest at 3½ per cent payable half- yearly. Principal repayable after 15 years.
For giving a loan to the South Madras Fisheries Co-operative Society.		

1984h. *Polytrichum* 1984h.

11. LOANS FROM THE CENTRAL GOVERNMENT—cont.

When issued.	Description of item.	Total amount issued.	Amount that will be outstanding on 31st March 1951.	Remarks.
(1)	(2)	(3)	(4)	(5)
(A) Post-graduate fees—cont.				
1950-51—cont.				
Teacher Kedia: routine.	100.00	100.00	100.00	
(B) Engines, Electric Motors, etc. Hire purchase.	60.00	60.00	60.00	
P.W.D. Designation and Tank Improvement Scheme.	42.00	42.00	42.00	
Purchase of cotton seeds from Madhya Pradesh by expansion of cotton cultivation.	10.00	10.00	10.00	
Total, B		15.71	15.71	
Total, B and A		32.16	32.16	

THE SPECIAL THANKS OF THE BOARD

	Amount.
(1) Four Bonds bearing interest at 5 per cent per annum issued between the years 1789 and 1807.	1,23,000
(2) Two Bonds bearing interest at 5 per cent per annum issued in the years 1785 and 1807.	10,500
(3) A deposit bearing interest at 5 per cent per annum received in 1807.	61,776
(4) A deposit bearing interest at 4 per cent per annum (now treated as an Endowment for the Stanley Hospital, Madras).	60,878
Total, III ..	2,55,154
or	2-52 lakhs.

Grand total of loans that will be outstanding on the 31st March (84) (I + II + III).

[Feb. February 1931.]

APPENDIX.																																			
[Vide page 80 supra.]																																			
REVENUE AND EXPENDITURE ON REVENUE ACCOUNT OF THE MARINE STATE FROM 1930-31 TO 1964-65.																																			
A. REVENUE.																																			
1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.	1963-64.	1964-65.	
Major heads of revenue.																																			
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24th February 1981

[26th February 1933]

B. EXPENDITURE ON REVENUE ACCOUNTS—cont.																			
Major heads of expenditure.		1929-30.		1930-31.		1931-32.		1932-33.		1933-34.		1934-35.		1935-36.		1936-37.		1937-38.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.	in lakhs of rupees.
Co-operation	16.67
Education
Capital outlay on industrial develop- ment
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[25th February 1954]

Appendix
[Wile Ben at page 41 supra.]
Demand on General Requirements
A. IRRIGATION, NAVIGATION, ETC., SCHEMES

Description of schemes.	1946-7.		1947-8.		1948-9.		1949-50.		1950-1.		1951-2.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Rs.	LACS.	Rs.	LACS.	Rs.	LACS.	Rs.	LACS.	Rs.	LACS.	Rs.	LACS.
Tangladia Project (Irrigation Sd.)
Lower Barak Project
Marma Canal Scheme
Malayganga Project
Railghat Project
Manikganj Project
Godavari Delta System
Krishna Delta System
Hamphers Drainage Scheme
Tank Improvement Schemes
Land-reclamation projects for Irrigation Schemes having
U.M.P. value
Other Irrigation Schemes (Productive and Unproductive)
Private charges on Rehabilitation and Trade and Fairs.
Loan-charge reduction for probable savings
Total

(1) Included under 'Other Irrigation Schemes'.

(2) Included under other schemes.

(3) Variation of several works some of which have been completed while others are in progress. Hence the estimated cost is given.

26th February 1961]

B. CAPITAL OUTLAY ON ELECTRICITY SCHEMES.

Madhwal Hydro-Electric Scheme	12,57-00	3-52	10-08	79-15	58-55	1,12-25	3,42-36	1,32-25
Mopur Hydro-Electric Scheme	4,43-50	25-08	20-45	68-69	64-65	74-33	2,75-32	59-41
Pylana Hydro-Electric Scheme .. .. .	..	37-45	71-58	40-18	92-01	1,08-55	1,23-52	1,63-22
Mettur Hydro-Electric Scheme .. .. .	..	28-27	69-44	68-21	85-49	93-75	2,58-35	1,09-40
Papanasani Hydro-Electric Scheme .. .. .	..	17-54	..	90-53	68-09	55-62	2,37-46	94-26
Madras Thermal Electric System	6,37-60	..	1,65-07	69-18	54-43	1,57-78	4,57-92	1,81-02
Cocheil Thermal Scheme	25-78	..	10-58	13-53	23-47	18-04	62-65	15-18
Coimbatore Thermal Scheme .. .. .	..	2-46	3-54	4-04	17-09	7-03	30-31	50-06
Vijayawada Thermal Scheme .. .. .	..	2-12	22-77	5-78	16-18	12-52	50-04	21-52
Kakinada Thermal Scheme .. .. .	..	1-18	11	3-59	4-47	3-42	11-41	5-09
Vijayawada Rajahmundry-Samarloket Extension	1,25-54	8-58	22-76	41-49	25-16	17-44	1,24-52	29-52
Nellore Thermal Scheme	1,61-80	..	27-13	..	6-02	11-59	40-54	5-05
Korutal Thermal Scheme .. .. .	..	1-12	..	..	1-48	1-02	3-08	2-06
Tangalwadra Hydro-Electric Scheme	7,59-90	..	..	..	..	..	..	10-78
Long-term provision for provision of transmission for acquisition of electrical undertakings of local authority and private companies.								
Orissa Minor Schemes .. .. .	..	..	..	..	..	..	..	..
Loan-provision deduction for probable savings	1-28
Total	1,20-55	4,54-76	4,54-55	3,40-52	7,30-08	22,14-08	6,93-21

1946 February 1953

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1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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Taken over from the original book:

IN CAPITAL OUTLAY IN CIVIL WORKS

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Taken over from the original book:

THE CAPITAL ACTIVITY OF SMALL TECHNOLOGY COMPANIES

Metro City Bus Service	"	"	"	7-59	80-68	18-85	11-14	\$7-50	\$0-50
E CAPITAL OUTLAY ON CIVIL WORKS									
				80-79	8-59	33-58	21-50	1,10-14	2,40-74
Original Works—Buildings	"	"	"						

Taken over from the original book:

THE MADRAS LEGISLATIVE ASSEMBLY.

Tuesday, the 27th February 1934.

DISCUSSION OF THE BUDGET FOR 1933-32.

MR. SPEAKER:—“The general discussion of the Budget will now be taken up. I fix a time-limit of 20 minutes for each Member.”

THE HON. SRI R. GOPALA REDDI:—“What about the last day, Sir?”

MR. SPEAKER:—“As the discussion proceeds we shall consider it. I think, as the debate progresses, there may be too much of repetitions and naturally the time-limit will have to be reduced.”

MR. MUTHIAH CHETTYAR (C. CHITTHAM):—“Mr. Speaker, Sir, let me offer my felicitations to our gentle Friend, the Hon. Finance Minister and Leader of the House, not only for his clear statement on the financial position of the State, but also for the great worry that he has shown to the people of this State by avoiding fresh taxation, though he has not been able to offer more reduction in taxation. Provincial or State budgeting is not easy now, in spite of the best of intentions of those who are in charge of the administration, because, for reasons beyond their control, certain policies to which they are committed are of such a nature that they find themselves unable to change all of a sudden, however much the people may feel the necessity to change them.

“Sir, to save the time of the House, I shall not speak at length about the possibilities of reduction of taxation, though it would have been more welcome to the public if it had been possible. I would only say that in spite of the best intentions of the Government to reduce taxation, it has not been possible for them to do so. While the Hon. Finance Minister has been able to announce the fact that sales tax will not be collected at more than one or two paise, it would have been better, if it had been possible for him to say that sales tax on the essential commodities, or at least in respect of certain of the essential commodities, will not be collected. That would certainly have been welcome, particularly in view of the increased cost of living and also in view of the fact that the essential commodities are of an edible nature.

“Sir, one thing about which the Government can legitimately take pride is the administration of the Police Department. I refer to this because I consider that security is as much essential as any other matter with which the State Government is concerned and it is a matter for congratulation that the Government and the Police Department with its efficient heads of the department have, in recent years, been able to maintain order in the difficult districts. I am indeed glad that the Hon. the Chief Minister, the Hon. the Law Minister and the Hon. the Leader of the House, who among themselves share the responsibility of dealing with the subject, including the duty of presenting the matter to us on the Floor of the House, have been able to pull through the last two years,