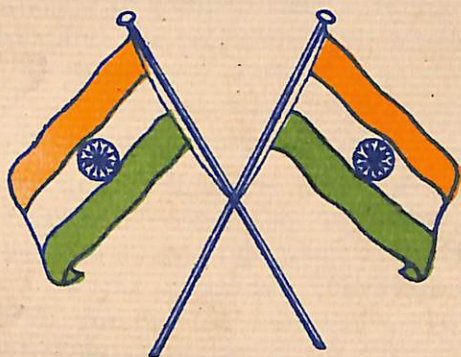




# BUDGET SPEECH

1949-50



BY THE

Hon'ble Shri Bishnuram Medhi,  
Finance Minister, Assam  
10th March 1949

ASSAM GOVERNMENT PRESS



THE INDIAN NATIONAL ARMY



1947



# GOVERNMENT OF ASSAM

## FINANCE DEPARTMENT

### **Speech of the Hon'ble Srijut Bishnuram Medhi, Minister of Finance, in introducing the Budget of the Government of Assam for 1949-50 in the March-April Session of the Assam Legislative Assembly**

Mr. Speaker, Sir, I rise to present to the House the revised estimates for the current year 1948-49 and the budget estimates for the next year 1949-50. Before explaining the details of the estimates I take the privilege of giving a general resumé of our financial and other difficulties and the problems with which we have been confronted due to the partition of India and how it is beyond the financial capacity of the Province with all these difficult problems to meet our basic needs in spite of our best efforts.

I once again repeat for the fourth time how Assam has been suffering for a long time under financial injustices in one form or another. Assam had to remain undeveloped not on account of her fault but on account of the financial difficulties which confronted her ever since 1921, due to the iniquitous and unjust financial adjustment which the two instalments of reforms brought in their wake without allotting to her sufficient extra source of revenue even to meet the additional expenditure necessary to maintain the top-heavy administration. During the last 27 years all social and development activities had to be starved in an attempt to balance the budget and as a result the social and economic standards of the Province had to remain where they were and the disparity between these standards and comparable standards in other provinces widened. In spite of the best efforts to balance the budget by starving development activities during the period, the budget could not be balanced in as many as 17 years. In their heroic efforts the Congress Government explored all avenues open to them under the Government of India Act, 1935, and introduced all possible taxation measures including :—

- (1) A tax on Agricultural Income.
- (2) A tax on Amusement and Betting.
- (3) A tax on Motor Vehicles.
- (4) A tax on Motor Spirit and Lubricants.
- (5) A tax on Professions, Callings, Trades and Employment.
- (6) A tax on Sales of goods.

Even after burdening the people with so many taxation measures the normal budget could not be balanced not to speak of undertaking any development measures to meet the basic needs of



the Province in keeping with its autonomous status and to raise the administrative and social service standards to the level obtaining in other provinces of the Indian Union. We have exhausted practically the whole field of taxation reserved for the provinces and have touched the normal Indian standard in the severity of taxation. We cannot by any device secure finance for the schemes out of our own revenues.

One-third of the population spread over two-thirds of the area of the province is composed of tribes in different stages of civilisation. They are to be nurtured, developed and integrated in one common whole and the social and economic condition of the entire undeveloped area must be raised to the level of the rest of the Indian Union. The Central Government have at last recognised some responsibility of placing adequate fund at the disposal of the provincial administration for the social and educational uplift of the inhabitants of these areas.

For a province bordering on Pakistan and forming the North-East Frontier of India and having within its borders groups and interests likely to be misled by propaganda, the disparity in the level of social and administrative standards constitute a serious threat to the integrity of India.

Assam has over 300 miles of frontier bordering on two foreign lands seething with violent re-actionaries. Besides, soon after the imposition of a ban on Communist organisations by a neighbouring province, there was a mass infiltration of undesirable elements who found easy shelter with their friends, sympathisers and relations along the entire Railway line from one end of the province to the other, in all important Railway stations and industrial areas, fomenting labour strikes, discontent and disorders, and attempting to create disintegration of the different elements of the population specially those who are simple-minded and educationally backward.

These undesirables from outside are also attempting to disturb the communal harmony and friendship that happily exist so long among different communities in Assam. This, coupled with the infiltration of similar subversive elements from Burma along the border, has made the maintenance of a strong Police force obligatory for the preservation of internal peace and order which is not only essential for the well-being and development of the Province but also for the safety of the rest of India.

Before the partition, supply of food-stuffs, such as rice and fish, etc., for portions of the Khasi and Jaintia Hills and the Garo Hills, bordering on the districts of Sylhet and Mymensingh extending over 100 miles used to come from those districts, but after the partition not only the supply of rice and fish and other essential commodities



had been stopped but also the purchase of oranges, pan leaves, etc., from the Khasi and Jaintia Hills and the Garo Hills had been stopped causing untold hardship to the people of these two districts. In order to relieve these difficulties, Government had to take up construction of roads in those border areas for connecting them with Shillong and other important trade centres for supply of food-stuffs and other essential commodities to the people living in those border areas and for affording them facilities for diverting their agricultural produce for sale in other markets. It is practically beyond the capacity of the province to shoulder the entire burden of the expenditure involved in meeting the various difficulties caused by the partition of India.

Until recently the province was without a High Court, a University, a Medical College, Veterinary College, Agricultural College, Training College, Ayurvedic College, Engineering School, Police Training School, Technical Institutes and similar other institutions of an essential character for the training of personnel for effectively carrying out the various development projects and industrial enterprises. It is needless to say that without sufficient funds these institutions cannot be fully developed. Almost all these institutions have been included in the Post-war development scheme.

The emoluments paid to the Government employees, specially in the lower grades, were perhaps the lowest in India until this year when they were raised on the recommendation of the Provincial Pay Committee.

With the object of raising the general standard of living of the rural population forming about 96 per cent. of the total population of the Province, we have evolved a scheme of rural development, through which it is hoped to change the entire basis of our economy.

These schemes with the programme for growing more food and other essential commodities and for developing the cottage industries like Sericulture, Village craft, Spinning, Weaving, Bee-keeping, Soap making, Umbrella making and Co-operative Credit Movement, etc., are expected to build up self-sufficient village units, and ultimately such schemes will not only be productive and self-supporting but will also bring more revenue for utilising the same for further development of other areas gradually extending to the entire rural areas of the province through the efforts of the Village Panchayats.

I am neither underrating the difficulties of the Central Government nor those of other provinces. But I venture to state that in the magnitude and complexity of our vital requirements for development and for existence as a strategic frontier province with so many complicated problems created by the partition of India and with the menace of disruptive elements knocking at the border of the province, we have few equals. In addition we have the special



problem of developing various tribal communities and integrating them with the rest of the people of Assam.

We are prepared to face all difficulties and are determined to go ahead on our road to progress but all we want is our rightful share of the revenues which the membership of Federation has cost us.

I appeal to the Centre to consider the difficulties that have confronted Assam which has so long remained undeveloped due to the apathy of the bureaucratic regime and extend necessary financial help to enable this undeveloped frontier province to rise to its full stature to become a worthy member of a great family and to stand side by side with other developed provinces and be strong enough to defend the North-Eastern gate of the Indian Union. It is our firm belief that the distribution of Post-war grants and any financial settlement which ignores the economic differences between the regions and treats all the Units alike will only perpetuate the injustice under which Assam has been labouring so long, and which every one would like to put an end to under the new set-up of things.

In anticipation of a fair and scientific financial settlement and in expectation of getting a generous grant from the Centre from the Post-war fund we have undertaken schemes of reconstruction and development which we consider absolutely essential for equipping the province for its autonomous role and for the well being of its people and for meeting its basic needs. For want of adequate finance of our own we have included all those schemes and various training institutions under the Post-war schemes.

Under the circumstances distribution of Post-war grant to an undeveloped province like Assam should be on the basis of meeting the minimum basic needs of the province instead of on a population basis which is considered wholly inadequate for meeting its essential requirements. Any drastic reduction of the Post-war grant will invariably retard the progress of this province to such an extent that it may threaten the existence of Assam as an autonomous province.

We are grateful to the Government of India specially to the Prime Minister and the Deputy Prime Minister for the assistance they have given us so far in financing the schemes and for waiving the 50 per cent. contribution and for giving special weightage in recognition of the special needs and difficulties of the province.

As directed by the Government of India and in pursuance of the anti-inflationary policy, we have revised our Post-war schemes by omitting expenditure for schemes located in Pakistan and also schemes and items of expenditure which can be postponed for some years. For instance we have decided to carry on for the present with thatched structures and hired houses instead of concrete buildings for locating the different training institutions and we have



submitted a memorandum to the Government of India in November 1948 showing our minimum requirement for 1948-49 and 1949-50. Our schemes in the 5-year period are estimated to cost about Rs.40 crores including loans to the extent of Rs.10 crores, after excluding the estimated cost for schemes located in that portion of Sylhet now in Pakistan. It was also agreed by the Government of India that the reduction of the original Post-war grant for Assam will be made to the extent of the estimated expenditure for schemes located in the Pakistan portion of Sylhet. Having based our plan on such assurance it is not desirable to reduce the scale of assistance on which we have so far planned our schemes. We have, however, no alternative but to spread over the expenditure over a longer period.

Due to a drastic cut in Post-war grant to Rs.1,60 lakhs, out of an expected grant of about Rs.8 crores, these development schemes had to be limited to a few centres only and other Post-war schemes already started had to be considerably slowed down, construction of permanent buildings for locating the institutions has been postponed and schemes not already started had to be postponed. The essential schemes to meet the basic needs of the province, however, cannot be abandoned without detriment to the national welfare.

It may not be out of place to mention here that during the past years the Centre had collected, on an average, over Rs.7 crores annually from Excise Duty on Petroleum, Kerosene, Tea and Export Duty on Jute and Tea and Income-Tax within Assam. Our claim for Rs.40 crores for Post-war grants cannot be said to be extravagant when it is remembered that the Centre had collected more than Rs.75 crores in the course of the last ten years as revenue on products raised within our province and on income earned therein.

If it be not possible to accommodate us fully from the ordinary Post-war pool, a special Post-war fund should be created out of the revenue collected in the province and pending a final and equitable financial settlement between the Centre and the provinces this fund may be utilised for helping undeveloped provinces like Assam to meet their basic needs.

In spite of the special treatment mentioned above, the grant so far allotted to the Province, however, is not only uncertain but quite inadequate to meet its special needs. Moreover no province which had to depend upon the day to day munificence of the Central Government can safely formulate plans and proceed on with its schemes of development with any degree of certainty. It is imperative that the province should know as definitely as possible its position during the next five years which is the most formative period in the history of the country so that it could make its plan of development with some assurance of a minimum revenue. For



that purpose there should be a statutory minimum assured to this province out of the Central taxes.

I take this opportunity to lay before this House our claim for a substantial share of the Central taxes and the grounds in support of such a claim with the expectation that the Government will get the full and unanimous support of this House as well as the people of Assam in their demand for an assured statutory minimum essential to enable the Government to go ahead with all our Post-war development plans to meet our basic demands. The matter, of course, will be discussed at the next meeting of the Constituent Assembly, and I venture to inform the public through this House regarding the claims that we have been pressing on the Government of India from time to time and the basis of our claims in this vital matter. In this connection Government of Assam have already forwarded appropriate amendments of the relevant clauses of the Draft Constitution for consideration of the Government of India and have requested the Assam members to move similar amendments to the relevant clauses and the Hon'ble Premier has already submitted appropriate formal amendments to the Draft Constitution to the Constituent Assembly on the lines of our demand.

In the Constitution envisaged in the Draft now under consideration of the Constituent Assembly the Government of the provinces would mainly be responsible for matters concerning the life of the masses. The success of the Constitution itself would naturally be measured by the success of the Provincial Government in tackling the problems affecting the general well-being of the people (which falls in the provincial sphere).

The revenue of the country should, therefore, be distributed in relation to the functions assigned to the Centre and the provinces. In this matter of allocation of revenue between the Union and the States, the Drafting Committee has, however, proposed practically the same system as is current under the Government of India Act, 1935, for a period of five years (which means perpetuation of the injustice to an undeveloped province like Assam during that period).

Even the present Act recognised that the functions imposed on the provinces were the most expensive as relating to Agriculture, Industries, Public Health, Medical, Labour Welfare, Road Communication and Rural Water Supply and the provincial revenue was far too inadequate for the expanding responsibilities of the provinces.

In the context of the changed political conditions, the implication of the present arrangement needs examination from a different angle in the new set-up. The cumulative effect of keeping the provinces like Assam in this undeveloped state for years due to the iniquitous Award and acts of omission and commission in the past provoking a natural reaction, and a reasonable



claim for the betterment of the standard of living of the people simultaneously with the attainment of freedom, has come as a challenge not only to the province but to the political stability of the Union as a whole. The responsibilities of the provinces are bound to increase for some years to come. In order to enable the provincial Governments to meet such a demand effectively it is essential that the scheme for financial allocation should be so devised as to ensure first and foremost a dependable minimum (by way of grant or share of the Central revenues) to meet the basic needs of the provinces, especially of undeveloped provinces, and also provide for increase in the shares of provinces in the divisible revenue, according as their development projects were implemented and their own resources found inadequate to put them through. Such an arrangement is not only desirable but also quite feasible in view of the responsibilities undertaken by the Centre which has been left with mainly three functions, namely—Defence, Foreign Affairs and Communications. Of these, Communications were not only self-sufficient but they also contributed to the general revenues. In normal times expenditure on these heads like Defence and Foreign Affairs was not likely to be as burdensome as it was supposed. (The Central revenue which was Rs.124 crores in 1935-36 rose up to Rs.336 crores in 1946-47 whereas the entire revenue of all the provinces amounting to Rs.74 crores in 1935-36 came up only to Rs.243 crores including the total provincial shares allotted out of the Central taxes.) The above fact and a cursory glance of the estimated Central revenue and expenditure and the entire combined revenue of the provinces and expenditure in 1935-36 and those in 1946-47 under the existing arrangement reveal that the Central revenue is much more liable to expand than the provincial revenue. On the contrary, the expenditure of the Centre with respect to subjects allotted was much more stationary in comparison with the expanding expenditure of the provinces. These facts clearly strengthen our claim for an increased share of the more elastic and expansive revenue that had been retained under the existing arrangement by the Centre which should part with more revenue to meet the basic needs of an undeveloped province like Assam. Under the circumstance the Centre should part with not less than 60 per cent. of the net proceeds on Income-Tax including the Corporation tax and tax on Union Emoluments as recommended by the Expert Committee instead of the existing 50 per cent. for distribution to the different provinces.

This conclusion is not affected by the fact that some of the Provincial Governments have accepted the schemes for nationalisation of industries. The present trading activities of these Governments are confined mainly to supply and transport services. The



participation in these enterprises which was a policy forced upon the provinces by the emergency of the War and Post-war period, does not in any way constitute a departure from the normal functions of the State. The nationalisation of basic industries in an undeveloped country and of public utility service like the State Transport is also a normal and natural extension of Government functions. It is therefore undesirable to subject income accruing from these normal administrative functions to taxation by the Centre.

In view of the recent pronouncement of the Government of India regarding industrial policy there need not be any apprehension that the provinces will embark on a policy of indiscriminate nationalisation thereby reducing the volume of private income and diverting revenue from the Centre to the provinces. There is, therefore, no justification for a provision as in article 266(a) of the Draft Constitution which makes a new provision for imposing Income-tax, etc., on income derived by the Supply Department, Transport and other State enterprises and takes away the existing right enjoyed by the provinces under section 155 of the Government of India Act which exempts all such income derived from State enterprises undertaken by the provinces. The only effect of such a proposal will be to discourage industrial development by removing the incentive to State enterprise in the provinces. It will have also a consequence of subordinating the provincial Governments fiscally to the Centre, particularly when the Centre will be exempted from provincial taxation. Having exhausted the entire field of provincial taxation Assam will be unable to add to its revenue unless it is allowed to retain the whole of the profits earned by it from its commercial enterprises. The proposal in the Draft Constitution makes no difference between capitalist concerns and individuals, who use such income for their own benefit, and the provinces which utilise such income for services to the people. Such a proposal, moreover, will discourage nationalisation even of basic industries and public utility services. The Supply Department of the State is for equitable distribution of food and other essential commodities to the people and as such should not be considered at all as a trading concern liable to Central taxation.

In view of the facts and circumstances stated above, the provision in article 266(a) of the Draft Constitution should be deleted as it is not conducive to the best interest of the country.

The Expert Committee's suggestions, however, of a combination of population and collection with appropriate weightage to individual provinces as basis for distribution gives far too much weight to the places of control of business where Income-tax is collected and is likely to favour provinces like Bengal and Bombay more than others. These two provinces between them collected as much as 54 per cent. of the Corporation tax and Income-tax accrued in other



provinces though their population was barely 27 per cent. of the population of British India. It will thus be unfair to other provinces to stress the factor of collection in the way recommended by the Expert Committee as against origin or locus of income. A simpler and more equitable basis may be arrived at by a combination of population with the severity of taxation obtaining in different provinces, or in the alternative by a combination of population with the origin or locus of income.

The former basis appears to satisfy the ideal of progressive taxation taking the taxes imposed by all the Governments together.

I, however, suggest that pending setting up of an appropriate machinery for working out a more satisfactory basis for distribution, 60 per cent. should form the divisible provincial pool of the Income-tax as stated above and it should be distributed on the following basis :—

- (i) Twenty per cent. should be distributed on the basis of population ;
- (ii) Thirty-five per cent. should be distributed on the basis of origin or locus of income ;
- (iii) Five per cent. should be distributed as a balancing factor to mitigate the hardship to individual provinces.

Assam should also get weightage for the special difficulties and problems, political and economic, created by the partition of India as narrated before.

Instead of parting with more revenue the Government of India, in exercise of large powers under the Provisional Constitutional Order, 1947, have already taken an *ex parte* decision last year as a result of which they would now have as much as 80 per cent. of the proceeds of the Jute Export Duty against their previous 37½ per cent. while the provincial divisible pool has been suddenly reduced from 62½ per cent. to 20 per cent.

The Government of Assam immediately lodged an emphatic protest as this adversely affected this undeveloped province and requested the Central Government to reconsider the matter as this unilateral decision was made without giving the provinces an opportunity to express their views.

As already stated the division of India has not only affected Assam's economy in more than one aspect but has also created problems beyond the financial resources of the province to tackle, and any scientific adjustment of the financial settlement should give due weight to all the changes, some of which have affected the Centre primarily and others have exerted their influence on a province



like Assam. The new rate fixed for sharing the Jute Duty with Jute-growing provinces by an unilateral action without consulting the provinces has made the Centre the sole beneficiary of the situation, the adverse effect of which has been felt by the provinces.

Instead of utilising the windfall (in the shape of Jute Duty collected from the Jute grown in Pakistan) to give relief to a province like Assam by transferring the whole of the Duty collected on Jute grown in the Indian Union, the Government of India have retained for themselves the same percentage from the latter while appropriating the whole of the former.

The Government of Assam consider this *ex parte* decision as unscientific and totally opposed to the spirit of the settlement under the Niemeyer Award and against the provision of section 140 of the Government of India Act, 1935, for one of the obvious purposes of the grant of 62½ per cent. of Jute Duty under it was to provide the Jute-growing areas with an elastic source of revenue. By expanding their acreage under Jute these provinces could expect a corresponding expansion in their Jute Duty. The new ratio has destroyed this elasticity.

Had the allocation been made on the existing 62½ per cent. the share of the province would have been over Rs. one crore calculated on the basis of the amount of Jute produced in the province and the deficit of the current year's budget would have been wiped off and we would have also been able to balance the budget for next year as desired by the Centre in pursuance of the anti-inflationary policy.

In view of the protest made by us and other provinces it is gratifying to note that the Government of India have decided in January 1949 to institute an expert enquiry into the allocation of Income-Tax and Export Duty on Jute so that a revised allocation may be made (in 1950-51) subject to such provisions as may be made in the new Constitution. Under the circumstances mentioned above, the divisible provincial pool of Jute Export Duty should be restored to the original percentage of 62½ per cent.

In view of the financial and other difficulties, the Government consider that the peculiar problems with which Assam is confronted, can only be solved by an outright assignment of a substantial share, *i. e.* of 75 per cent. of the net proceeds of the Export Duty on Tea and of the Excise Duty on Petrol and Kerosene. The former is akin to Export Duty on Jute 62½ per cent. of which was assigned to provinces primarily to suit the exceptional circumstances of Bengal. In the opinion of the Taxation Enquiry Committee also both these duties which fall primarily on foreigners are fit for use as a balancing factor. When one could be shared for the benefit of a particular province, there



seems no reason or justification why the other should not be shared by an undeveloped province like Assam. Moreover, Export Duty on Tea like the Export Duty on Jute is realised primarily on the products of particular areas and is thus a fit revenue to be shared with a province like Assam.

The Excise Duty on Petroleum and Kerosene produced in the province is one in which Assam may lay a prior claim. It is wrong to lump such a duty with other Excise Duties. The process which enables the Central Government to collect and appropriate this duty causes irreparable loss to the province's natural resources (capital) and the only legitimate use of such revenue lies in the development of the province. Moreover, this duty is akin to royalty as one of the purposes for which a mining lease is given is to grant the right to convert and manufacture motor spirit out of Crude Oil. The Excise Duty collected at the manufacturing stage is thus not different from royalty collected at the extraction stage.

Unless adequate and sufficient help in the shape of a grant is forthcoming from the Centre to wipe out the deficit of about Rs.60·58 lakhs and to enable the province to start with a clean slate, and sufficient Post-war grant placed at her disposal to meet her basic needs as stated above, Assam will have to remain undeveloped and continue her career with an unjust financial handicap which will be beyond her ability to make up.

With the proposed share of Export Duty on Tea and Jute and Excise Duty on Petroleum and Kerosene assigned to her, Assam will be on a par with the remaining provinces of the Union and will then be able to benefit fully by allocation of other centrally collected revenue such as Income-Tax, Excise Duty, etc., as stated above.

In laying our claim for a substantial share of the Export and Excise duties, etc., I think, I am voicing not only the views of the Hon'ble Members of this House but also of the people of Assam. We reiterate our demand for appropriate provisions in the Draft Constitution, specially under articles 253 and 254, for allocation of 75 per cent. of the Excise Duty on Petrol and Kerosene, 75 per cent. of the Export Duty on Tea, and 62½ per cent. of the Export Duty on Jute for distribution among provinces in which they are produced and for deletion of the provision in article 266(a) which seeks to impose Income-tax, etc., on income derived by provinces from State enterprises.

**Political Sufferers.**—I again, pay my respectful homage and bow down to the Father of the Nation who had achieved liberty



for us, paved the way for equality and died in the cause of unity without which all our plans for development and progress would have been futile and expensive experiments, and also to those known and unknown martyrs who sacrificed their lives during the non-violent struggle. I invoke the spirit of the great sage to guide us in the right line so that we can attain economic, social, spiritual and moral freedom according to the ideal placed before us to the lasting good of the country, and establish a class-less democratic State. I take this opportunity of sending my greetings to those of our comrades who sacrificed their properties and suffered imprisonment and have become permanently incapacitated, and who spent the best part of their lives as whole-time workers in the struggle for freedom, but are now left in acute financial distress having nothing to fall back upon as a consequence of their political activities. Many of them have been permanently disabled and many have been killed and hanged leaving their dependents absolutely helpless to be taken care of by others. We feel it is the duty of the Nation not only to appreciate the services of the martyrs and the political sufferers who brought independence to the country but also to realise the need of rendering some help to them and the minor dependents of the martyrs who sacrificed their lives. So far Rs.2,85,000 of collective fines have been returned and about Rs.9,000 paid to different political sufferers whose properties were confiscated. Guns and cycles proved to have been seized during the struggle have either been returned or adequate compensation in lieu paid to the owners and gun licenses have been directed to be re-issued. In addition, a sum of about Rs.10,000 had already been paid as additional allowances to those who were not given any allowance during the period of detention or who were granted inadequate allowances. Gratuities were also paid to the dependents of those who were killed and to those who were made permanently invalid in connection with the Congress movement, at the time of the Celebration of Independence Day. Persons who had resigned or lost their services during the struggle and applied for re-instatement were also re-instated. Instructions to the Deputy Commissioners and Subdivisional Officers have already been issued to help the political sufferers by providing sufficient arable waste land to those who have no land or have land less than 30 bighas. Government also made it clear that in case 10 or more political sufferers joined together and applied for land for the purpose of collective or co-operative farming, larger areas of waste land would be made available to them. Government, however, fully recognise that the relief so far given to the patriots who won the freedom for us is quite inadequate and have accordingly decided to give them additional relief in the following forms after carefully going into the matter:—

- (1) In the case of those who lost their lives as a result of



participation in the struggle inaugurated by the Congress for attainment of independence in 1930-33 and 1942 :—

(a) A pension of Rs.20 per month to widows and the helpless mothers of such persons for life or till re-marriage.

(b) Scholarships to children of school or college-going age till they attain the age of 21 years in the case of boys and 18 years in the case of girls or earlier in the case of discontinuance of studies or marriage in the case of girls.

(2) In the case of those who have been rendered permanently invalid and disabled and thereby deprived of their earning capacity—a monthly allowance up to Rs.25.

(3) In the case of those who did not suffer in life or limb (or earning capacity) and yet are without employment, though physically or educationally qualified, Government are prepared to consider them for absorption in various development schemes and other public services according to capacity and ability, and for that purpose Government have proposed condonation of age to the extent of five years and waiving of application fees normally payable with applications for such jobs. The Provincial Government have constituted a Board consisting of the Chairman, Public Service Commission, the Hon'ble the Speaker and the Chief Secretary in order to prepare a list of such persons who are eligible for relief and the nature of relief in the line indicated above. The Government is anxiously waiting for the report with the recommendation of this Board. As soon as the Government receive the report of the Board with their recommendations the matter regarding granting of further relief will be considered and announced.

Government, however, recognise that such relief as has been proposed above can never be a true measure of the services which those patriots had rendered for the cause of the country or be adequate recompense for their sacrifice. Whatever help the Government may propose would merely be a token of their earnest and sincere appreciation of their selfless services and sacrifice, and Government would humbly request them to accept them when offered.

**Revision of pay scale and its effect.**—The unanimous recommendations of the Pay Committee were carefully considered by Government and their decision was published in the Extra-ordinary Gazette, dated the 20th May 1948. All the Departments were directed immediately after this publication to work out the scale of increments and efficiency bar, etc., and submit their proposals. Rules were also framed for fixation of initial pay in the new revised scales accepted by the Government and the Finance Department



has also issued instructions on the 23rd July 1948 for the drawal of the arrear pay according to the new revised scales from the 1st of April 1948. Orders were also passed for removal of any bar to promotion which is found in practice to have the effect of destroying all incentive to good work.

In view of the high price of food-stuff and other essential commodities, and in order to avoid hardship to public servants specially in the lower scales of pay, free ration, rice concession, dearness allowance, etc., have been allowed to be continued in place of the consolidated scale of dearness allowance recommended by the Pay Committee (as shown at page 102 of the Extra-ordinary Gazette, dated the 20th May 1948) till the price levels stabilise, although these emoluments involve heavy expenditure. The total salary bill roughly calculated for 1948-49 and 1949-50 comes up to Rs.1 crore 93 lakhs and Rs.2 crores 36 lakhs respectively calculated on the basis of the new revised scales accepted on the recommendation of the Pay Committee.

In addition, a sum of Rs.80,76,000 for 1948-49, and Rs.86,41,900 for 1949-50, is required to meet the expenditure involved in the existing emoluments, namely—free ration, rice concession, dearness allowance and the cost of living allowance, etc., as follows :—

	1948-49	1949-50
	Rs.	Rs.
Free Ration ... ..	31,94,000	27,00,000
Dearness allowance (to those who draw Rs.250 or less per mensem).	35,84,000	47,28,000
Cost of living allowance (to those who draw Rs.250 or more per mensem).	5,52,000	6,36,000
Winter allowance (to those who draw Rs.500 or less in places like Shillong and other places where the winter is very bitter).	1,20,000	1,50,000
Rice concession (to those drawing pay at Rs.300 and below per mensem).	6,26,000	4,28,500

The total salary bill including these emoluments comes up to Rs.2 crores 74 lakhs in 1948-49, out of a total Revenue Receipt of Rs.4 crores 33 lakhs 47 thousands, excluding the provincial share of Income-tax, Jute Export Duty, Subvention and Post-war grant. The total for the year 1949-50 comes up to Rs.3 crores 22 lakhs, out of a total normal revenue of Rs.4 crores 68 lakhs 94 thousands. Thus the salary bill alone absorbs about 63 per cent. and 68 per cent. respectively of the normal receipt for the year 1948-49 and 1949-50.



In the current year's budget a sum of about 8 lakhs 37 thousands has been provided for improvement of the pay scale of teachers of Government Aided High Schools while a further sum of 10 lakhs was provided in the last budget for improvement of the pay scale of the Primary School teachers. If these two figures are added to the salary bill the percentage for our immediate purpose will go up to 67 per cent. and 72 per cent. for 1948-49 and 1949-50 respectively. The estimated total additional cost for giving effect to the new revised scales of pay from the 1st of April amounts to about Rs.5 lakhs of which 3 lakhs 50 thousands have already been drawn and the balance will be drawn in the next year. The ultimate financial effect calculated on the basis of the revised scales of pay will be an extra expenditure to the extent of about 33 lakhs, and it is of interest to know that out of this 33 lakhs, about 27 lakhs will go to benefit officers with lower scales of pay, namely—Lower Division Assistants in the districts and Heads of Departments, Process Servers, Chaprasis, Orderlies, etc., Mandals and Forest Guards, Jail Warders, S. I. and A. S. I. of Police, Constables, Lower School Service Class I, Sub-Assistant Surgeons (Medical and Public Health), Overseers, Computers and Draftsmen.

From the facts stated above, it is clear that the major portion of the benefit of the increased revised scales of pay goes to officers with lower scales of pay. It may be mentioned that when the revised scales are fully operative, 8 lakhs 45 thousands, out of 33 lakhs will go to Constables alone.

In view of the low *per capita* income of the province, the amount already absorbed in the salary bills which works out at more than 60 per cent. of the revenues is considered to be too heavy a burden on the Public Exchequer and the public and the Government officers will appreciate that a responsible Government cannot enter into any further upward revision of the pay scales which will invariably jeopardise the interest of the general tax payers, as salary and emoluments will swallow up the provincial revenues leaving practically nothing to be utilised for the benefit of the people in the villages. I therefore appeal to Government officers of all grades of service to accept the present revision of pay scales till we succeed in increasing the resources of the State by helping the rural population to raise their standard of living and improve their economic condition. I request them to consider themselves as limbs of the Government and to serve the people of the country with a spirit of self-sacrifice so that the newly acquired freedom may prove to be of lasting benefit to the masses for the establishment of a social, economic and democratic State and help Government in improving the economic condition of the people. The masses can only be expected to contribute more towards the resources of the State when we succeed in improving their economic condition.



**Garo Hills.**—It is needless to say that lack of transport facilities has so long retarded the proper utilisation and development of the potential mineral, forest and agricultural resources of the Garo Hills which contain extensive deposit of high grade coal roughly estimated to be about 1100 million tons as well as limestone suitable for the manufacture of cement specially in the Simsang or Someswari Valley. The importance of an early opening up of this area containing the hidden coal field and limestone both as an attractive fuelling source for the Railways and other industries as well as a potential industrial area capable of a very wide growth and development need hardly be stressed. It may prove to be the heart of the industrial region of Assam. The solution of the transport difficulties and the importance of connecting Siju and the surrounding locality with the Assam Valley on political and economic grounds has been engaging the serious attention of the Government specially after the transfer of Sylhet to East Bengal. Reconnaissance survey which was started in March last was completed and the result shows that it is feasible to link Siju, Darugiri, Dudnai with the general Railway system. The matter was placed before the Central Board of Transport last December and I am glad to inform the House that it was decided to undertake the engineering and the traffic survey over the stretch between Dudnai and Pandu on the Goalpara-Pandu section and an extension from Dudnai to Siju *via* Darugiri as early as possible. It is expected that within a period of about 5 to 7 years it will be possible to raise 3 million tons of coal and to manufacture about 2 million tons of cement annually and provide 4 million tons of traffic which will include the timber and other forest produce and the cotton grown in about 29,000 acres in the Garo Hills.

**Flood problems of Assam.**—It is unfortunate that different parts of the province are annually subjected to repeated floods causing extensive and wide-spread destruction of crops and properties. It is a doleful story to repeat that there was flood throughout the province in the current year also causing wide-spread distress. So far a sum of Rs.3 lakhs 21 thousands has been spent in the shape of gratuitous relief in addition to Rs.11 lakhs distributed as agricultural loan. In some places rice and paddy had also to be supplied at concession rates for some time. To alleviate distress in the worst affected parts test relief work had to be started involving an expenditure of about Rs.25,000. Government have also so far granted remission of revenue and local rates to the extent of about Rs.45,000 and a further and greater remission will have to be given after the enquiries in other areas are completed. Large quantity of sago, multi-vitamin tablets, tinned milk and medicine were distributed in the flood-affected areas. Steps were also taken to prevent the spread of epidemic diseases. Orders prohibiting



issue of attachment and other coercive measures for the realisation of revenue and arrear agricultural loan in the flood-affected areas, were also passed. The Assam Famine Relief and Insurance Fund Act, 1948, has been passed to enable the Government to build up a fund for distribution of relief in case of distress due to flood, draught, cyclone and fire, etc. Orders were issued to grant trees free of royalties to villagers for making boats in the flood-affected areas, and to allow them sufficient forest produce for construction of huts washed away by the floods. For speedy distribution of relief and for saving life and properties in the flood-affected areas Deputy Commissioners have been instructed to submit their schemes for maintaining a sufficient number of boats in case of emergencies. Government feel the need of shifting a large number of people who have lost their land or whose lands have been made unsuitable for further cultivation from the flood-affected areas to suitable places for settlement. For that purpose about 13,000 acres of land have been selected at Odaloni and in the de-reserved portion of the Kaki Forest Reserve for settlement preferably with the indigenous flood-affected people. These areas are suitable for cultivation and are ideal for starting model villages and co-operative colonies and the Rural Development Department is taking up the work in right earnest for affording the necessary facilities to the flood-afflicted people so that they may be attracted to the new areas from the zones subjected to frequent floods. To my mind, it is always easy to establish ideal villages on suitable waste land where the people can be settled under a definite plan. We should take advantage of the situation and try to inaugurate schemes for ideal villages in these areas where the need for such schemes is the greatest. Deputy Commissioners have been asked to prepare maps for the purpose of helping the Rural Development Department. I am told that this fertile virgin soil will yield about 14 maunds of paddy per bigha. For the purpose of increasing the food production of the province as well, these areas need development. Besides another 2,000 bighas in another area were kept reserved for flood-affected people. Necessary instructions to the Deputy Commissioner, Sibsagar, have also been issued, to prepare a list of persons in Majuli who have lost land by erosion or who are willing to shift elsewhere from areas subjected to repeated floods and to send the lists to the Subdivisional Officer, North Lakhimpur, direct so that the latter can settle about 7,500 bighas of waste land available in Laluk, Narayanpur, Kherajkhat and Dholpur mouzas, according to Government instructions already issued, with those deserving persons. In addition various flood-preventive measures (including 23 projects now in progress and 21 other projects under survey and preparation of estimates) have been undertaken by the Public Works Department in different places involving an ultimate estimated expenditure of Rs.50 lakhs as short-term measures for prevention of local floods successfully and for reclamation of land. The Waterways, Irrigation and Navigation Control Board, with a view to devising



long-term measures have decided to take up simultaneously schemes for harnessing the Brahmaputra and the Manas, and the Standing Finance Committee has approved an estimate up to about Rs.50 lakhs for collecting the materials and data for working out the scheme and location of dams, etc. These schemes when in full operation will not only bring both the rivers under control thereby preventing recurrence of devastating floods but will also help in irrigating large areas besides the much-needed supply of electric energy so essential for the development of industries.

With a view to preparing schemes for control of rivers for prevention of erosion and flood and for generation of hydro-electric energy in a small scale, survey was also undertaken for collection of hydro-logical data of the Umran river, the Barapani river, the Umtru river, the Chapanalla river and a reconnaissance survey of the Inikuallai Falls near Aijal.

**Assessment of Fee-simple and other Tenancy Legislation.**—The Assam Assessment of Revenue-Free Waste Land Act, 1948, came into force in the current year. Under this Act the holders of fee-simple leases are liable to pay revenue at the flat rate of Re.1 per acre for 1948-49 and 1949-50. The total estimated amount of revenue is expected to come up to Rs.5 lakhs per annum for these two years. In accordance with my statement in my last budget speech, Government have given the holders of such fee-simple leases the option of surrendering the surplus land and the area which had not yet been developed but has become the abode of wild animals causing depredation in the locality involving loss of life to a large number of villagers. If, however, in spite of this gesture the lease-holders neither relinquish the land, surplus to requirement, nor develop the area but allow it to remain under jungle, the Government will have no alternative but to introduce legislation for acquisition of all land which is surplus to requirement and which has not been fully developed or the portion over which a form of Zamindari has been set up by settling tenants over the land in violation of the terms, conditions and the purpose for which such leases were granted. Government expect that the holders of fee-simple grants issued at concession rates would take advantage of this concession offered to them by Government and surrender the land surplus to the requirement of the tea industry so that it may be settled with the landless indigenous people and flood-affected persons who need such land for shifting themselves from the flood-affected areas so that the entire area may be utilised for the purpose of growing more food-crop.

As indicated in my last budget speech the Assam Adhiars Protection and Regulation Bill was also introduced and passed in the last session of the Assembly and the Act has been extended to



Goalpara, the South Bank of Kamrup, Nowgong, Sibsagar, North Lakhimpur and Cachar districts. This Act has not only given security and protection to the tenants from ejection, provided they pay the due share specified in the Act to the landlord, but has also prevented the landlords from exacting excessive rent in kind from the tenants. The actual cultivators can now maintain themselves with the agricultural produce left with them after paying the due share of such crops to the landlords. In almost all places the differences between the landlords and the tenants have been amicably settled by dividing the crops between them in the proportion laid down in the Act; but certain persons with disruptive ideologies who are bent on creating disorder and carrying on subversive activities as under-ground agents are fomenting trouble in some places, although, till the Act was passed, their propaganda was to retain only two-thirds of the produce for the actual cultivators. The Act has given much better rights and privileges to the actual cultivators than the propaganda so long carried on by these subversive agencies calling themselves by different names.

The Assam State Acquisition of Zamindari Bill, 1948, was referred to a Select Committee in the last session of the Assembly. The Bill was widely circulated in English and Assamese to afford facilities to the public and all interests to express their views in the form of a memorandum for which time was extended. It is gratifying to note that the Select Committee after considering the memoranda submitted before them and hearing the representatives of different interests including the Zamindars and the tenants locally at Dhubri, Goalpara and Shillong, came to an unanimous decision in all important matters and made important changes to bring about adjustments of the conflicting interests in the districts and their report was submitted on the 9th February 1949. The report of the Select Committee with the amendments recommended by them will be duly presented to this House in this Budget Session for consideration.

Ever since the talk of acquisition of Zamindari was in the air and especially since I made it clear in my last budget speech that the Government proposed to introduce a Bill for the acquisition of Zamindaris, numerous complaints have been pouring in from different places containing allegations not only against the mal-administration of the various estates, but particularly with regard to management of forests, fisheries and settlement of land on speculative premium and revenue by ejecting the tenants in actual occupation of such land. Forests and fisheries which are a source of national wealth were indiscriminately exploited by some of these Zamindars with a view to collecting the maximum money without caring to preserve them. Telegrams, letters and petitions were daily pouring in from different places complaining against the acts of oppression and



the tyranny of the landlords who had already launched numerous ejection suits against very old and loyal tenants, in order to settle those lands with undesirables at high speculative premium. The existing law is unable to deal with such matter. It is essential to bring about an adjustment between the landlords and the tenants throughout the province specially where the Government consider that the landlord is utilising his present position for the purpose of oppressing innocent actual cultivators. In order to protect their interest as well as for the purpose of protecting forests and fisheries from ultimate destruction and for the purpose of preparing the records-of-rights whenever necessary, it is proposed to introduce a Bill in this session of the Assembly—The Assam Management of Estates Bill, 1949. This Bill will empower the Government to take over the management of a particular estate or estates where wanton destruction of forests and fisheries has been going on, and where mal-administration has led to acute and violent differences between the landlords and tenants. Under this Act, Government derive no benefit but will manage the property on behalf of the landlords in the same way as is done under the Court of Wards Act.

At the instance of the Revenue and Food Departments, the Department of Economics and Statistics has been conducting a sample survey of the economic conditions of the people in the villages of Assam. It is a comprehensive multi-purpose survey of the different aspects of rural economy and its object is to collect statistics relating to the size and fragmentation of agricultural holdings, indebtedness of the cultivator, cost of farming, family income and expenditure, village sanitation, communication, trade, etc. The Questionnaire was prepared with the object of focussing light on the size of holdings, number of landless cultivators, their economic condition, cost of cultivation, the rent structure, their subsidiary occupations, etc.

A random sample of 400 villages was drawn and an intensive enquiry planned on the lines of the Questionnaire prepared. It was decided to conduct a pilot survey in the district of Darrang and eventually to extend the enquiry to the rest of the Province.

A fair idea of the problem of land holdings and rent structure has been obtained from the study of the Darrang sample. This is not the time or place to refer to the analysis of the pilot survey. But it can safely be stated that the results so far available clearly indicate that Assam has not got land enough to provide even for her own landless people, and when the full report is ready, it is expected that it will set at rest the propaganda of ill-informed persons about the availability of waste land in Assam, specially in the plains districts.



Having thus given a general background of our financial and other difficulties, I may now venture to take the Hon'ble Members through the Budget Estimates and in doing so I shall only briefly refer to the important variations, as the Budget Memorandum containing all the details is already with the Hon'ble Members. For convenience I draw the attention of the Hon. Members to the accounts of the year 1947-48 as it will be possible to compare the actual results with the original budget estimates.

**Actuals of 1947-48.**—The anticipated revenue deficit in the Budget for 1947-48 was Trs. 2,37,45, but the net result of the actuals, however, reduced the deficit to Trs. 22,73 as shown in the table given below for ready reference:—

	Budget 1947-48	Revised 1947-48	Actuals 1947-48	+or—
	Trs.	Trs.	Trs.	Trs.
Revenue Receipts ...	9,43,16	6,96,65	6,62,06	—34,59
Revenue Expenditure ...	11,80,61	7,61,92	6,84,79	—77,13
	<u>—2,37,45</u>	<u>—65,27</u>	<u>—22,73</u>	...
Capital Receipts ...	22,35,35	6 96,52	19,13,50	+12,16,98
Capital Expenditure ...	19,68,23	6,16,75	19,63,72	+13,46,97
	<u>+2,67,12</u>	<u>+79,77</u>	<u>—50,22</u>	...
Total Receipts ...	31,78,51	13,93,17	25,75,56	+11,82,39
Total Expenditure ...	31,48,84	13,78,67	26,48,51	+12,69,84
	<u>+29,67</u>	<u>+14,50</u>	<u>—72,95</u>	...
Opening balance ...	1,53,64	3,06,41	3,06,41	...
Closing balance ...	1,83,31	3,20,91	2,33,46	—87,45

From the above table it will appear that the actual revenue receipt was less by Trs.34,59 while the revenue expenditure also went down by Trs.77,13. The receipts under capital and debt heads as



well as expenditure under these heads were up by Trs.12,16,98 and Trs.13,46,47 respectively while the total receipt as well as expenditure went up by Trs.11,82,39 and Trs.12,69,84, respectively. The net result was to reduce the closing balance by Trs.87,45 (*i.e.* from Trs.3,20,91 to Trs.2,33,46) as shown at page 9 of the Budget Memorandum.

The Taxes on income showed a decided improvement due to a larger share of Income-Tax and better collection of Agricultural Income-Tax. Improvement was also shown under the heads—Customs, Land Revenue, Excise, Forest and Other Taxes, while receipts under Contributions, Jails, Civil Works, etc., went down. Expenditure under Forest, etc., went down while the same under Land Revenue, Famine relief, etc., went up. The detailed variations are shown at page 9 of the Budget Memorandum.

The loan of Trs.63,00 for industrial schemes was not taken and the expenditure on Capital outlay on provincial schemes of State trading was reduced to the extent of Trs.34,13 and in consequence the actuals show a minus expenditure of Trs.33,67 as explained in the Memorandum.

**Revised Estimates for 1948-49.**—Turning now to the current year, the table below will explain the position for 1948-49 in relation to the Budget Estimates for the coming year:—

	Budget 1948-49	Revised 1948-49	+ or -	Budget 1949-50
	Trs.	Trs.	Trs.	Trs.
Revenue Receipts ...	13,11,62	7,94,67	-5,16,95	8,91,77
Revenue Expenditure ...	14,61,21	8,21,67	-6,39,54	9,52,35
	<u>-1,49,59</u>	<u>-27,00</u>	<u>-1,22,59</u>	<u>-60,58</u>
Capital Receipts ...	11,28,21	14,80,21	+3,52,00	13,58,67
Capital Expenditure ...	10,90,60	12,45,97	+1,55,37	15,61,58
	<u>+37,61</u>	<u>+2,34,24</u>	<u>+1,96,63</u>	<u>-2,02,91</u>
Total Receipts ...	24,39,83	22,74,88	-1,64,95	22,50,44
Total Expenditure ...	25,51,81	20,67,64	-4,84,17	25,13,98
	<u>-1,11,98</u>	<u>+2,07,24</u>	<u>-3,19,22</u>	<u>-2,63,49</u>
Opening balance ...	3,20,91	2,33,46		
	<u>-1,11,98</u>	<u>+2,07,24</u>		
Closing balance ...	2,08,93	4,40,70	2,31,77	1,77,21



The budget estimates for 1948-49, framed as they were in an atmosphere of freedom, were evidence of the genuine desire of Government to give effect to improvement of the villages in all directions and the development of the province as a whole. It was hoped that in view of the peculiar circumstances of Assam the Central Government would extend their sympathetic consideration in a great measure to the development schemes. The original budget estimates provided for a contribution of Rs.7,90,81,000 from the Government of India. Due however to unfortunate events overtaking the country involving huge expenditure in connection with the Hyderabad police action, Military help to prevent invasion of Kashmir, the resultant refugee rehabilitation scheme, etc., and import of food grains, the Government of India being hard pressed, reduced the expected grant to Rs.1,15,00,000 for 1948-49 and Rs.1,25,00,000 for 1949-50. But on our representation and persistent pleadings it was subsequently raised to Rs.1,60,00,000 for both years, as a special case. This necessitated a heavy reduction and curtailment in our development programme. I will show a little later to what extent grants to different departments have had to be reduced. The original budget provided for a Capital Outlay of Rs.3,00,09,000 while the revised provides only for Rs.18,00,000. A cash credit advance of Rs.2,50,00,000 has also been secured to finance the Textile procurement on Government account, besides which a loan of Rs.44,00,000 has also been obtained from the Government of India to finance the rehabilitation of the co-operative credit movements. Revenue receipts, however, show considerable improvement, particularly under Customs and Income-Tax owing to allotment of increased share of Jute Duty and Income-Tax. The revised and the budget figures are based on the latest information received from the Government of India. The revised shows an increase of Rs.32,20,000 under Jute and Rs.17,19,000 under Income-Tax.

Agricultural Income-Tax and Sales Tax also show improvement and are expected to bring Rs.45,00,000 and Rs.15,00,000 respectively in the current year as against the anticipated amounts of Rs.30,00,000 and Rs.5,00,000 respectively.

The revenue expenditure under the various service heads had to be curtailed drastically due to the decrease in the Post-war grant, and this will show our heroic effort to balance the budget in order to fall in line with the All-India policy for the purpose of fighting inflation.

Capital expenditure shows considerable decrease on account of smaller outlay on industrial development. The expenditure on State trading operations is, however, expected to go up owing to re-imposition of control on some food-stuffs.

The increase in the revised closing balance of Trs.4,40,70 against the original estimate of Trs.2,08,93 is mainly due to a cash credit advance of Trs.2,50,00 obtained from the Imperial Bank to finance Textile procurement.



Due to increase in receipts and a drastic cut in expenditure the revenue deficit, as stated above, is expected to be considerably reduced from Trs.1,49,59 in the budget estimates to Trs.27,00 in the current year. The following table shows at a glance the extent to which the Post-war grants had to be reduced and re-allotted for the coming year to the respective Departments:—

*Distribution of Post-War Grants*

Heads	Budget 1948-49	Revised 1948-49	Extent of reduc- tion (—) or addition (+)	Budget 1949-50
(IN THOUSANDS OF RUPEES)				
Forest ... ..	21,66	17,97	—3,69	12,00
N. E. D. ... ..	11,27	6,00	—5,27	6,50
General Administration	99,89	2,25	—97,64	3,63
Education ... ..	46,21	25,60	—20,61	20,09
Medical ... ..	16,79	11,00	—5,79	14,02
Public Health ...	1,36,14	10,50	—1,25,64	14,03
Agriculture ... ..	55,60	27,50	—28,10	41,57
Veterinary ... ..	2,39	1,50	—89	3,03
Co-operation ... ..	54,66	75	—53,91	4,02
Rural Development ...	...	4,80	4,80	17,74
Sericulture and Weaving	25,61	1,50	—24,11	4,07
Cottage Industries ...	...	41	+41	3,58
Miscellaneous Depart- ment.	69	30	—39	3,00
Civil Works ... ..	3,27,95	58,22	—2,69,73	86,94
Miscellaneous ... ..	3,00	1,72	—1,28	3,25
Total ... ..	8,01,86	1,70,02	—6,31,84	2,37,47

**Budget for 1949-50.**—Turning now to the financial year 1949-50 I may mention at the outset that due to the drastic reduction of Post-war grant and the iniquitous financial arrangement and other difficulties as pointed out by me at the beginning, it has not



been possible to present a rosy picture in the budget. In framing the budget, however, two important basic principles have been borne in mind, *viz* :—

- (i) any scheme which goes to the benefit of the villagers should have a priority,
- (ii) the institutions meant for the training of personnel must be continued and maintained even in hired houses or temporary buildings to meet the basic needs of the province.

I may also mention that even though we have been assured of a Post-war grant to the extent of only Rs.1,60 lakhs for the year 1949-50, we have budgetted for Trs.2,37,47 as expenditure from Post-war grant as it is impossible to reduce the expenditure on the development projects any further without detriment to the national welfare, in the earnest hope that the Government of India, after the solution of the Hyderabad and Kashmir problems, will be in a position to come to the rescue of this undeveloped province and will reconsider the urgency of raising the Post-war grant, as a special case, to about 2,40 lakhs at least.

The year is expected to start with an opening balance of Trs.4,40,70. The total revenue receipts are estimated to be Trs.8,91,77 which include a sum of Trs.2,37,47 expected from the Post-war Central Government as grant. The basic revenue receipts therefore come to Trs.6,54,30. This appreciable increase over the revised estimates for 1948-49 is due mainly to an increase of Trs.6,00 under Other Taxes and Duties, due to larger income from Sales Tax and an increase of Trs.97,10 under Extra-ordinary Receipts due to an expected increase in the contribution by the Centre. It is expected that the Sales Tax alone will bring over Trs.20,00 and Taxes on motor spirit and lubricants about Trs.11,50.

The revenue expenditure for the coming year is estimated at Trs.9,52,35 including the expected Post-war Grant of Trs.2,37,47. The Post-war Development expenditure has now been merged in the normal service heads according to the latest decision of the Government of India. The details are shown at pages 11 and 12 of the Memorandum and at Appendix B. The basic expenditure for 1949-50 thus stands at Trs.7,14,88.

I am sure the Hon. Members will agree with me when I say that we cannot remain static as we are now living in a creative phase of our history. In spite of our financial limitations we had to take in new schemes including schemes for spreading education as quickly as possible among the millions of illiterate people living in the villages so that they may take an intelligent interest in the governance of the country and be a source of enormous strength to us.



The details of all the new schemes for the year 1949-50 are given in Appendix A at pages i to lxxviii of the Memorandum. These new schemes involve a non-recurring expenditure of Rs.12,02,510 and a recurring expenditure of Rs.50,18,269 with an ultimate cost of Rs.12,69,365 and Rs.51,06,186 respectively, out of which Rs.46 lakhs have been allotted as recurring expenditure for the spread of education and Rs.10 lakhs for rural water-supply. The table below compares the budget position with that of 1947-48 and 1948-49 :—

	1947-48 (Actuals) Trs.	1948-49 (Budget) Trs.	1948-49 (Revised) Trs.	1949-50 (Budget) Trs.
Basic Revenue ...	5,39,27	5,08,76	6,24,65	6,54,30
Basic Expenditure ...	5,62,00	6,58,35	6,51 65	7,14,88
	<u>—22,73</u>	<u>—1,49,59</u>	<u>—27,00</u>	<u>—60,58</u>

From the table above it will be seen that the net result of the year 1949-50 is a revenue deficit of Rs.60,58,000 which is likely to rise by another Rs.10 lakhs when the arrear and current increased expenditure consequent on the revision of pay scales sanctioned for all ranks of Government officers is fully shown in the accounts. The provincial share of expenditure on the Assam Access Road will have to be added to this deficit as the relevant figures were not available at the time the budget was prepared.

With the solution of the Hyderabad tangle and the cessation of hostilities in Kashmir, the financial position of the Government of India should brighten up appreciably, so much so that the National Government at the Centre may see their way to come to our rescue and render us adequate financial help to wipe out the deficit of Rs.70,58,000 and thereby put an end to the grave injustice perpetrated by the iniquitous award in order to enable her to start with a clean slate simultaneously with the inauguration of the new constitution. In view, however, of this big revenue deficit and the meagre finance of the province, it is essential to take all possible measures within our power, in the meantime, to raise the provincial finance to a better economic position, in order to show that we have left no source untapped to cover the deficit. This heroic effort no doubt will further strengthen our claim for a larger Post-war grant and an increased share of the Central taxes.

Government have already issued instructions to all the Heads of Departments to reduce the expenditure on Allowances and Honoraria



and Contingencies to the extent of 25 per cent. at least by regulating the tours as economically as possible and by economising expenditure under Contingencies. Heads of Departments as well as those who have undertaken the responsibility of Government are expected to show by their example how economy can best be effected so that their subordinates may emulate them in this economy drive. The critical financial position of the province demands such a retrenchment. In their effort to conserve and maintain all the available resources of the province Government expect full co-operation from all responsible officers. With their whole-hearted co-operation it will be possible to effect a saving of at least Rs.30 lakhs and thereby reduce the deficit of 1949-50.

In the absence of any other new source of revenue I propose to make another effort with the leave of the House to cover as far as possible the deficit which still remains even after this retrenchment. In introducing the Finance Bill for 1949-50, I propose to raise the rate of the Agricultural Income-Tax. The increase in revenue receipt at the proposed enhanced rate is estimated to bring in another Rs.18 lakhs.

Government have already issued orders to tighten up the administration of the Sales Tax. The Department of Sales Tax which was so long on a temporary basis, will now be made permanent so that, with the security of service, the officers and staff would devote their time more energetically in detecting and preventing evasion of the Tax. Government in the exercise of the powers conferred on them by sub-section 6 of section 2 of the Assam Sales Tax Act have already notified cigarettes, cigars, fountainpens, torch lights, watches and clocks as luxury goods with effect from the 1st of April, 1949. Government also propose to introduce the Sales Tax Amendment Bill increasing the rate of 9 pies for luxury goods to anna 1 for the acceptance of the Hon. Members. I hope the House will, in view of the imperative necessity of increasing our revenues for the purpose of diminishing the deficit, unanimously support all these taxation measures.

In these days of difficulties when the inflationary spiral confronts the country, deficit in the budget is a source of great anxiety. But in spite of our anxiety it is not easy or possible to remain static at this important juncture of our history. Assam must endeavour to develop herself to meet her own basic needs as quickly as possible. I am sure the National Government at the Centre will fully appreciate our difficulties and look with sympathy at our heroic efforts to develop the province as best we can with our meagre resources.



**Education.**—The most outstanding feature of the new proposals given in the list of new schemes is that out of a total provision of recurring grants of about Rs.50 lakhs, a sum of over Rs.46 lakhs has been allotted to the Education Department including a sum of Rs.60,000 for the Excluded Areas. A sum of Rs.26 lakhs has been provided for expansion or re-organisation of primary education in pursuance of the scheme of compulsory primary education introduced since the beginning of February 1949, in 30 selected areas in 15 different subdivisions of the Province. Particular care has been taken to include backward and tribal areas in these 30 selected areas. We hope and trust that with the full co-operation of the people and the teachers we will not only be successful in liquidating illiteracy in the shortest possible time but will succeed in laying the foundation of a true democratic secular State by “drawing out the best in children—body, mind and spirit” in their most formative period of life and thus help them to grow into responsible citizens fit to serve the people and the country. The recurring expenditure in this experiment in compulsory Primary Education, as soon as compulsion applies in full throughout the Province, will amount to Rs.1,28 lakhs. A sum of Rs.1,66,000 has been set apart for the establishment of 60 Lower Primary schools including a provision of 100 stipends to attract tribal students to get their education in such schools. Another sum of Rs.7,455 has also been provided for increasing the number of scholarships for tribal and Scheduled Caste people. With a view to attracting larger number of deserving tribal pupils and in order to give better facilities to them for higher education in colleges, a recurring provision of Rs.6,000 has been made for giving grants to aided colleges to compensate the loss of fee income in granting full and half-free studentship to tribal pupils reading in aided colleges. As the existing grants to compensate the loss of fee income in granting full free and half-free studentship to Scheduled Caste and plains tribal pupils reading in aided High English and Middle English schools, are not adequate, a provision of an additional recurring grant of Rs.16,000 has been made in order to attract a larger number of deserving Scheduled Caste and plains tribal students. It is expected that all the deserving plains tribal students, quite a fair number of Scheduled Caste students reading in the aided High English schools and Middle English schools will get either the free studentship or half-free studentship.

A sum of Rs.1,18,000 has been allotted for opening new centres including 10 centres each in the Garo and Mikir Hills in connection with the Mass Literacy Campaign and for adult education.

An additional sum of Rs.5,69,000 has been provided for taking over all the venture Primary schools in rural areas including



those predominantly inhabited by tribal and Scheduled Caste people.

The teachers of the aided high schools have been experiencing great hardship in these days due to the rising price of food-stuff and other essential commodities. Government are fully alive to the difficulties of the teachers of these institutions who, at enormous personal sacrifices, had undertaken the sacred duty of imparting education to youths of the country in the secondary schools and preparing them to be fit citizens to serve their people and the country. To alleviate their difficulties, a sum of Rs.8,37,000 has been provided, in spite of the budget deficit, to improve their pay and prospects.

A sum of Rs.50,000 has been allotted as maintenance grants to new secondary and Local Board schools to be brought on to the aided list and for increased grants to existing aided schools in the plains tribal areas. It is gratifying to note that as many as 5 tribal Middle Vernacular schools and 2 Middle English schools situated at Baghmara in the Garo Hills and at Sohkhā Lamei (Jowai) have been proposed to be provincialised next year involving an expenditure of about Rs.34,000.

Besides a sum of Rs.21 lakhs has been made over to the Gauhati University up-to-date partly as recurring and partly as non-recurring earmarked for construction of buildings.

For expansion of education in the excluded areas 149 Primary schools have already been taken over in Lushai Hills, Naga Hills, North Cachar Hills, Mishmi Hills, Balipara Frontier and Abor Hills. Two special schools for training teachers in North Cachar Hills and Lushai Hills were started, and one Secondary school in the Lushai Hills and one in the Naga Hills have been provincialised.

**Basic Education.**—The buildings for the basic education centres for training teachers at Roha, Titabar, Chotia, Dudnai and Udarbund have been completed and the centres have all been opened on the 7th March 1949. It is also proposed to take over six high schools, viz., Khowang, Sibsagar (Polytechnic School), Howli, Sapatgram, Chhaygaon and Lala and convert them into academic high schools and for that purpose houses have been constructed according to requirements.

The Ayurvedic college has recently been opened in a hired house as the building project had to be postponed due to drastic reduction of the Post-war grant.

**National Cadet Corps.**—The Government of India formulated a scheme on a nation-wide basis for a *National Cadet Corps Organisation* with the object of developing character, comradeship,



leadership and inculcating the idea of service in the youths of the country in all educational institutions—both schools and colleges and in the University so that suitable youngmen of the country after a course of basic Military training including training in the use of weapons and equipments may be attracted to join the country's Armed forces and form a reserve of officers to help in the rapid expansion of Armed forces in a national emergency. The Government of Assam have been keenly alive to the need for such Military training in all educational institutions as the Province forms the north-eastern frontier of the Indian Union and have readily accepted the scheme to divert the youthful energy along this desirable channel. A resolution authorising expenditure to the extent of Rs.4 lakhs in the current year was also unanimously carried by the House at the last session of the Assembly. The amount actually required for the current year with details will be presented to this House in the form of a supplementary demand. Sixteen professors of colleges and 34 teachers of high schools were accordingly given necessary Military training at the Assam Regimental Centre at Shillong. It is gratifying to note that our professors and teachers who hurriedly had to leave their comfortable lecture rooms and classes for the Military camp adapted themselves marvellously well in the new environment of Military life at Shillong and completed the necessary training to the entire satisfaction of the Military authorities who expressed their admiration at the way in which the professors and the teachers of Philosophy, Mathematics and other allied subjects could acquire the necessary Military department in so short a time. On behalf of the Government and the people we convey our grateful thanks to the Military authorities for hammering our philosophers and scientists and literary men into disciplined soldiers within the shortest possible time and making them fit to be officers of the future Cadet Corps. A Senior Division has already been started in the Gauhati University in the colleges with about 360 cadets under the direction of a Commanding Officer and his staff of instructors lent by the Ministry of Defence. An independent company is proposed to be started the next year at Jorhat under another Commanding Officer and his staff. A sum of Rs.2,52,000 has been provided in the Budget for the full implementation of the National Cadet Corps scheme which has already been started at Gauhati. In view of the financial difficulties of the Province, it is hoped that the pay of the Military Commanders and their staff of instructors would be borne entirely by the Central Government.

**The Nationalisation of Transport.**—The nationalisation of Transport service which is a public utility service was started as an experimental measure at the first instance last year over the Trunk Road from Gauhati to Nowgong by replacing the rickety private buses offering nothing better than wooden seats, and this service was highly appreciated by the travelling public as they found the journey



afforded in buses with cushioned seats was much more comfortable and free from overcrowding. The punctuality observed by the State Transport buses was also highly appreciated. I am glad that my appeal to the Public for whole-hearted co-operation was readily responded. The success of this new venture was due to the co-operation readily offered by the public and this has encouraged the Government to extend the State Transport service to Jorhat and also to take over the transport service for goods and passengers over the most important life-line linking the capital of the province with important rail and steamer heads, from the 1st January 1949. So far the progress and management of all these State ventures in public utility service has been going on fairly well.

The workers in these State Transport organisations should consider themselves as trustees of the nation and take special care of the vehicles and goods and other equipments that may come into their charge and try to keep them in efficient condition so that they may be utilised for the service of the people as a whole.

**Food.**—Last year in my budget speech I laid great stress on the need why Assam should be self-sufficient in the matter of food and other essential commodities and I briefly stated how in the matter of paddy we could easily produce more than our requirements by increasing the 'Dofassali' (double crop) by about 20 per cent. and could easily export after meeting our own requirements more than 70,000 tons of paddy to those provinces which had been faced with a grave shortage of rice and other cereals and thereby bring more money to the pockets of our poor agriculturists. It may not be out of place here to mention that India had to use up her foreign currency, which was so essential for the purchase of capital goods for industrial development of the country, to the tune of more than Rs.100 crores per annum for the purpose of importing foodgrains from outside.

Assam with her fertile soil cannot afford to be an idle spectator of such a huge drainage of Indian resources in importing foodgrains from outside but must play her part and grow foodgrains in abundance so that she can export a sufficient amount of rice and paddy to other parts of India which are in urgent need of such help.

The Grow More Food Campaign is being carried out through demonstration and distribution of important varieties of seeds and manures and also by taking up mechanised cultivation in big areas. Vast areas of land have been placed at the disposal of the Food Department for the purpose of carrying on joint and co-operative cultivation. The plan for long-term expansion and improvement of agriculture includes an Agricultural College which has already been opened in a temporary house, establishment of



demonstration farms, scientific staff for control of insects, introduction, evolution and multiplication of newer and better variety of paddy plants. An intensive drive to increase food-crops has been undertaken by the Government. The cultivators, particularly those who are landless or have got uneconomic holdings, are encouraged to form into groups for joint cultivation in selected waste land with tractors and other mechanised equipments. The scheme is designed not only to improve the economic condition of the common agriculturists but also to make the province self-sufficient in the matter of pulse, mustard, wheat, grams and food-crops. With this object in view, a large tract of land in the Moamari Chapari in Mangaldai subdivision with an area of about 14,000 bighas was placed at the disposal of the Food Department. The preliminary object was to help the cultivators by reclaiming land to make them fit for cultivation. About 1,000 acres of land was reclaimed in March last year within a few weeks, but unfortunately the cultivators could not reap the full harvest of the area sown due to unprecedented floods. The results of the winter crop, however, have been good and from the estimate it can safely be stated that the cultivators would be able to earn more than 1½ lakhs of rupees at the present market price.

It may safely be stated that the cultivators are taking keen interest in this new venture which secures the benefit of large scale cultivation without transferring ownership over the land. Government are considering a province-wide drive to organise joint cultivation as well as co-operative farming in waste lands. Activities in mechanised cultivation were extended to a few more areas like Jaoni Chapari where 119 families are working on a co-operative basis over an area of about 1,000 bighas. Government are helping them only by preparing the soil for them by ploughing and harrowing with tractors. The estimated price of the crop grown by them in this area amounts to about Rs.35,000. In addition to these places, a co-operative colony has been started in Missamari comprising an area of about 14,000 bighas for growing Arhar, Mustard, Linseed, Cotton, Paddy and Potato, etc. by settling about 250 families as a co-operative colony under the Rural Development Department. A plan for reclamation, settlement and cultivation of about 30,000 acres of land in 1949-50 with the help of tractors and other mechanised implements has been drawn up at the instance of the Government of India with a view to increasing the food production in the Province and this plan has been submitted to the Government of India by the Agriculture Department for approval.

I again repeat my appeal to the peasants and the youths of the country to devote their energy to, and render a helping hand in, this production drive for the purpose of growing more foodgrains. If



the people actively co-operate with all these activities of the Government, Assam will succeed not only in becoming self-sufficient in the matter of pulse and other foodgrains but will also be able to produce more rice and paddy and be in a position to help other parts of India who are in need of them.

**Cloth and Yarn Distribution.**—In August 1948 the Government of India announced their intention of reimposing control on Textiles, and all provincial Governments were asked to take immediate steps for implementing control in their respective provinces. Bearing in mind the unpopularity and the unsatisfactory nature of the previous system of control, this Government decided on the bold step of recasting their Textile policy so as to provide for procurement by a Government sponsored agency and distribution exclusively through Trading Co-operatives. Till the Apex Bank has sufficient fund and credit to undertake the procurement of cloth and yarn, Government have arranged the procurement of Textiles by taking a cash credit advance of Rs.2½ crores from the Imperial Bank of India at an interest of 3 per cent. per annum. The quotas of controlled cloth and yarn for August and September were procured through six private agencies and these are now under process of distribution through the normal trading channels. The quotas for October onwards are being lifted by Government through their own appointed agent and the Textiles thus procured will be distributed through various Trading Co-operatives. About 800 such Co-operative Societies which have already been formed under the Rural Development Department throughout the province are now ready to take up the work of distribution of cloth and yarn which is expected to arrive by the middle of this month in the various distributing centres. These Co-operative Societies will ultimately sell the cloth and yarn and other essential commodities which the villagers need and will also buy from them the agricultural and cottage industries products. About 30,000 bales have so far been lifted and dispatched from the different procuring centres. Unfortunately, there has been a bad hold-up in Calcutta due to the acute transport difficulties but these are being overcome and the first consignment of Government procured cloth and yarn is expected to arrive by the middle of March. It is expected that the Department concerned will try to secure the advance deposit on receipt of the Bill of Lading for the cloth and yarn from various distributing agents according to their respective quotas so that the amount of loan taken under the cash credit system will be kept at the lowest level.

**Labour.**—Our Province is one of the largest employers of labour even though it is not industrialised to the extent that other provinces have been. The plantation industry alone is responsible for the employment of nearly a million of labourers. This industry has



been responsible for the emigration of the labourer from his home in distant provinces and planting him in an environment not only foreign to him but also difficult. This has created social and political problems of a peculiar and complicated character. This Government have been aware that they are in a special sense responsible for the welfare of the industrial workers and, having accepted it as their duty to work out a programme for the welfare of labour, have been using all the means at their disposal to implement them. But the pace at which such a programme could be achieved depends on various factors, foremost among them being the co-operation of the labourers and the employers, the state of the industries concerned and the economic conditions generally. Tripartite conferences were held during the year to consider the question involving welfare not only in the plantation industry but also in the other industries such as Rice and Oil Mills, etc. In the field of plantation industry a machinery for settlement of dispute between employers and the clerical and mechanical employees has been agreed upon. Besides this the tripartite machinery has been able to bring about an agreement between the employer and the labourer in improving the wages and dearness allowances on an interim measure until a suitable machinery to fix the minimum wages could be set up. The question of improving the housing conditions has been also under consideration. To implement the Minimum Wages Act passed by the Constituent Assembly of India, an economic enquiry is under contemplation.

Labour Department has been able to bring about an agreement between employer and employee with regard to security of service, hours of work, holidays, etc.

The agreement about the constitution in each industrial undertaking of Works Committees representing management and duly elected representatives of labour for the settlement of any dispute which may arise from day to day is being gradually implemented upon and quite a good number of Works Committees have been formed during the year.

So long the need to provide for a comprehensive scheme of Health Insurance, Accident and Maternity benefits were not recognised and piecemeal legislations for providing some sort of social security or insurance for industrial workers were adopted by the Central Government which preceded the establishment of the National Government. But with the attainment of Independence in August, 1947, a comprehensive legislation was enacted to provide for certain benefits in the event of sickness, maternity and employment injury to workmen. It is an All-India Scheme to be administered uniformly throughout all the provinces. To implement this a preliminary survey is at present being carried out by the Provincial Health Insurance Officer appointed for the purpose.



Government is convinced of the need for welfare activities among the labourers especially the plantation workers, many of whom are still in the lowest state of civilisation. With this object in view, welfare workers are being trained in the Tata Institute of Social Science and it is contemplated to establish a Welfare Training Centre within the Province.

While the Government propose to do all that is practicable for the amelioration of the conditions of the working classes, they are convinced that no measure can bring about a lasting good to the working classes unless the workers also realise the responsibilities they have to shoulder. For this purpose organisation of workers run on genuine Trade Union lines are needed. Government are therefore anxious to assist in removing real hindrances in the way of the growth of labour organisations run on genuine Trade Union lines.

**Welfare of Backward Tribes and Communities.**—The problem of the betterment of the condition of the backward tribes and communities and improvement of backward areas has been receiving the anxious attention of this Government. Some intelligent sections of the society sometimes take advantage of the ignorance of these backward tribes and their fear-complexion and exploit them to the full extent. This has brought about results disastrous to these backward people. Their lands have passed out of their hands and they have been driven further into the wilderness. They need, under the circumstances, protection from being exploited by the progressive elements of the society. The problem is of great magnitude which must be tackled from all points and the welfare plans must be comprehensive and must embrace, along with economic betterment, the improvement in the facilities for education and medical aid, sanitation and communications.

Government have set up a Committee to advise them on welfare schemes in a comprehensive form in the development of these backward areas. The Committee has not yet completed its labour but in the meantime Government have organised a separate Department to look after the welfare of the backward tribes by co-ordinating the activities of other Departments for the purpose of affording better facilities for education, medical aid, sanitation and communications, in the areas predominantly inhabited by backward tribes and communities.

In the current year a large number of venture primary schools catering to the pupils belonging to the backward tribes have been taken over by the Government. A few high schools in the backward areas are proposed to be converted into academic high schools. A number of Middle Vernacular schools which have been so long in a moribund condition are being provincialised. A number of stipends and free studentships for students of backward tribes and communities have been increased as stated earlier.



Ten stipends for hill and tribal boys at the Government Weaving Institute, Gauhati, and 6 stipends for the training of hill boys in Sericulture for the purpose of introduction of Sericulture and Weaving in the hill districts and tribal areas, were created during the year. Ten stipendiaries are undergoing training in six different Textile Mills in Bombay, Nagpur and Calcutta this year and a Sericultural Farm at Jowai was taken up during the year and it is expected that it will be completed before the year is out.

Attempts are being made to spread the activities of the Weaving and Sericulture Department to the backward areas. With that object in view the establishment of three Sericultural Farms at Aijal, Kohima and Sadiya is under consideration. Eight Sericultural Demonstrators, eight Weaving Demonstrators and one Weaving Assistant are proposed to be entertained for development of Sericulture, Weaving, etc. as a cottage industry in those areas.

**Rural Electrification and Improvement of Communication and Supply of Drinking water in Rural areas.**—The Project Officer of the Central Technical Board, prepared a scheme involving an expenditure of about 45.15 lakhs for rural electrification of Gauhati, Pandu and Amingaon area. Government have provisionally accepted the scheme and accorded its administrative approval to the execution of the rural electrification project in the Gauhati subdivision, particularly, Pandu, Amingaon and Gauhati area in the first instance and have forwarded the scheme to the Government of India with a request to authorise the Central Electricity Commission to undertake the construction of the project on behalf of the Government of Assam and hand over the control of the proposed Electricity Department of the Provincial Government at a later stage when the Provincial Government in consultation with the Government of India has decided to take it over when it is in a position to do so.

A sum of Rs.12½ lakhs has already been distributed in the current year through the various Local Boards in the plains districts and through the district officers in the hills for improvement of rural water-supply. A further sum of Rs.5 lakhs has been distributed to different Local Boards for improvement of village roads and communication. Besides there is a provision of Rs.10 lakhs for water-supply in rural areas under the Post-war scheme for improvement of drinking water in the villages.

**Industrial Development.**—The Government of Assam have decided to nationalise five of the major industries and to participate in a number of major minimum scale industries. The



action so far taken to implement this industrial policy is indicated below :—

(a) **Cotton Textile Industry.**—A quota of one lakh spindles and 2,225 looms has been received. It will comprise 4 units of Cotton Textile Mills. Orders for machineries in respect of 3 units have already been placed in the United Kingdom. On representation of the Government, the Government of India were pleased to grant an over-riding priority in respect of 25,000 spindles to be obtained from the manufacturers in the United Kingdom. According to the present programme of delivery the machineries are expected to be received here in the beginning of 1950. Attempts are being made to get 500 looms for this unit. Government have already selected a party to take up the managing agency of this mill and a draft agreement containing terms and conditions for the managing agency is now under consideration of the Government. The second unit, which will be a spinning Mill, will comprise 40,000 spindles. Negotiations are proceeding through the Government of India and some firms for obtaining the spindles, etc. from Japan.

(b) **Sugarcane Industry.**—One unit with a minimum daily crushing capacity of 1,000 tons has been allotted to this Government. A Sugarcane Nursery has already been started in the Bokajan area near Dimapur. Negotiation is still going on for finally placing the order for this unit of Sugar Mill so that it is delivered in Assam by the beginning of 1951. In the meantime efforts are being made to bring about 6,000 acres of land under Sugarcane cultivation during the next three years. Orders for tractors and other implements required for mechanised cultivation have already been placed.

(c) **Paper Industry.**—The Paper Expert of the Government of India drew up a scheme for production of 10,000 tons of paper a year. The preliminary action for implementation of this scheme has been taken up by the Paper Expert. The quotas and specifications for machineries obtained from several well-known firms are now being examined. In the meantime, the Paper Expert is mainly engaged in developing the manufacture of hand-made paper as a cottage industry. Training to Warders and other Jail Officers were imparted in Shillong and Gauhati so that hand-made paper making as a Jail industry may be started.

(d) The Government proposal for participation in Cement, Plywood, Coal and a few other industries is under consideration of the Government.

The major industries scheme undertaken by the Government are all productive schemes to be financed with loans from the Government of India for which we have



got definite assurance that the money will be available as a loan in connection with these productive schemes.

**Steps for Production of Khadi.**—The Raha Khadi and Endi Production Centre which belonged to the All India Spinners' Association and which was closed down by the Association, has been taken over by the Government, and work has been re-started. Manufacture of suitable Charkhas in the Province has been taken up at the Prince of Wales Technical School, Jorhat. The Principal of this Institute was deputed to Wardha to see the manufacture there so that he may manufacture his articles to the required standard in his school. Supplies of suitable variety of cotton in each subdivision has been maintained. The Gauhati Weaving Institute did not previously have in their curriculum anything about hand-spinning; now hand-spinning has been made a compulsory subject, and for that purpose suitable personnel trained in Wardha have been appointed as Instructors. Almost all the Weaving Demonstrators have been put under a condensed course of training in hand-spinning so that while doing their work for weaving they may propagate this hand-spinning also and help the villagers in taking to this industry.

**Conclusion.**—Assam can claim about a crore of rupees on Jute Duty alone according to the proportion of production of Jute in the Indian Union, if the divisible provincial pool is restored to  $62\frac{1}{2}$  per cent. Seventy-five per cent. of the Excise Duty on Petrol and Export Duty on Tea, which the Province can also rightfully claim as stated in the beginning, would come up to more than 3 crores of rupees per annum. I am confident our rightful claim of 75 per cent. of these Central taxes on the products of Assam will surely be conceded sooner or later, specially when Assam is passing through a financial crisis. Our deficit is negligible in comparison with the volume of our rightful claim of the share of these taxes. Under the circumstances, in spite of a deficit there is every reason to take a bright view regarding the future of our province which has a just claim on these resources for her development.

We can expect not only to improve our financial position in the coming years as soon as we get a rightful share of revenue claimed by us but also make Assam happy and prosperous provided we can effectively carry out our long-term and short-term schemes for the development of rural areas, tribal and backward areas, cottage industries, co-operative farms and other big industries and the potential mineral and natural resources of the province. I have full confidence that in our noble effort we will get adequate financial help-



from the Centre either by allocation of our just share of Central taxes or by way of grant to wipe out the deficit.

Before I conclude my speech I again lay emphatic stress on the need for making our beautiful province self-sufficient in the matter of essential food-stuffs. Development of Agriculture by intensive and extensive cultivation on the basis of co-operative farms or joint cultivation, village industries, measures for prevention of floods and development of rural areas, are some of the items in our programme which deserve utmost attention but all such activities can lead to the desired result only with the willing and intelligent co-operation of the people in general. I therefore on behalf of the Government appeal to all sections of this House as well as the people outside to extend their whole-hearted co-operation and goodwill in all our endeavours for serving the people and the country.

I am extremely grateful to the Hon'ble Members for hearing me patiently and I beg to be excused for having taken such a long time in placing the budget before them.

In conclusion I thank the Finance Secretary and his staff for the co-operation and assistance they have rendered to me in order to make my task easier and also the Superintendent of the Government Press and his staff who had to work over-time to get the budget printed within a very short time.

Sir, with these remarks I beg to introduce the budget for the province of Assam for the approval of the House.

**Jai Hind**