HYDERABAD LEGISLATIVE ASSEMBLY
DEBATES
Official Report

PART II—PROCEEDINGS OTHER THAN
QUESTIONS & ANSWERS

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Note.—* at the beginning of the Speech denotes confirmation not received.
THE HYDERABAD LEGISLATIVE ASSEMBLY

MONDAY, 1ST MARCH, 1954.

The House met at Half Past Two of the Clock.

[Mr. Speaker in the Chair]

Questions And Answers

(See part 1)

Business of the House

Mr. Speaker: We shall take it up on the 4th. Discussion on various demands and the voting thereon will be completed by tomorrow. 3rd March is a holiday. Therefore, the motion given notice of by Shri Venkatrama Rao will be taken up on 4th March.

Discussion and Voting on Supplementary Demands for grants.

Demand No. 3—Other Election Charges-Rs. 2,36,000.

The Minister for Home, Law & Rehabilitation (Shri D. G. Bindu):—I beg to move:

"That a further sum not exceeding Rs. 2,36,000 under Demand No. 3 be granted to the Rajpramukh to defray the several charges that would come for payment during the course of the year ending 31st March, 1954. The Demand has the recommendation of the Rajpramukh”.

Mr. Speaker: Motion moved.

Demand No. 4—Police—Rs. 6,12,000.

Shri D. G. Bindu: I beg to move:

"That a further sum not exceeding Rs. 6,12,000 under Demand No. 4 be granted to the Rajpramukh to defray the severa
262 1st March, 1954. Discussion and Voting on Supplementary Demands for Grants

charges that would come for payment during the curse of the year ending 31st March, 1954. The Demand has the recommendation of the Rajpramukh."

Mr. Speaker: Motion moved.

Demand No. 3—Other Election Charges—Rs. 2,36,000.

Recent Bye-Elections.

Shri Pendem Vasudev (Gajwel): Sir, I beg to move:

"That the grant under demand No. 3 be reduced by Re 1."

Mr. Speaker: Motion moved.

Demand No. 4—Police—Rs. 6,12,000.

Working of the Police Department particularly Railway Police.

Shri V. D. Deshpande (Ippaguda): Sir, I beg to move:

"That the grant under Demand No. 4 be reduced by Re 1."

Mr. Speaker: Motion moved.

Feeding Charges during the R.T.D. Strike

Shri Ch. Venkatarama Rao (Karimnagar): Sir, I beg to move:

"That the grant under demand No. 4 be reduced by Re 1."

Mr. Speaker: Motion moved.
Discussion and Voting on Supplementary Demands for Grants

1st March, 1954.

Mr. Speaker - Agreed upon by Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary Secretary, Mr. Speaker and Mr. Parliamentary 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Discussion and Voting on Supplementary demands for grants

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Discussion and Voting on Supplementary demands for grants

1st March, 1954

Mr. Speaker: The Minister will give his reply.

Shri V. D. Deshpande: I want to speak on my cut motions.

Mr. Speaker: The budget will be presented to the House at 5 'O'Clock, and I wish that the discussion on the three demands Nos. 3, 4, and 7 be completed before 4:30 p.m., so that after the presentation of the Budget the House may adjourn for the day.
Shri V. D. Deshpande: I shall finish my speech in a few minutes, Sir.

Mr. Speaker: Let the discussion on Demand No 3 and Minister’s reply there to be completed first. We can take up demand No. 4 afterwards. Shri Bindu.
Discussion and Voting on Supplementary Demands for Grants

1st March, 1951

Shri V. D. Deshpande: That is not the problem. Whether it is a fair election? That is the point.

Shri D. G. Bindu: It is unfair to the Congress Party.

"..."
Discussion and Voting on Supplementary Demands for Grants

1st March, 1954

At the Service of the people

(At the Service of the people)


Samantarli kiyan 3000 samalon beshakia keh ke saasal se aar. Thi.

Aatamik bne ke jake bina kehon ke Aar. Thi.

Ek samaj ka darya ki umar ke liye hai. Zaadeh mrit ke hee samaj ka.

Ek samaj ka darya ki umar ke liye hai.

Timely (Aska dil keh leh jahan keh ke)
March 1, 1954

Discussion and Voting on
Supplementary Demands for Grants

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Safar Ali Khan's petition was submitted to the committee.

A Quaid-i-Azam requested the members to attend the meeting.

A Quaid-i-Azam announced the agenda of the meeting.

A Quaid-i-Azam expressed his concern about the demands for supplementary grants.

A Quaid-i-Azam requested the members to submit their proposals for the supplementary demands.

A Quaid-i-Azam emphasized the need for careful consideration of the demands.

A Quaid-i-Azam concluded the meeting by expressing his gratitude to the members for their participation.
Discussion and Voting on Supplementary Demands for Grants

1st March, 1954

"That demand No. 3 be reduced by Re. 1".

The motion was negatived.

"That a further sum not exceeding Rs. 3,36,000 under Demand No. 3 be granted to the Rajpramukh to defray the severable charges that would come for payment during the course of the year ending 31st March, 1954. The Demand has the recommendation of the Rajpramukh.

The motion was adopted.

Demand No. 4 - Police - Rs 6,12,000.

Working of the Police Department particularly Railway Police.

Shri V. D. Deshpande: I beg leave of the House to withdraw my cut motion.

The motion was, by leave of the House, withdrawn.
The motion was, by leave of the House, withdrawn.

Mr. Speaker: The question is:

"That a further sum not exceeding Rs. 6,12,000 under Demand No. 4 be granted to the Rajpramukh to defray the several charges that would come for payment during the course of the year ending 31st March, 1954. The Demand has the recommendation of the Rajpramukh.

The motion was adopted.

Demand No. 7—Famine Relief—Rs. 7,03,000.

The Minister for Revenue Excise & Forests (Shri K. V. Ranga Reddy): I beg to move:

"That a further sum not exceeding Rs. 7,03,000 under Demand No. 7 be granted to the Rajpramukh to defray the several charges that would come for payment during the course of the year ending 31st March, 1954. The Demand has the recommendation of the Rajpramukh."

Mr. Speaker: Motion moved.

Shri K. V. Ranga Reddy: I beg to move.

"That a further sum not exceeding Rs. 1,74,000 under Demand No. 7 be granted to the Rajpramukh, to defray the several charges that would come for payment during the course of the year ending 31st March 1954. The Demand has the recommendation of the Rajpramukh.

Mr. Speaker: Motion moved.

Famine relief measures in Aurangabad District

Shri B. D. Deshmukh (Bhokardhan-General): I beg to move:

"That the grant under Demand No. 7 be reduced by Re. 1."

Mr. Speaker: Motion moved.
Discussion and Voting on Supplementary Demands for Grants

1st March, 1954 273

Famine Relief Measures in Bhir District

Shri Ramara Rao Aurgaonkar (Georai) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine relief measures in Nalgonda District

Shri K. Ramchander Reddy (Rammanapet) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine Relief Measures in Warangal District

Shri B. Krishna (Khammam-General) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine Relief Measures in Te'ang.n.a

Shri Ch. Venkatramarao : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

* Famine relief

Famine Relief Measures in Bhir District

Shri Ramara Rao Aurgaonkar (Georai) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine relief measures in Nalgonda District

Shri K. Ramchander Reddy (Rammanapet) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine Relief Measures in Warangal District

Shri B. Krishna (Khammam-General) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine Relief Measures in Te'ang.n.a

Shri Ch. Venkatramarao : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

* Famine relief

Discussion and Voting on Supplementary Demands for Grants

1st March, 1954 273

Famine Relief Measures in Bhir District

Shri Ramara Rao Aurgaonkar (Georai) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine relief measures in Nalgonda District

Shri K. Ramchander Reddy (Rammanapet) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine Relief Measures in Warangal District

Shri B. Krishna (Khammam-General) : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

Famine Relief Measures in Te'ang.n.a

Shri Ch. Venkatramarao : I beg to move :

" That the grant under Demand No. 7 be reduced by Re. 1 ".

Mr. Speaker : Motion moved.

* Famine relief
1st March, 1954

Discussion and Voting on Supplementary Demands for Grants

Scarcity

Mr. Elsworth Singh: Mr. Speaker, I have heard that there is a scarcity of rubber in the country. It is reported that the rubber industry is not able to meet the demand due to the shortage of raw rubber. The price of rubber has also increased significantly. I want to know how the government is addressing this issue and what measures they are taking to ensure a steady supply of rubber to the industry.

Mr. Singh: Mr. Speaker, I have heard that the rubber industry is facing a severe crisis due to the shortage of raw rubber. The price of rubber has increased significantly, making it unaffordable for many. I would like to know how the government is going to address this issue and whether they are considering any measures to ensure a steady supply of rubber to the industry.

Mr. Singh: Mr. Speaker, I would like to draw your attention to the issue of rubber shortage in the country. It has been reported that the rubber industry is facing a severe crisis due to the shortage of raw rubber. The price of rubber has increased significantly, making it unaffordable for many. I would like to know how the government is addressing this issue and what measures they are taking to ensure a steady supply of rubber to the industry.

Mr. Singh: Mr. Speaker, I have been informed that the rubber industry is facing a severe crisis due to the shortage of raw rubber. The price of rubber has increased significantly, making it unaffordable for many. I would like to know how the government is addressing this issue and what measures they are taking to ensure a steady supply of rubber to the industry.

Mr. Singh: Mr. Speaker, I have been informed that the rubber industry is facing a severe crisis due to the shortage of raw rubber. The price of rubber has increased significantly, making it unaffordable for many. I would like to know how the government is addressing this issue and what measures they are taking to ensure a steady supply of rubber to the industry.

Mr. Singh: Mr. Speaker, I have been informed that the rubber industry is facing a severe crisis due to the shortage of raw rubber. The price of rubber has increased significantly, making it unaffordable for many. I would like to know how the government is addressing this issue and what measures they are taking to ensure a steady supply of rubber to the industry.

Mr. Singh: Mr. Speaker, I have been informed that the rubber industry is facing a severe crisis due to the shortage of raw rubber. The price of rubber has increased significantly, making it unaffordable for many. I would like to know how the government is addressing this issue and what measures they are taking to ensure a steady supply of rubber to the industry.
Discussion and Voting on  
Supplementary Demands for Grants

1st March, 1964

In the meeting, the discussion on supplementary demands for grants was held. The members were presented with a detailed report on the various demands made by different departments. The presentation was followed by a vote on each demand. The vote was unanimous, with all members agreeing on the demands as presented.

The meeting concluded with a discussion on the next steps and the implementation of the demands. The members were encouraged to work together for the betterment of the institution.
Discussion and Voting on Supplementary Demands for Grants

1st March, 1954.

The discussion on Supplementary Demands for Grants was held on 1st March, 1954. During the meeting, several demands were discussed and voted on. The proceedings were conducted in a manner that ensured fair and transparent decision-making. The meeting concluded with a vote to approve the supplementary demands, which were deemed necessary for the smooth functioning of the organization.

In summary, the meeting was productive, and the demands were approved with unanimous consent. The minutes of the meeting will be recorded and distributed to all members for their reference.

Next meeting:

The next meeting is scheduled for 15th March, 1954, where more demands and issues will be discussed.
Discussion and Voting on 
Supplementary Dmands for Grants

1st March, 1954

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Discussion and Voting on Supplementary Demands for Grants
Discussion and Voting on Supplementary Demands forGrants

Scarcity areas

Petty landowners

(Allot)

Principles

Arrears

Famine

Discussion on Supplementary Demands for Grants

Scarcity areas

Petty landowners

(Allot)

Principles

Arrears

Famine
1st March, 1934.

**Discussion and Voting on Supplementary Demands for Grants**

- Scarcity area (Arrears)

- Cabinet

**Discussion and Voting on Supplementary Demands for Grants**

**Scarcity area**

**Arrears**

(Russian Food grain)
Discussion and Voting on
Supplementary Demands for Grains

1st March, 1954.

Joel Adam, A.D. - Chairman

The meeting was opened with the reading of the minutes of the previous meeting, which were confirmed as correct.

The Chairman then announced the order of business for the day, which included the discussion of supplementary demands for grain.

The first item on the agenda was the presentation of a report on the current grain situation. The report highlighted the need for increased supplies to meet the demands of the growing population.

Several members of the committee then made presentations on various aspects of the issue. They discussed the need for increased production, the importance of efficient distribution, and the role of government policies in addressing the demand.

After the presentations, the floor was opened for discussion. Members of the committee expressed their views on the matter, with a general consensus emerging in favor of increased grain supplies.

The Chairman then put the proposal to a vote, which was passed unanimously.

The meeting adjourned at 5:00 PM without any further business to be transacted.

Famine relief

The committee was requested to make arrangements for famine relief measures, including the distribution of grain and other essential supplies to affected areas.

The meeting ended with a round of applause for the hard work and dedication of all members involved in the preparation of the report and the subsequent discussions.
Mr. Speaker: The Question is:

"That the grant under Demand No.7 be reduced by Re. 1".

The motion was negatived.

Famine relief measures in Aurangabad District

Mr. Speaker: The Question is:

"That the grant under Demand No.7 be reduced by Re.1".
The motion was negatived.

Famine relief measures in Nalgonda District

Mr. Speaker : The Question is :
"That the grant under Demand No.7 be reduced by Re. 1 ".
The motion was negatived.

Famine relief measures in Telangana

Mr. Speaker : The Question is :
"That the grant under Demand No.7 be reduced by Re. 1 ".
The motion was negatived.

Famine relief measures in Warangal District

Mr. Speaker : The Question is :
"That the grant under Demand No. 7 be reduced by Re. 1 "
The motion was negatived.

Mr. Speaker : The Question is :
"That a further sum not exceeding Rs. 7,03,000 under Demand No.7 be granted to the Rajpramukh to defray the several charges that would come for payment during the course of the year ending 31st March, 1954. The Demand has the recommendation of the Rajpramukh.
The motion was adopted.

Mr. Speaker : There is another item of the same Demand that has to be put to vote.
The question is :
"That a further sum not exceeding Rs. 1,74,000 under Demand No. 7 be granted to the Rajpramukh to defray the several charges that would come for payment during the course of the year ending 31st March 1954. The Demand has the recommendation of the Rajpramukh.
The motion was adopted.
Mr. Speaker: We will now adjourn.

The House then adjourned for recess till Five of the Clock.

The House re-assembled after recess at Five of the Clock.

[Mr. Speaker in the Chair]

Presentation of Budget for the year 1954-55

Mr. Speaker: The Finance Minister will now present the Budget for the year 1954-55.

Mr. Speaker, Sir,

I rise to present to the House the Budget Estimates of Hyderabad Government for the year 1954-55.

Before, however, explaining the prospects of revenue and expenditure for 1954-55 and the proposals for raising fresh revenue and incurring new expenditure next year, I wish, as usual, first to review briefly the general economic conditions, the trends in the price structure of various commodities, the production targets achieved in various sectors during the last one year and their impact on the financial resources of the Government.

Economic Condition

Prospects of agricultural production for the year 1953-54 are some what better than the results of the year 1952-53. Overall production in the major industries of the State was better than in the previous year and the employer-employee relations showed a definite improvement over the position in 1952-53. Wholesale prices in general ruled higher than in the previous year and so was the cost of living. There was, however, some evidence of a slow downward trend towards the end of the year. The problem of unemployment, though still there, was a little less acute, with some rise in placements.

Agricultural Production.—Agricultural production in 1952-53 turned out to be less satisfactory as compared to that of 1951-52 due mainly to poor rainfall, which was only 21.41 inches as compared to 29.92 inches in 1951-52. There was a decrease in the acreage under some of the major crops such as rice, pulses and
cotton by 2.85, 2.64 and 2.81 lakhs of acres respectively. The out-turn also suffered by 1.10 and 0.99 lakhs of tons, respectively, as regards rice and pulses and 1.14 lakhs of bales in respect of cotton. As regards oil-seeds, though there was an increase in the acreage under groundnut by about 1.42 lakhs of acres, the out-turn was short by 1.35 lakhs of tons as compared to the previous year. Castor showed a decrease, both as regards area and yield by 1.11 lakhs of acres and 0.08 lakhs of tons. One redeeming feature, however, was that Jawar, Bajra and Maize, the staple cereals of the common man registered an increase of 18.62 lakhs of acres in area and 3.14 lakh tons in yield. Secondly, the comparatively high prices for agricultural commodities that ruled in 1953-54 should have benefited the farmers to some extent.

The rainfall in 1953-54 was much more satisfactory, the monsoon and post-monsoon rains accounting for 36.08 inches as against 20.46 inches in 1952-53. But in some parts of the south-western and north-western regions of the State, the rainfall was untimely and to some extent excessive and this caused some damage to the crops. Nevertheless, according to present forecasts (second), rice shows a rise of 3.42 lakhs of acres in area and 2.18 lakhs of tons in out turn as compared to the corresponding forecast of 1952-53. As regards Jawar, there is a decrease in the acreage but the estimated production is about the same as in 1952-53. Though there has been a decrease in the area by about 80,000 acres in respect of groundnuts (third forecast) the out-turn is expected to be better. Cotton, the other major crop of the State, however, shows and increase of about 2.80 lakhs in acreage and about 31,000 bales in yield (fourth forecast). Agricultural production for the year 1953-54 thus promises to be somewhat better than last year.

Mineral and Industrial Production.—The output of gold mines in 1953 (9,282 fine ozs.) was better by 2,519 fine ozs. As compared to 1952, the output of coal declined from 14.35 lakh tons to 13.31 lakh tons. During the same period, production in respect of Cement and Paper improved by 82,500 tons and 2,000 cwt., respectively, while cotton yarn registered a rise of 700 lbs. (till November, 1953) over the previous year's production of 25,100 lbs. Cotton piece-goods also improved from 75,800 yards in 1952 to 85,200 yards (for 11 months of 1953).

Labour.—The production could have been still better but for labour-management conflicts. During the year 1953 there were 66 disputes involving 87,000 man-days lost. Though the employer-employee relations were some what better as compared to the
situation in 1952, conditions have to improve a good deal more to attain the position of 1951 when the total number of registered was only 33,900. Such a development, it is obvious, would go a long way to arrest the growth of unemployment and impart wealth and strength of the economy of the State.

Wholesale Prices.—As compared to 1952, the wholesale price levels in 1953 ruled higher. While the price index (Base: year ended August 1939 = 100) in 1952 fell from 418 in January to 354 in April, and then rose to 385 in December 1952. In the subsequent year it rose from 388 in January 1953 to 447 in June and declined to 389 in January 1954. A similar rise and fall in 1953 is noticeable in the All-India Index also. Wholesale prices in respect of all articles were at the peak in the State during the three months of May, June and July, 1953. The rise in the price of oil-seeds, oils and pulses being as high as 160, 150 and 106 points respectively over their index in January. General prices, however, were not so high. The index for cereals which stood at 443 in January fell to 393 in April, rose to 450 in July and declined thereafter to 438 in January, 1954.

Working Class Cost of Living.—Working class cost of living was on the whole higher in 1953 than in 1952. Except for a slight fall by one point in January and February 1953 as compared to 168 in December 1952, the index was continuously on the rise when the peak was reached in July at 184. This was mainly due to the increase in the price of certain food articles such as edible oils, pulses, sugar, etc., during this period and a similar situation was noticeable in most other centres in the Indian Union. The index number has thereafter shown a decline, the fall being 5 points by December 1953. If the present expectations of better agriculture production and fall in the prices of food articles materialise the index may stabilize itself at a somewhat lower level during the course of the current year.

Employment.—One of the major problems confronting this State during the last two years, as in the other States of the Indian Union, has been unemployment. Though the problem is far from being overcome, there has been some easing of the situation as a result of the measures initiated by the Government in this regard. Though the number of registration of all categories of applicants in 1953 (51,705) was about the same as in 1952 (51,789) placements showed a distinct improvement from 6,234 in 1952 to 11,002 in 1953. Incidentally it may be noted that the State Government accounted for about 55% of the placements while the Central Government and the private establishments account-
ed for the balance. But the problem of the educated unemployed remained as serious as ever, though there also a slight improvement could be perceived in the sense that the average monthly placements rose from 100 in 1952 to 308 in 1953. It may also be mentioned that from April 1953 to January, 1954, the number of Government servants retrenched was 2,191 against which the Employment Exchanges were able to provide employment to 1,464 retrenched Government employees.

I shall now briefly indicate the results of financial transactions in 1952-53 and 1953-54 before proceeding to deal with the Budget Estimates for 1954-55.

**ACTUALS 1952-53.**

As against the Revised Estimate of Rs. 27.91 crores the actual revenue receipts in 1952-53 amounted to Rs. 26.74 crores thus recording a fall of Rs. 1.17 crores, which has occurred mainly under Land Revenue (Rs. 57 lakhs), State Excise Duties (Rs. 85 lakhs) and Miscellaneous (Rs. 25 lakhs), counterbalanced by increased receipts of Rs. 50 lakhs under Customs and other heads.

On the other hand, the actual revenue expenditure was Rs. 25.32 crores as against Revised Estimate of Rs. 26.82 crores, thus resulting in a saving of Rs. 1.50 crores occurring chiefly under State Excise Duties (Rs. 14 lakhs), Irrigation (Rs. 15 lakhs), Education (Rs. 13 lakhs), Agriculture (Rs. 15 lakhs), Miscellaneous Departments (Rs. 15 lakhs), Civil Works (Rs. 43 lakhs), Compensation to Jagirdars and other Miscellaneous Heads (Rs. 30 lakhs) and Superannuation allowances and Pensions (Rs. 5 lakhs). Thus the year 1952-53 closed with a revenue surplus of Rs. 1.42 crores.

The Original Estimates for 1952-53 provided for a capital outlay of Rs. 7.37 crores on Irrigation and Power Projects, Buildings, Roads etc., and it was fixed at Rs. 7.22 crores in the Revised Estimate for that year. The actual expenditure amounted to Rs. 6.60 crores.

The year closed with a cash balance of Rs. 11.80 crores as against Rs. 12.36 crores anticipated in the Revised Estimates for 1952-53.

**REVISED ESTIMATES 1953-54.**

The Budget Estimates provided for revenue receipts of Rs. 28.02 crores. The actual receipts are now estimated as Rs. 25.92
crores thus resulting in a heavy fall of Rs. 2.10 crores which occurred mainly under Land Revenue (Rs. 14 lakhs), State Excise Duties (Rs. 93 lakhs), Customs and Sales-tax (Rs. 35 lakhs), Interest (Rs. 9 lakhs), Civil Works (Rs. 33 lakhs) and Export Surcharges and other Miscellaneous items (Rs. 23 lakhs), Road Transport Department (Rs. 19 lakhs), Union Excise Duties (Rs. 5 lakhs) and Police (Rs. 5 lakhs), counterbalanced by an increase of Rs. 11 lakhs under Income-tax and other heads.

The fall under Land Revenue was due to non-assessment of quit-rent on certain classes of inams which was contemplated under the Hyderabad Enfranchised Inams Act, 1952. The reasons for non-assessment were mainly that the Government considered that this Act was not in keeping with the spirit of the present times as it permits remission to the extent of 7.8ths of the land revenue; it also permits exemption of any inam or class of inams from the purview of the Act. Government feel that the abolition should extend to all inams excepting village service inams and inams held by the charitable and religious institutions and that full assessment should be charged for all abolished inams. A Bill for the abolition of inams in the State of Hyderabad which will be in keeping with the Government's policy indicated above, is proposed to be introduced in the current session of the Assembly.

The large drop under Customs Revenue was due in the main to the recession in prices of some commodities (mainly cash crops) falling in the category of exportable surplus and is also partially accountable by the smuggling of goods across the borders, otherwise liable to export duties, about which frequent reports are being received. Steps are being taken to stop such malpractices which have involved Government in considerable loss of revenues. Another possible reason may also be that the merchant community may be withholding their exportable surpluses of foodgrains and other merchandise in the hope that export duties and export surcharges will be abolished at the end of the current financial year, thus saving the tax.

The Excise Revenue has suffered partly due to reduction in the number of Sendhi trees tapped last year, and partly under the shop rentals, due to recession in prices and the depression in trade and business generally. The R.T.D. income has suffered on account of the losses during the strike period and the increase in expenditure on various concessions granted to the R.T.D. employees. These variations have been explained in detail in the Finance Secretary's Explanatory Memorandum on the Budget which is being separately laid before the House.
On the expenditure side, the Budget Estimates provided for a total revenue expenditure of Rs. 28.22 crores out of which Rs. 27.26 crores were for the standing charges and the balance of Rs. 96 lakhs was for development schemes relating to Agriculture (Rs. 4.29 lakhs), Veterinary and Animal Husbandry (Rs. 2.57 lakhs), Irrigation (Rs. 1.71 lakhs), Forests (Rs. 4.29 lakhs), Education (Rs. 25.57 lakhs), Medical and Public Health (Rs. 6.86 lakhs), Harijan Welfare (Rs. 6.86 lakhs), Community Projects (Rs. 18.00 lakhs), Development under Tungabhadra Project (Rs. 21.43 lakhs), and other Miscellaneous heads (Rs. 4.42 lakhs).

The Revised Estimates place the expenditure at Rs. 27.44 crores as against Rs. 28.22 crores provided in the Budget. There is thus expected a saving of Rs. 78 lakhs occurring under Forest (Rs. 5 lakhs), Irrigation (Rs. 6 lakhs), Education (Rs. 11 lakhs), Civil Works (Rs. 25 lakhs), Pensions (Rs. 59 lakhs), Compensation to Jagirdars and other Miscellaneous items (Rs. 30 lakhs), counterbalanced to the extent of Rs. 58 lakhs by increased expenditure under Interest (Rs. 23 lakhs), Contribution to Sinking Fund (Rs. 15 lakhs), General Administration (Rs. 6 lakhs), Territorial and Political Pensions (Mansabs) (Rs. 13 lakhs), and other heads (Rs. 1 lakh). These increases and decreases have been dealt with in detail in the Finance Secretary's Memorandum. The revised estimates of Revenue and Services Expenditure for 1953-54 thus reveal a deficit of Rs. 1.52 crores.

The Capital Budget for 1953-54 provided for an outlay of Rs. 6.87 crores against which the Revised Estimate has now been fixed at Rs. 8.02 crores. The year was expected to close with a cash balance of Rs. 10.84 crores. This was, however, based on the assumption that Government would be able to realise Rs. 60 lakhs from the sale of the Delhi and Bombay properties and Rs. 80 lakhs from Messrs. Birla Bros. Ltd., on account of the loans advanced to the Sirpur and the Sirsilk Ltd. It was also expected that the Central Government would give a loan assistance of Rs. 4.5 crores. The first two items did not materialise while the central loan assistance was restricted to Rs. 3 crores only. In connection with the appointment of the Reserve Bank of India as bankers to the State Government in place of the Hyderabad State Bank, it was also decided that in order to avoid any serious dislocation in the financial position of the Hyderabad State Bank the Government should allow the Hyderabad State Bank to retain, as a loan repayable in 5 years, a sum of Rs. 5 crores out of the cash balances which were required to be transferred to the Reserve Bank of India. The Government were also able to raise successively a Development Loan of Rs. 3.31 crores during the year. As a result of all these and certain other transactions, such as the...
deficit on Revenue Account amounting to Rs. 1.52 crores, and anticipated savings under Capital and other heads amounting to Rs. 60 lakhs, the year 1953-54 is now expected to close with a cash balance of Rs. 5.33 crores.

**Budget Estimates 1954-55.**

I shall now deal with the salient features of the prospects of revenue and expenditure for 1954-55 and proposals for fresh revenue and fresh expenditure next year.

**Revenue Receipts 1954-55.**

Against the current year's Revised Estimate of Rs. 25.92 crores, the Standing Budget Estimates for 1954-55 provide for total revenue receipts of Rs. 27.86 crores, thus recording an improvement of Rs. 1.94 crores, which has occurred under Income-tax (Rs. 18 lakhs), Land Revenue (Rs. 21 lakhs), State Excise Duties (Rs. 34 lakhs), Irrigation (Rs. 16 lakhs), Interest (Rs. 21 lakhs), Education (Rs. 7 lakhs), Civil Works (Rs. 22 lakhs), R.T.D. (Rs. 7 lakhs), Central assistance for Community Projects (Rs. 33 lakhs) and minor increases under other heads (Rs. 15 lakhs).

The increase under Income-tax is due to collection of arrears for the year 1952-53, while improvement under Land Revenue reflects the effects of proposed abolition of Inams and better collection of arrears next year. Similarly the State Excise Duties are expected to yield better results in 1954-55 due to collection of a portion of past arrears.

The increase of Rs. 16 lakhs under irrigation represents larger appropriations of Central G. M. F. loans for repairs to breached tanks and canals. There is a corresponding increase on the expenditure side also under this item.

Interest due from the Sirsilk Ltd., and certain other industrial concerns, had fallen in arrears, and is expected to be collected next year. This is responsible for improvement under Interest.

The additional income of Rs. 7 lakhs under Education represents larger Central grant for expansion of primary education under the Finance Commission's Award. Similarly the receipts from Central Road Fund next year are expected to be on a large scale and are reflected in the increase under Civil Works.

R.T.D. earnings, which suffered considerably in 1953-54 on account of strike, are expected to improve next year.
Presentation of Budget for the year 1954-55.

With the progress of work on the Community Projects and National Extension Service Blocks, the Central assistance under these Heads will also be more next year.

**Revenue Expenditure 1954-55.**

On the expenditure side the standing charges, for which provision has to be necessarily made, amount to Rs. 28.22 crores next year. In addition to this a sum of Rs. 80.40 lakhs has been provided for new items including development schemes under the Five-Year Plan. There is thus a total provision of Rs. 29.02 crores for revenue expenditure in 1954-55, as against Rs. 27.44 crores provided in the Revised Estimate for 1953-54. The reasons for this increase of Rs. 1.58 crores have been discussed in detail in the Finance Secretary's Memorandum. Briefly speaking, there are increases under Land Revenue (Rs. 12 lakhs), State Excise Duties (Rs. 11 lakhs), Irrigation (Rs. 23 lakhs), Interest (Rs. 20 lakhs), Education (Rs. 45 lakhs), Medical & Public Health (Rs. 16 lakhs), Civil Works (Rs. 21 lakhs), Pensions (Rs. 7 lakhs), Miscellaneous Departments (Rs. 18 lakhs), Community Projects (Rs. 34 lakhs), and other heads (Rs. 5 lakhs). On the other hand savings have been effected under Police (Rs. 20 lakhs), Mansabs (Rs. 13 lakhs) and payments to H. E. H. the Nizam (Rs. 21 lakhs).

The new items of expenditure for 1954-55 mainly consist of Rs. 11 lakhs for land census and other connected expenditure, Rs. 5 lakhs for the setting up of a separate organisation for pre-audit of headquarters payments and Inspection of Treasuries, etc., Rs. 4 lakhs for maintenance of up-to-date electoral rolls, Rs. 10 lakhs for contribution to the Scheduled Castes Trust Fund, and Rs. 21 lakhs for new development Schemes under the Five-Year Plan allocated as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Rs. in lakhs</th>
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</thead>
<tbody>
<tr>
<td>(1) Agriculture</td>
<td>..</td>
</tr>
<tr>
<td>(2) Education</td>
<td>..</td>
</tr>
<tr>
<td>(3) Medical &amp; Public Health</td>
<td>..</td>
</tr>
<tr>
<td>(4) Forests</td>
<td>..</td>
</tr>
<tr>
<td>(5) Co-operation</td>
<td>..</td>
</tr>
<tr>
<td>(6) Veterinary</td>
<td>..</td>
</tr>
</tbody>
</table>

The Budget Estimates for 1954-55 provide for a total revenue expenditure of Rs. 29.02 crores as against an estimated revenue of Rs. 86 crores from existing taxes and other sources. There is an increase of Rs. 1.16 crores in the Revenue Estimates for 1954-55.
I shall presently indicate the extent to which it is proposed to fill this gap by fresh taxation. But before doing so, I should like to explain the salient features of receipts and expenditure under important heads. I shall first deal with receipts.

State Excise Duties.—The State Excise Duties are the largest single source of revenue in Hyderabad and contribute nearly one-third of the total receipts. But we do not seem to have taken adequate measures for protecting the income arising from this source, as is revealed from the fact that the number of Sendhi trees tapped for extraction of Sendhi, which was 31 lakhs in 1950-51, fell to 28 lakhs in 1951-52 and to 25½ lakhs in 1952-53. This was due to indiscriminate fellings and destruction of the Sendhi trees during the last 3 years particularly on patta lands as the pattadars were given the right to remove Sendhi trees from their patta lands, if necessary. The consumption of liquor has also gone down from 6.2 lakh gallons in 1950-51 to 4.0 lakh gallons in 1951-52 and has remained constant at the same level in 1952-53. The shop rentals have also registered a substantial fall during the last 3 years as will be evident from the following figures:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rents from Sendhi shops</th>
<th>Rs. in lakhs</th>
<th>Rent from Liquor shops</th>
<th>Rs. in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-52</td>
<td>4.97</td>
<td></td>
<td>1.34</td>
<td></td>
</tr>
<tr>
<td>1952-53</td>
<td>4.63</td>
<td>1.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1953-54</td>
<td>4.39</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It is feared that leakages have also increased lately.

In view of its importance as a major source of revenue, Government propose adopting suitable measures for safeguarding the excise revenue and the Excise Department has been asked to prepare a scheme for the proper preservation, replanting, etc., of Sendhi trees.

Customs.—Under the financial integration arrangements the Hyderabad Government were required to abolish internal land customs and surcharges gradually over a period of 4 years, i.e., by the end of March 1954. It was expected that during this period Hyderabad will be able to develop sales-tax to an extent that it replace the loss arising from the abolition of customs and duties. In pursuance of this decision, the Hyderabad Government decided reducing the rates of import duty and these were totally abolished from the 1st August 1952. Simultaneously steps
were taken to develop general Sales-tax. However, after closely watching the progress of Sales-tax for nearly 3 years, it was felt that due to various limitations, such as the exemption of a large number of commodities from Sales-tax, on the ground that they are essential to the life of community, and also the fact that Hyderabad is a landlocked State, it would be difficult to raise as much income from Sales-tax as was being derived from customs and surcharges.

Representations were, therefore, made, first to the Finance Commission and later to the Government of India, requesting them to allow Hyderabad to continue customs and surcharges for a few more years, as otherwise it would be difficult for Hyderabad Government to maintain even the existing level of expenditure on Social Services and other nation-building activities. It is a matter of some satisfaction that the Government of India have agreed to the continuance of internal transit duties for the coming year. The Revenue Estimates for 1954-55 provide for an income of Rs. 2 crores from this source, after making allowance for the present downward trend in prices and the reduction in the volume of trade generally.

I might also mention that Government received representations from the mercantile community urging the removal of surcharges on the ground that it causes considerable hardship and it is also responsible for large scale smuggling of commodities which are subject to export surcharge. But it was not possible for Government to concede this request as, apart from other considerations, such as its effects on manufacturing industries, it would have led to a substantial loss of revenue which the Government are unable to raise at the moment by any alternative source. However, from the prices of commodities ruling here and at places to which these commodities are exported, it is evident that the burden of surcharge falls on the middlemen, and its abolition is not expected to benefit either the cultivators or the consumers to any appreciable extent.

Road Transport Department.—The net earnings of the Road Transport Department have suffered during 1953-54 on account of the strike of R.T.D. employees in the month of August 1953, as well as the general economic depression which has affected the earnings of Indian Railways also. Till now the accounts of the R.T.D. were being kept outside the ordinary Government Accounts and the State Budget showed only the transactions relating to Capital provided from general revenues and the interest on Capital and Government's share of net earnings, received from the R.T.D,
In deference to the wishes of this House it has now been decided to place before the House the R.T.D. Budget also as part of the State Budget.

I shall now briefly explain the position of the more important expenditure heads.

**Land Revenue.**—A provision of Rs. 8.86 lakhs was made in 1953-54 to collect basic data regarding the various types of landholdings, their yields and other data which would be of use for implementing the land reforms contemplated by Government. The work is in progress and a further provision of Rs. 10.92 lakhs has been included under "new items" for 1954-55 for this purpose.

**Police.**—I feel happy to bring to the notice of the House that expenditure on Police has been progressively coming down from year to year as will be evident from the following figures, and I sincerely hope that with the improvement in the conditions of peace and order, it would be possible to further reduce the expenditure on Police, the ultimate target being that it should not exceed 10% of the total Budget.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rs. in Crores</th>
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<tbody>
<tr>
<td>1950-51</td>
<td>4.84</td>
</tr>
<tr>
<td>1951-52</td>
<td>5.93</td>
</tr>
<tr>
<td>1952-53</td>
<td>3.98</td>
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<tr>
<td>1953-54</td>
<td>3.45</td>
</tr>
<tr>
<td>1954-55</td>
<td>3.24</td>
</tr>
</tbody>
</table>

In an expanding economy like ours, the savings realised in administrative expenditure on Police and other services have been absorbed by increasing demands for developmental expenditure.

In passing, I should also like to mention that compatible with our financial resources, a sum of 2.14 lakhs has been provided in the next year's budget for ameliorating the service conditions of Seth Sindhis.

**Anti Corruption Measures.**—The report of the Committee which was appointed in order to study the extent of corruption in public life and to make recommendations to put down corruption in all its forms is under consideration of Government and extra provision of Rs. one lakh has been made in the budget for setting up the necessary organizations, etc., for this purpose.
Education.—The programme for expansion of education, especially in the field of primary education, made considerable headway during the year, and full advantage was taken of the special grant of Rs. 20 lakhs received from the Government of India in 1953-54 for expansion of primary education. In consultation with the Collectors and District Advisory Committees on Education, the Department has drawn up an ambitious plan for establishment of new schools so as to attain the target of giving at least one voluntary aided school to each village with a population of 500 or above and at least one single-teacher school to each village with a population of 1,000 and above. Under this plan, 1,731 new voluntary aided schools were opened and an additional number of 3,895 teachers were given to the already existing primary schools.

In addition to this, 1,500 teachers have been appointed under the scheme for relieving educated unemployment which has been taken up by the Hyderabad Government in participation with the Government of India.

The Hyderabad Compulsory Primary Education Act has been applied to the extent of 20 villages in a compact area in each district, and in selected localities in Hyderabad and Secunderabad cities.

Efforts are being made to convert as many primary schools as possible into basic schools. The progress in this direction, however, depends to a large measure, on the availability of trained teachers. It is therefore, proposed that in addition to the three Basic Education Centres now functioning at Bhiknoor, Mominabad and Yarmarus, all the existing training centres for primary school teachers should be converted into Basic Training Centres during the next two years.

In regard to Secondary Education, the policy of Government is to encourage private enterprise by extending adequate financial aid to private institutions. However, during the year 181 new lower secondary classes and 59 new higher secondary classes were opened in Government schools, with the co-operation of the local people who came forward with donations for equipment and additional building accommodation required for these new classes.

The recommendations of the ad hoc Committee of Experts on Technical Education were considered by Government and a scheme for reorganisation of Technical Education was sanctioned. A three-year diploma course in Mechanical Engineering in the Government Technical College were revised.
ing and Electrical Engineering separately. A three-year diploma course in Automobile Engineering is also proposed to be added as and when finances permit.

A Central Crafts Institute, which will provide instruction in various types of crafts, will start functioning from next year. The School of Commerce is being reorganised to provide a course in H.S.C. (Commerce), in addition to the existing post-matriculation diploma courses. Evening classes for diploma courses in Commerce and Banking have been sanctioned, which will function on a self-supporting basis. Three more Technical High Schools in Nizamabad, Nanded and Raichur, and three more Girls’ Vocational High Schools in Warangal, Gulbarga and Aurangabad, will start functioning from next year.

The Budget Estimates for 1954-55 provide the following, special grants for further expansion of education:

1. Rs. 7 lakhs for expansion of primary education.
2. Rs. 6 lakhs for the scheme for relieving educated unemployment.
3. Rs. 5 lakhs for expansion of secondary and technical education.

The expenditure on education, which was Rs. 2.92 crores in 1947-48 and Rs. 4.09 crores in 1951-52, has risen to Rs. 5.10 crores in the budget for 1954-55 and now constitutes 17.57% of the revenues.

**Medical and Health Services.**—The revenue estimates for 1954-55 make a special provision of Rs. 6 lakhs for new schemes under the Five-Year Plan and a further grant of Rs. 5 lakhs has been made in the Capital budget for extension and improvements at the K. E. M. Hospital, Secunderabad and some of the District Hospitals which are in immediate need of additional accommodation. The Department proposes to utilise the grant of Rs. 6 lakhs for the following purposes:

1. Domiciliary T.B. Treatment Centres at Hyderabad & Secunderabad...
2. Increased provision for medicines...
3. Increased provision for diet to patients...
4. Opening of Dispensary at Jamalpur...

<table>
<thead>
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<th>Purpose</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domiciliary T.B. Treatment Centres</td>
<td>1.00</td>
</tr>
<tr>
<td>Increased provision for medicines</td>
<td>1.00</td>
</tr>
<tr>
<td>Increased provision for diet to patients</td>
<td>2.32</td>
</tr>
<tr>
<td>Opening of Dispensary at Jamalpur</td>
<td>0.18</td>
</tr>
</tbody>
</table>

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<td>0.18</td>
</tr>
</tbody>
</table>
Agriculture.—A new Laboratory building has been put up at Hiranyakasagar which will accommodate the Entomology, Pathology, Oil-seeds and Horticulture Sections of the Department and is expected to give further impetus to the several research schemes now in operation in respect of rice, wheat, jowar, pulses, maize, oil-seeds, cotton, sugarcane, grapes, and custard apples. A new research laboratory has also been constructed at the Rudroroo farm in Nizamabad.

The grow-more-food programme which envisages supply of oil engines, pumps and bull-dozers, distribution of improved seeds and manure, control of paddy hispa and other pests and diseases and manufacture of compost, was in full swing during the year and all the grants are being repeated in 1954-55. A further sum of Rs. 5 lakhs is also being provided next year for taking up new schemes under the Plan.

Taccavi advances, in the shape of manure, improved seeds and oil engines, for which a provision of Rs. 1.17 crores was made in the State Budget for 1953-54 were further increased by securing a short-term loan of Rs. 1.04 crores from the Central Government and it is proposed to continue these facilities next year also.

Veterinary and Co-operation.—A sum of Rs. 2.5 lakhs for Veterinary and Animal Husbandry and Rs. one lakh for Co-operation has been provided next year for taking up new development schemes under the Plan.

Development Schemes under Tungabhadra and Nizamsagar Projects.—The Budget Estimate for 1953-54 made a provision of Rs. 27.43 lakhs for the rehabilitation of the expropriated persons under the Tungabhadra Project and schemes calculated to assist the people in the Project area in the various fields of rural development. This grant was utilised for the following purposes:

<table>
<thead>
<tr>
<th>Rs. in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Rehabilitation of expropriated persons</td>
</tr>
<tr>
<td>Co-operative Schemes</td>
</tr>
</tbody>
</table>
Presentation of Budget for the year 1954-55.

1st March, 1954.

(3) Establishment of Cattle-cum-Sheep Breeding Farm .. 1.27
(4) Construction of Village Roads .. .86
(5) Equipment for Reclamation and Development work and other Miscellaneous items such as Forest Nursery, etc... .. 7.00

Total .. 21.43

As regards the Nizam Sagar Project area a sum of Rs. 8.57 lakhs was allotted in the current year's budget which has been utilised for the following schemes:—

Rs. in lakhs.

(1) Revenue Schemes .31
(2) Anti-liver Fluke Scheme 1.45
(3) Agricultural Schemes 1.54
(4) Co-operative Schemes .33
(5) Medical Schemes .18
(6) Construction of Roads 4.00
(7) Other Miscellaneous Items .76

Total 8.57

Both these grants of Rs. 21.43 lakhs and Rs. 8.57 lakhs have been repeated in the next year's budget.

Progress of the Five-Year Plan.—The original Five-Year Plan for Hyderabad envisaged a total outlay of Rs. 40.5 crores out of which Rs. 30.5 crores were expected to be raised directly by the State Government and the balance of Rs. 10 crores was to be provided by the Central Government in the shape of G.M.F. grants and loans for irrigation schemes. Later it was noticed that the proper implementation of the Plan would require some more money due partly to revision of certain estimates in the light of increase in prices of machinery and other goods and the cost of execution generally, and partly to some omissions in the original Plan, as for instance, the increased cost of debt services, on account of new loans, to be raised for the Five-Year Plan, and the cost of development of land under the various irrigation projects. These
items involve an outlay of about Rs. 7.99 crores. The Hyderabad Plan, to be fully implemented, will thus require a total sum of Rs. 48.5 crores.

While the Central Government has been giving all the assistance promised in the Plan, it has not been possible for the Hyderabad Government to raise the necessary taxes and loans to the extent contemplated with the result that there is an overall deficit of Rs. 16.6 crores in the financial resources available for the Plan for which the Hyderabad Government depend, to a very large measure, on more generous help from the Central Government.

However, in spite of all these difficulties, every pie that could be saved or otherwise raised has been earmarked for the social services and nation-building departments as will be evident from the following figures:

<table>
<thead>
<tr>
<th>Heads</th>
<th>Actuals 1950-51</th>
<th>Budget 1954-55</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture</td>
<td>43.34</td>
<td>75.42</td>
</tr>
<tr>
<td>2. Veterinary</td>
<td>14.51</td>
<td>21.96</td>
</tr>
<tr>
<td>3. Forests</td>
<td>25.91</td>
<td>36.52</td>
</tr>
<tr>
<td>4. Co-operation</td>
<td>16.64</td>
<td>22.27</td>
</tr>
<tr>
<td>5. Fisheries</td>
<td>2.17</td>
<td>4.27</td>
</tr>
<tr>
<td>6. Education</td>
<td>393.03</td>
<td>510.21</td>
</tr>
<tr>
<td>7. Medical and Public Health</td>
<td>121.54</td>
<td>198.04</td>
</tr>
<tr>
<td>8. Cottage Industries</td>
<td>6.80</td>
<td>8.80</td>
</tr>
<tr>
<td>9. Irrigation Projects (Capital)</td>
<td>296.92</td>
<td>620.98</td>
</tr>
<tr>
<td>10. Power Projects (Capital)</td>
<td>40.00</td>
<td>133.06</td>
</tr>
<tr>
<td>11. Roads (Revenue &amp; Capital)</td>
<td>67.23</td>
<td>73.25</td>
</tr>
</tbody>
</table>

_Harijan Welfare Schemes._—The activities of the Scheduled Castes Trust Fund, which was constituted about six years back, a corpus of Rs. one crore (O.S.) have been expanding very fast. The expenditure on scholarships and hostels, along with...
1953-54 is expected to be of the order of Rs. 22 lakhs. At the end of current financial year the Fund is expected to have a balance of about Rs. 20 lakhs, which will be hardly sufficient to meet its normal requirements in future.

It is, therefore, proposed to make a further contribution of Rs. 20 lakhs to this Fund during the next 2 years and a sum of Rs. 10 lakhs has been provided in the budget for 1954-55. If, however, during the course of the ensuing financial year the requirements of the Fund exceed the amount available in the Fund, then, the Government will endeavour to contribute a further sum of Rs. 10 lakhs. In addition to this, a sum of Rs. 6.86 lakhs has been included for carrying out the various schemes of Harijan Welfare undertaken by the Social Service Department, such as sinking of wells, acquisition of lands for house sites, supply of hutting materials, establishment of small-scale industries, grants-in-aid, etc.

Community Projects and National Extension Service.—A provision of Rs. 18 lakhs was included in the current year's budget for carrying out the programme of intensive rural development, under the Community Projects Scheme, which envisages a well planned agricultural, social and economic development of our villages. The work was first started on groups of 100 villages comprising one Block each under the Tungabhadra Project, Nizamsagar Project and Lakhnavaram-Pakhal Projects. Later 2 more blocks were added under the first two projects. During the year similar programmes were undertaken at two more places, one in Nanded District and the other in Bhir District under the Bendsura Project.

Besides this, Hyderabad State has been allotted 46 blocks of 100 villages each under the National Extension Service Scheme, involving an expenditure of Rs. 7.50 lakhs on each block over a period of 3 years. The main purpose of this programme is to ensure active and enlightened co-operation of the villagers, schemes undertaken by Government for promoting the social and economic standards of village life. It is hoped that the programme when completed will bring about a complete change in the outlook of both the rural population and the officials entrusted with the task of their uplift. Special arrangements have been made for giving necessary training to the employees of the several departments, engaged on this work, so that they may totally identify themselves with the ideals, aspirations and programmes of the village population.
Eleven such blocks were taken up on October 2, 1953, and 15 more will be taken up next October.

The Government of India have also offered to assist the State Government in establishing two agricultural basic training schools in the State, by sharing the cost in the following manner:

<table>
<thead>
<tr>
<th></th>
<th>Centre's share</th>
<th>State's share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-recurring charges</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Recurring charges 1st Year 53-54</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Do 2nd do 54-55</td>
<td>66⅔%</td>
<td>33⅓%</td>
</tr>
<tr>
<td>Do 3rd do 55-56</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Do 4th do 56-57</td>
<td>33⅓%</td>
<td>66⅔%</td>
</tr>
</tbody>
</table>

Another important programme of rural welfare which was started during the year, consists of local development works such as village roads, rural water supply, sanitation, etc., for which the Government of India sanctioned a grant of Rs. 13.10 lakhs for 1953-54 and State's own contribution amounted to Rs. 6.90 lakhs. Here again the idea is that only those schemes should be undertaken for which there is substantial contribution from the local people in the shape of voluntary labour, material and cash. The programme is being executed by the Local Government Department and a large number of useful schemes have already been started in 1953-54.

Restoration of breached Tanks.—The revised State Plan envisages repairing of 2,387 breached tanks in the State, having an ayacut of 1,52,000 acres and involving an expenditure of Rs. 2.08 crores in 5 years. In addition to this there was a programme of restoring 528 tanks with an ayacut of 38,033 acres breached in Mahboobnagar District during the cyclonic rains of 1952. The estimated cost is Rs. 38 lakhs. Work has already been completed on 406 tanks, while repairs to 502 more tanks are in progress and will be completed shortly. On the whole the progress of work has been rather slow and arrangements are being made that the entire balance of the work must be completed by the end of 1955-56. The next year's budget provides Rs. 48 lakhs for this purpose.

Revenue Deficit and Ways and Means to meet it.—I have already indicated earlier in my speech that there is a deficit of 16 crores on Revenue Account. This deficit should have been
much larger but for the fact that customs and export surcharges which have been yielding a substantial revenue, will not be abolished at the end of March 1954, but will continue during 1954-55.

The deficit being more or less of a permanent character, it is imperative that all possible sources of raising additional revenue should be tapped. While all possible efforts are being made to economise in the level of Governmental expenditure, I must make it clear that any saving realised in administrative expenditure is likely to be more than absorbed by increasing demands for nation-building activities and other developmental expenditure. For further increase in expenditure on these services, the country will have to be prepared for paying more taxes. Mention of this has also been made in the speech of the Rajpramukh. There are a few avenues still left from which fresh revenues could be raised, such as, the case for the levy of a surcharge on land revenue in view of the fact that agricultural prices have risen generally fivefold, while land revenue rates have almost remained static; enhancement in the rates of school fees and unmetered water supply, etc., which are low as compared to the rates prevailing in other States. Similarly, it may also be possible to get something more out of the sales-tax by bringing about suitable amendments and modifications in the existing Act. However, I am not providing for increased revenues from these sources in the budget just now, but the possibility of bringing in suitable legislation, wherever necessary, for tapping some or all the sources indicated above, within the course of the ensuing financial year, should not be entirely ruled out. For the present, I propose the following two taxes only:

1. Rates of Motor-Vehicles tax, which is at present low in Hyderabad as compared to other States, are proposed to be raised by 20% which is expected to fetch an additional revenue of Rs. 2.5 lakh per annum.

2. Sugarcane cess, which was imposed this year at the rate of Rs. 2 per ton, is now proposed to be raised to Rs. 4 per ton. This is expected to yield Rs. 7.5 lakhs per annum.

These two measures will give an additional income of Rs. 10 lakhs, leaving an uncovered deficit of Rs. 1.06 crores. Pending other measures for raising additional revenue, this deficit will mean a further inroad on our already depleted reserves.

**CAPITAL OUTLAY**

The original capital programme for 1953-54 was mostly limited to the carrying out of the various irrigation, power and other
projects in progress. It was later decided to take up a few more schemes of irrigation in Marathwada and other scarcity areas. The Government of India, who were approached for financial assistance, have sanctioned a long-term loan of Rs. 3 crores for undertaking new irrigation schemes and accelerating pace of the Kadam Project and minor irrigation works already in progress.

The new programme envisages construction and development of the following:

1. Reservoir across Dheku Nala near Bhatna valley
   Vijapur
2. Reservoir across Jui Nala near Donapur village
   Bhokardan
3. Anicut across Shivna
   Kannad
4. Improvement of existing anicut across Poorna
   do
5. Anicut across Anjan river near Nijapur
   do
6. Kamli Project
   Ashti
7. Talwar Project
   do
8. Sirala Project
   Mudhol
9. Anicut at Naldurg
   Osmanabad
10. Musi Project
    Suryapet.

Preliminary work on some of these has already been started during 1953-54 and suitable provisions have been made in next year’s budget.

The Budget Estimates for 1954-55 provide for a total Capital outlay of Rs. 8.85 crores, out of which Rs. 5.40 crores are for irrigation projects, Rs. 1.55 crores for the Godavari Valley Multipurpose Scheme, Rs. 59 lakhs for Electricity Schemes, Rs. 60 lakhs for Industrial Housing Scheme, Rs. 53 lakhs for Roads and Buildings, and Rs. 18 lakhs for Water Works, Drainage and other schemes of local improvement.

The major portion of the Tungabhadra Dam has been completed and water was let out for irrigation on the 1st July, 1953, a length of about 12 miles to irrigate about 6,000 acres. It is proposed to complete the construction of the dam and channels in 1954-55.
Canal work is in progress up to 66 miles as against the total length of 127 miles. It is expected that water would be let out up to 32 miles for the next Tabi crop. The Budget provides Rs. 3 crores for Tungabhadra Project.

The Rajulabunda Diversion Scheme consisting of an anicut across the Tungabhadra river, which was taken up in 1947 is in progress. Half the anicut has already been completed and foundations have been filled in the remaining half. Out of 65 miles canal work is in progress up to 47 miles. The work on the anicut has been rather slow due to delay in arriving at an agreement between the Hyderabad and the Andhra States in regard to compensation to be paid for the submerged lands in Andhra State. A provision of Rs. 80 lakhs has been made in the next year’s budget.

The Godavari North Canal or Kadam Project consists of two Dams and 48 miles of canal. The commanded area is 110,000 acres, of which 53,000 acres are expected to be brought under irrigation. One of the Dams has been completed and the other together with the canal is in progress. It will be possible to let out water for irrigation in June 1955. The budget makes a provision of Rs. 80 lakhs for this project.

The work on the Ramagundam Thermal Power Scheme has also reached a very advanced stage. One Turbo set and all the six boilers have already been erected. Work on the second and third turbines and Coal Bunkers and Coal Receiving Hopper is in progress. The work on the Cooling Towers has been slow due to delay in the receipt of the requisite equipment. Transmission lines have already been laid up to Peddapalli and further extension is in progress. In consultation with the Central Water and Power Commission, it has been decided to connect Ramagundam to Hyderabad and necessary preliminaries are being completed.

The programme of construction of low cost houses for industrial labour is in full swing. On its completion, there will be 1,720 single-room and 2,500 double-room tenements in Hyderabad City, 545 houses at Sanatnagar and 397 blocks at Nanded. A further provision of Rs. 60 lakhs has been made next year which is expected to be wholly received from the Central Government, half as loan and half as grant.

A complaint is frequently made that Marathwada has not received its due share in the Five-Year Plan in the matter of Irrigation and Power Projects. There is no doubt that none of the
big Irrigation and Power Projects now on hand is located in Marathwada. The main reason for this apparent omission is that the various major projects which form part of the State's Five-Year's Plan were already in progress when the Plan was begun and are not new ones. Care is being taken to see that in the matter of other schemes under the Five-Year Plan, the districts of the Marathwada receive their due share. For instance, a number of National Extension Service Blocks have already been allotted to Marathwada this year and a few more will be started next year.

As I have just stated a number of minor irrigation schemes have already been started in the Marathwada districts and Government are also making every possible effort to persuade the Planning Commission and the Government of India to include the Poorna Project, which is an Irrigation-cum-Power Project, estimated to cost about Rs. 9 crores, in the Five-Year Plan.

PUBLIC DEBT

The public debt of the State which stood at Rs. 55.61 crores at the beginning of 1953-54 now amounts to Rs. 63.76 crores the increase being due to fresh loans from the Central Government and the 4% Hyderabad State Development Loan, 1963, of Rs. 3.31 crores which was raised in October, 1953.

CASH BALANCE AND WAYS AND MEANS

As I have already stated, the year 1953-54 is expected to close with a cash balance of Rs. 5.33 crores. This, however, does not represent the effective cash balance as it includes Rs. 1.97 crores which are locked up in certain banks in London. The real cash balance available with the Government is the Rs. 3.36 crores which almost wholly represents the proceeds of the 4% Development Loan, 1963, raised in last October, amounting to Rs. 3.31 crores. Against this, the capital programme for 1954-55 envisages an expenditure of Rs. 8.85 crores, while a sum of about Rs. 1.50 crores is required to be kept with the Reserve Bank of India as normal cash balance and for maintaining the existing facilities for supply of small coins of I.G. currency. We thus require a sum of Rs. 6.99 crores on capital account.

The Government of India have agreed to give a loan assistance of Rs. 3 crores next year for schemes under the Five-Year Plan. Further loan of Rs. 1.76 crores are expected to be received from the Government of India for carrying out the industrial housing scheme and the new minor irrigation schemes started in.

A sum of Rs. 82 lakhs will be realized from Messrs.
Birla Bros., Ltd., on account of loans advanced to the Sirsilk Ltd. All these capital receipts will amount to Rs. 5.58 crores as against Rs. 6.99 crores required for 1954-55. This means a deficit of Rs. 1.41 crores on capital account.

There is already a deficit of Rs. 1.06 crores on revenue account. The overall deficit in 1954-55 thus amounts to Rs. 2.47 crores, which will have to be covered by raising fresh loans, for which the Hyderabad Government depend, to a large measure on the help of the Government of India.

**Currency**

Under the existing arrangements the Hyderabad currency will continue to remain legal tender as before until the end of March, 1955. It is, however, the policy of Government that all denominations of Hyderabad currency should be gradually withdrawn from circulation and replaced by Indian currency by the end of March, 1955. In pursuance of this policy, the fresh issue of higher denominational currency notes and whole rupees were stopped as from 1st April, 1953 and it is felt that fresh supplies of one-rupee notes, which are at present being issued to a limited extent, can also be stopped from the 1st April, 1954, without causing any dislocation in the economic life of the country. The small coins, i.e., 8-anna pieces and smaller coins will, however, continue to be supplied, to the extent the stocks permit, until the end of March, 1955.

The circulation of the various denominations of currency on the 1st April 1954 and now is as follows:

<table>
<thead>
<tr>
<th>Nature of currency</th>
<th>Circulation on 1-4-1953</th>
<th>Present Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency notes of Rs. 5 and above.</td>
<td>Rs. 33.97 crores</td>
<td>10.23 crores.</td>
</tr>
<tr>
<td>One-rupee notes</td>
<td>Rs. 3.13 do</td>
<td>42 lakhs.</td>
</tr>
<tr>
<td>Whole rupees and Small coins</td>
<td>Rs. 5.03 do</td>
<td>4.48 crores.</td>
</tr>
</tbody>
</table>

It will thus be evident that during the last 10½ months circulation has been brought down from Rs. 42.13 crores to Rs. 15.13 crores without causing any hardship to the people.

**Banking**

As from 1st April, 1953 the Reserve Bank of India have been appointed as sole bankers to the State Government under an
agreement. The Reserve Bank of India in their turn have appointed the Hyderabad State Bank as their agents for purposes carrying out the normal banking business of Government. As a result of these arrangements, the transactions on account of the public accounts of the State are now conducted by the Hyderabad State Bank as agents of the Reserve Bank of India. The Hyderabad State Bank are also managing the public debt of Hyderabad State (other than the recently floated 4% Hyderabad State Development Loan, 1963, which is being directly managed by the Reserve Bank of India) as agents of the Reserve Bank of India. They are also managing the Hyderabad currency as agents to the Central Government. As a part of these arrangements the Reserve Bank of India have agreed to provide substantial financial accommodation to the Hyderabad State Bank in order to enable the latter to continue the existing facilities for crop financing.

At the instance of the Hyderabad Government, the Reserve Bank of India also agreed to provide short-term loans to the extent of Rs. 25 lakhs through the Hyderabad Dominion Co-operative Bank in 1953-54, and it is expected that facilities on a much larger scale will be available next year provided we are able to strengthen our co-operative organisations which are badly in need of greater vigilance, supervision and control by Government.

The Government of India have recently indicated their willingness to provide facilities to the extent of Rs. 20 lakhs for long-term agricultural credit for Hyderabad. The departments concerned are preparing the necessary schemes in order to avail of this much needed help. This might take some time. In the meantime Government have advanced a sum of Rs. one lakh to the Central Land Mortgage Bank for sanctioning loans in accordance with the rules and procedure of that Bank.

FOOD SITUATION

I do not wish to say much on the food situation. My Hon’ble colleague, the Supply Minister, has already informed the House the other day that in view of the steady improvement in the food situation and the bright prospects of rice crop this year, Government have, with effect from the 25th February 1954, derationed and decontrolled rice. Thus all foodgrains in the State have been decontrolled and derationed.

INDUSTRIES

In spite of adverse trade conditions the major industries in the State continued to show satisfactory progress. There was a
larger production of cloth, cement, paper and sugar. There was a slight decline in the production of coal mainly as a result of the three-week strike in the Singareni Collieries.

Like all textile mills in India textile mills in Hyderabad at one time had large stocks of piece-goods and experienced great financial difficulties. The cloth movement has, however, improved considerably and the mills are in a better position now. One of the Mills in Hyderabad had to close down because of large stocks, outmoded machines, and the fact that it was running at a considerable financial loss.

The Government have established Advisory Boards, viz., Handloom Advisory Board, Handicraft Advisory Board and Kahdi and Village Industries Advisory Boards. These Boards have done excellent work during the year and several proposals have been submitted to the Government for financial assistance. The Government of India have sanctioned Rs. 12.26 lakhs for assistance to handloom industries. Details of the manner in which this sum is to be spent have already been mentioned in the House.

**Industrial Trust Fund.** — The balance to the credit of the Fund was Rs. 473.48 lakhs as at the end of March, 1953, invested in the following manner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs. in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares in industrial concerns</td>
<td>111.36</td>
</tr>
<tr>
<td>Loans to industrial concerns</td>
<td>98.38</td>
</tr>
<tr>
<td>Loans to private individual industrialists</td>
<td>8.50</td>
</tr>
<tr>
<td>Loans to cottage industries</td>
<td>7.06</td>
</tr>
<tr>
<td>Gilt-edged securities</td>
<td>122.99</td>
</tr>
<tr>
<td>Government Power Alcohol Factory</td>
<td>61.69</td>
</tr>
<tr>
<td>Miscellaneous investments</td>
<td>13.99</td>
</tr>
</tbody>
</table>

Loans amounting to Rs. 50.48 lakhs were advanced to various industries during the year.

**Industrial Finance Corporation.** — The establishment of the Hyderabad State Industrial Finance Corporation has already been notified. This Corporation will start business from the 2nd April, 1954, and it is hoped that local industries will take advantage of the financial assistance which this Corporation is designed to give.
During the last few months there has been greater industrial activity throughout India. The position in Hyderabad is, however still static. Possibilities of establishing a sugar factory in the Tungabhadra area and a cement factory at Mancherial and a paper factory to manufacture paper from bagasse or alternatively cardboard are under the active consideration of the Government.

The Village Industries Training Centre has been reorganised during the year and 3 additional sections, viz., oil pressing, hand-made paper and tanning and leather goods manufactured have been added to it. Six integrated training centres have since been opened at Aurangabad, Bidar, Gulbarga, Karimnagar, Mahbubnagar and Warangal to give training and demonstration in cottage industries. Nine training-cum-production centres have also been established under the Community projects at Banswada, Bodhan, Arsappally, Kopbal, Gangavati, Kartagi, Mulug, Nanded and Bendsura.

The new building for the Central Laboratories was recently opened by the Prime Minister. This building has cost in all Rs. 19.72 lakhs so far including the grant of Rs. 5 lakhs from the Government of India.

Account Organisation.—At the instance of the Comptroller and Auditor-General of India and the Government of India, it has been decided to take over the Headquarters payment work from the Accountant-General, Hyderabad. The new Directorate of Accounts and Inspections which will be shortly set up for this purpose, will also be responsible for conducting Treasury inspections. It will also set up a regular training school for imparting accounts training to State Service personnel employed on accounts work, so as to improve their efficiency, and will conduct accounts examinations. The cost of the new organisation is estimated at Rs. 5 lakhs per annum, for which provision has been made in the next year's budget.

CONCLUSION

As I have already mentioned to you, the budget for the year 1954-55 is expected to show a revenue deficit of 1.06 crores and a further deficit of 1.41 crores on capital account. So far, we have been able to manage with the generous assistance received from the Government of India and by drawing to the full upon the liquid portion of the reserves built up in the past. The liquid portion of our reserves is now practically exhausted and what is left is in a form that is not capable of immediate
realisation, such as the Taccavi loans, or is realisable only at a serious loss to Government such as investments in the industries, foodgrain, stocks, etc.

As in the past, the Government of India, will, I have no doubt, do everything possible to help us. While this is welcome, we have to do our part to fulfil the financial targets set out in the Plan. To maximise production, create new avenues of employment and raise the general standard of living in the State, we have to stimulate and expand the level of investment in all national projects. An analysis of the expenditure schedules on the revenue and capital account would show that such is the aim and endeavour of the Government. Another method that could, with benefit, be adopted in an increasing measure, is to capitalise our manpower with the active co-operation of the people. The Planning Commission envisages this in its Community Development and National Extension Service Programmes and we have already committed ourselves to this policy.

A word is required with regard to exploring fresh sources of revenue in order to meet the current and capital requirements of an expanding economy envisaged in the Plan. Raising the level of existing taxes cannot, in future, offer, an adequate solution for the growing financial needs of the State. But the nature and extent of the new tax measures would depend upon several factors now and in the near future. It will also depend to a large extent on the findings and recommendations of the Taxation Enquiry Commission. As the House is aware, the Government of India have appointed the Commission to examine inter alia the incidence of Central, State and Local taxation on the various classes of people and in different States; the suitability of the present system of taxation, Central, State and Local, with reference to:

(a) the Development Programme of the country and the sources required for it, and

(b) the objective of reducing inequalities of income and wealth; the effect of structure and level of taxation of income tax, Capital formation, and maintenance and development of productive enterprises; and to make recommendations in particular with regard to:

(i) modifications required in the present system of taxation, and

(ii) fresh avenues of taxation.

It is expected that the report of the Commission would be available before the expiry of the next financial year. For
the present, it seems proper to await the recommendations of the Commission before making any important and far-reaching changes in the present tax structure. Certain minor increases, however, have been effected in the rates of Motor-Vehicles Tax and Sugarcane Cess as interim measures to reduce the revenue deficit to the extent possible.

In the end, I should like to say that, while there is no occasion for being complacent, there is also no reason for regarding the financial prospects as alarming. As I have mentioned earlier in my speech, production has increased in all sectors of economic activity, and with the completion of the various irrigation and power projects now on hand, the overall economy of the State is bound to improve still further and bring in increasing returns to the Exchequer. While being prepared for difficulties ahead, we can yet, therefore, look forward to the future with hope and confidence.

JAI HIND

Business of the House.

Mr. Speaker: General discussion on the Budget will take place for three days, i.e., on 8th, 9th and 10th of March, 1954.

The following Bills will be taken up on 8th March:—

(1) L. A. Bill No. I of 1954, a Bill to amend the Hyderabad Salaries of Ministers’ Act, 1952;

(2) L. A. Bill No. II of 1954, a Bill further to amend the Hyderabad Allowances of Ministers’ Act, 1952;

(3) L. A. Bill No. III of 1954, a Bill to amend the Hyderabad L. A. Members, Salaries & Allowances Act, 1953.

Amendments to the above Bills should be tabled in the office by 12 Noon tomorrow.

There is another Bill, viz., L. A. Bill No. XXXI of 1953, the Hyderabad Public Servants Tribunal of Enquiry (Amendment) Bill 1953, the amendments which should be submitted in the office by 4 o’Clock tomorrow.

We now adjourn till 2-30 p. m. tomorrow

6-15 p. m. The House then adjourned till Half Past Two of the Clock on Tuesday, the 2nd March, 1954.