

[Sh. Bhajan Lal]

trolled by constructing dams on the rivers with the money from this permanent fund. Suggestions have been given for foolproof arrangements. Attention will also be paid to such issues as the loss suffered by the farmers, loss of public property and rehabilitation of people. All possible help will be given to the farmers.

Shri Jagannath Choudhary mentioned that the paddy crop in Balia is destroyed due to the overflowing of water from 2 dozen ponds in the district. Proper arrangements should be made for draining out this water. A suggestion has been made to provide funds for the construction of houses. We will look into all these issues and will take necessary action.

Regarding Jammu & Kashmir, Shri Mohd. Ayub Khan mentioned that a survey should be conducted in respect of the heavy loss of life and property in that state. We will certainly do it and provide all possible help on the basis of its findings. He has also made a mention of the national fund. It is another good suggestion that felling of forest trees should be checked. Regarding the insurance of crops, I have stated that the crops of only those farmers are insured, who take loans, but all other farmers have not been covered so far under the scheme. A committee has been constituted by the hon. Prime Minister to discuss this issue and action will be taken on its recommendations at the earliest. Shrimati Kesharbai who accompanied us during our Maharashtra tour, made mention of Maharashtra. We found that considerable damage had been caused in that State. 3 camps have been set up there. I would like to congratulate the Government of Maharashtra for their commendable relief operations to help the people during floods. I would like to assure the hon. Members that we will provide all possible assistance even in future. We pray to God because floods are striking the areas where no rains are required and the areas which require them the most, are reeling under drought; it seems that God is also discriminating against us.

The whole House should pray to God to shower His grace in the form of rain in the drought affected parts of northern India i.e. in Punjab, Haryana, Rajasthan, West Uttar Pradesh and Delhi, and to stop the rain in Flood-hit areas.

Once again, I would like to assure the House that the Government of India will always extend maximum help to the people at the time of natural calamities like earth quake, drought or floods. We will also pray to God to send rain in those places where it is needed most and to contain it in the flood hit areas, so that the condition of the farmers may improve.

15.50 hrs.

KARNATAKA BUDGET, 1989-90- GEN-
ERAL DISCUSSION
AND
DEMANDS FOR GRANTS (KARNA-
TAKA), 1989-90

[English]

MR. DEPUTY-SPEAKER: The House will now take up General Discussion on the Budget for the State of Karnataka for 1989-90 and Discussion and Voting on the Demands for Grants in respect of the Budget for the State of Karnataka for 1989-90, items 11 and 12, together.

Motion moved:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the Fourth column of the order Paper, be granted to the President out of the Consolidated Fund of the State of Karnataka to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1990, in respect of the heads of demands entered in the second column thereof against Demands 1 to 62."

STATEMENT

Demands for Grants, 1989-90 in respect of Karnataka submitted to the vote of Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4		
1.	Soil and Water Conservation and Agriculture (Excluding Horticulture)	40,00,000	8,00,00,000	84,49,47,000	15,21,00,000
2.	Dry Land Development	4,50,00,000	...	8,35,00,000	...
3.	Horticulture	9,00,00,000	5,00,000	18,05,66,000	10,00,000
4.	Animal Husbandry and Dairy Development	22,00,00,000	3,00,00,000	48,50,98,000	6,00,00,000
5.	Fisheries	4,50,00,000	1,00,00,000	8,30,50,000	1,79,91,000
6.	Industries (Excluding Small Scale Industries, and Industrial Co-operatives)	6,25,00,000	6,25,00,000	12,50,00,000	12,50,00,000
7.	Mines and Geology	3,25,00,000	...	6,16,63,000	...

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4		
8.	Small Scale industries	19,00,00,000	2,50,00,000	37,85,25,000	4,64,55,000
9.	Industrial Co-operatives	60,00,000	1,00,00,000	1,07,48,000	1,27,60,000
10.	Sericulture	25,00,00,000	12,50,00,000	51,27,54,000	12,54,00,000
11.	Stationery and Printing	6,50,00,000	...	12,43,45,000	...
12.	Higher Education	85,00,00,000	15,00,000	1,67,47,54,000	25,00,000
13.	Youth Services	6,00,00,000	...	11,78,02,000	...
14.	Literary Cultural Affairs and Development of Kannada	2,50,00,000	...	4,67,67,000	...
15.	Primary Education	2,00,00,00,000	...	4,00,29,14,000	...
16.	Secondary Education	1,08,00,00,000	...	2,15,45,98,000	...
17.	Taxes on Income, Professions, Sales and other Services	32,00,00,000	...	60,78,84,000	...

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4		
18.	Insurance Treasury and Accounts Administration	7,50,00,000	...	14,38,95,000	...
19.	Pension and Other Retirement Benefits	1,10,00,00,000	...	2,03,50,00,000	...
20.	Loans to Government Servants and Miscellaneous Loans	...	9,00,00,000	2,50,00,000	14,68,00,000
21.	Small Savings	2,00,00,000	...	4,06,00,000	...
22.	Other Miscellaneous Services	7,00,00,000	2,00,00,000	13,34,98,000	4,10,00,000
23.	Food and Civil Supplies	22,00,00,000	...	42,84,30,000	...
24.	Forest	36,00,00,000	1,25,000	71,68,49,000	2,50,000
25.	State Excise	6,00,00,000	...	11,53,98,000	...
26.	Taxes on Vehicles	4,00,00,000	...	7,95,16,000	...

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4		
27.	Police and Fire Services	1,10,00,00,000	3,00,000	1,45,08,81,000	5,00,000
28.	Jails Etc.,	4,50,00,000	...	8,51,48,000	..
29.	Information and Tourism	3,50,00,000	15,00,000	7,03,16,000	27,00,000
30.	Road Transport	60,00,000	14,00,00,000	1,00,54,000	27,14,00,000
31.	Medical, Family Welfare and Public Health Services	1,50,00,00,000	5,00,00,000	2,39,66,78,000	10,00,00,000
32.	Housing (Excluding Government Residential Buildings)	7,00,00,000	3,50,00,000	13,86,51,000	6,30,70,000
33.	Urban Development etc.	13,50,00,000	8,50,00,000	26,78,00,000	17,17,00,000
34.	Compensation and Grants to Corporation and Municipalities	30,00,00,000	...	59,75,33,000	...

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		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4		
35.	Minor Irrigation	20,00,00,000	11,00,00,000	38,41,79,000	21,33,98,000
36.	Irrigation, Navigation, Drainage and Flood Control Projects	50,00,00,000	1,60,00,00,000	1,94,65,73,000	3,11,32,68,000
37.	State Legislature	3,00,00,000	...	5,74,85,000	...
38.	Administration of Justice	16,00,00,000	...	30,50,56,000	...
39.	Elections	5,00,00,000	...	10,05,00,000	...
40.	Governor, Ministers and Public Service Commission	85,00,000	...	1,60,34,000	...
41.	Secretariat	9,00,00,000	...	17,59,76,000	...
42.	District Administration	13,00,00,000	...	25,93,37,000	...
43.	Miscellaneous demands of General Administration	6,00,00,000	...	11,52,27,000	...

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
44.	Demands of Planning Department	5,00,00,000	10,00,000	9,09,45,000	20,00,000
45.	Public Works (Excluding Construction)	40,00,00,000	75,00,000	85,62,06,000	1,45,00,000
46.	Buildings	3,50,00,000	15,00,00,000	6,30,30,000	28,89,42,000
47.	Roads and Bridges	50,00,00,000	13,00,00,000	99,36,14,000	26,19,58,000
48.	Ports and Water Transport Services	1,05,00,000	1,75,00,000	2,07,91,000	3,50,00,000
49.	Power Projects	4,50,00,000	1,30,00,00,000	8,36,96,000	2,61,11,00,000
50.	Land Revenue etc.	40,50,00,000	7,50,00,000	77,27,13,000	14,12,00,000
51.	Stamps and Registration	4,00,00,000	...	7,10,00,000	...
52.	Relief on account of Natural Calamities	5,50,00,000	1,75,000	6,00,00,000	2,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3		4	
53.	Rehabilitation Schemes	2,25,000	...	4,46,000	...
54.	Religious and Charitable Institutions etc.	6,50,00,000	...	12,85,99,000	...
55.	Wakfs	50,00,000	...	1,02,00,000	...
56.	Co-operation (Excluding Regulated Markets)	50,00,00,000	4,00,00,000	93,92,29,000	7,80,84,000
57.	Regulated Markets	5,50,00,000	...	10,39,72,000	...
58.	Rural Water Supply and Sanitation	30,00,00,000	...	59,96,81,000	...
59.	Rural Development and Employment	85,00,00,000	...	1,68,31,27,000	...
60.	Labour and Employment	17,00,00,000	...	33,84,50,000	...

No. of Demand	Name of Demand	Amount of Demand for Grant 'on Account' Voted by the Karnataka Legislature on 27-3-1989	Amount of Demand for Grant to be submitted to the vote of the House
1	2	3	4
		Revenue Rs.	Capital Rs.
61.	Welfare of Scheduled Castes/Scheduled Tribes and Backward Classes	45,00,00,000	45,00,000
		89,83,55,000	90,00,000
62.	Women and Children Welfare	65,50,00,000	50,00,000
		1,30,89,54,000	98,00,000

SHRI VEERENDRA PATIL (Gulbarga): Mr. Deputy-Speaker, Sir, the Budget for Karnataka for the year 1989-90 has been presented by my esteemed friend, Shri Panja, for consideration. Before we take up the consideration of the Budget, I feel that we should have some idea of the state of affairs in the administration at the time when President's rule was imposed on Karnataka. We should also know what the Governor, His Excellency, Shri P. Venkatasubbaiah, has got in the legacy from the Janata Party, Janata Dal, who were in office continuously for a period of six years or more than that from 1983 up to April, 1989. We should also know how this party ruled the State after coming to power in the name of value-based politics.

I am very sorry to say that the administration during Janata party and Janata Dal was in shambles. Bureaucracy was completely demoralised. There was too much of interference in the administration by the Janata legislators and Janata party leaders and other functionaries. The State treasury was completely empty and the Government was totally bankrupt. Unfortunately, they did not have even enough money to pay salary to the Government employees. Corruption was rampant at all levels. Money, that is revenue, instead of going to the State treasury was going into the coffers of the ruling party and their leaders. Vidhan Soudha, the seat of Secretariat in Bangalore, was reduced into a Janata Bazar—pay money and get things done very easily; very simply, no complications at all. During Janata regime, if there was any industry, which was thriving, if there was any business which was thriving unchecked, it was the business of industry or the industry of transfer. Transfer industry or transfer business was thriving and those who were indulging in this business or industry had roaring practice. A schedule was fixed for the postings, transfers and cancellations. Sir, the hon. Members will be surprised to know that for a posting of an ordinary officer, a sub-inspector, a sub-Registrar or a Medical officer, for getting the posting of his choice he has to shell out Rs. 1, 2 or 3 lakh. So, a schedule was there and it

was very easy for the officers to approach those brokers of the Janata Party and the Janata Dal, to have a contract with them and pay the money only after they get the transfer or the posting orders. They were honest in those dealings, I must say that.

Legislators of their party treated their constituencies as their empires. Officers of their choice were posted in the constituency who would give monthly mammons to them; their continuance otherwise was at the will and pleasure of those legislators. Nobody should feel that I am talking in the air. Nobody should feel that this is the forum form which I am propagating for my party and I am propagating against the party which was in power in Karnataka for more than 6 years. That is not at all my intention. Therefore, by whatever I have said just now, in brief, I want to substantiate by quoting a few instances and these instances are sufficient indications of the sample of the administration that the Janata party and after some time the Janata Dal to Karnataka.

Sir, Bangalore is known for its salubrious climate in the entire country. Bangalore was known as naturally air-conditioned city but today it is no more an air-conditioned city. We don't have that salubrious climate. It is as hot as any other town or a city in a hot State. In order to maintain the ecology of the State, there was a green belt of about 10 km. around the Bangalore city. During the Janata regime what happened to that green belt? It was just liquidated. All the green belt was liquidated and a concrete jungle has come in place of the green belt around the Bangalore city today.

I think, Bangalore is one city which is considered, from the land value point of view, as the richest city in the entire country. Maybe a few other rich cities are also there. The market value of even stray sites measuring 60/90 is not less than Rs. 8 to 10 lakhs. In the name of artists, sportsman, etc., these sites are very generously distributed to the millionaires. If there is any scribe or any journalist who can write a good article or the Chief Minister, he or she used to get very

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generously a site costing Rs. 15 to 20 lakhs. I am not telling this off the record. There is sufficient record to show that the then Government distributed very generously sites not to the poor people but to rich millionaires. They had gifted away all the valuable property which legitimately belonged to the people of Karnataka.

16.00 hrs.

Instead of acquiring surplus land under the Urban Land Ceiling Act, exemption certificates were granted indiscriminately on consideration—consideration not of a few lakhs, consideration not of a few millions, but consideration runs into crores of rupees, sometimes it is Rs. 50 crores and sometimes it is Rs. 100 crores. One has to go into these scandals in detail to know the exact truth. What happened? I can quote one instance of Reva Jeetu. Of course that has been referred to the Commission of Inquiry and inquiry is going to be held. I do not want to go into the details of that one. The proposal regarding exemption of a very valuable 5/1/2 acres of land in the heart of the Bangalore City, in Jaya Nagar area very generously, with great quickness as finalised. The market value of that land is not less than Rs. 5 crore to Rs. 6 crore. The exemption certificate was given to the owner of that land. When that locality people were repeatedly representing to the Government and demanding that it should be converted into a park, that was gifted away for building group houses. That once came under it and they took maximum advantage out of that. Not only they were not satisfied with that, the Chief Minister along with his colleagues, along with the Chairman, BDA and along with a number of officers went to Europe, went to England, went to America and other countries. For what purpose? He went in search of investors on real estate—although it is completely banned the Government of India and also the Reserve bank of India—violating all rules and regulations. The Chief Minister goes to foreign countries. He invites our so-called NRIs. What he brought? He

brought some bogus NRIs whose addresses till today are not know. They formed an association or company with Rs. 1000 as share capital. And 110 acres of valuable land was sold out to this NRI association. Of course at that time, there was so much of hullabaloo. Then, ultimately his successor, the last Chief Minister of the Janata Dal had to cancel that one. But that is still under investigation. What I am trying to impress upon this House is how scandals were going on freely. How money was being made in the name of the Party? Not only that. They went to Bombay. They went to Madras. They came to Delhi. They invited big builders and developers to come to Bangalore. Then a large chunk of area was given to them to build houses, dispose of those houses and mint tons of money. That is how the Janata Dal or the Janata party which came into power in the name of Mahatma Gandhi and Jayaprakash Narayan functioned. They tried to dispose of the entire property of the State for the sake of their Party, for the sake of their party leaders and for the sake of those who were considered to be the well-wishers of the Janata party at that time. They acquired the lands of poor farmers for nominal price and handed over to begin housing cooperative societies by extracting a lot of money, tons of money. A report was prepared after going into this matter in greater detail by one young IAS officer, Shri G. V. K. Rao, That G.V.K. Rao Report is well-known in Karnataka. Not one or two acres, but 22000 acres of land were acquired and they were trying to hand over these 22000 acres of valuable land round about Bangalore to 130 or 138 begin housing cooperative societies.

If there is any State where the land scandal was galore, it was Karnataka. They are going to such an extent that the Janata Dal or the Janata Party Leaders today are nick-named as *zamin chor*. If you ask anybody in the State who is *zamin choor*, they will say, so and so the leader of the Janata Dal. To that extent, they tried to barter away the valuable property of the Government belonged legitimately to the people of Karnataka.

I must say that Urban Land Ceilings Act is full of loopholes. I do not know why the Central Government is sleeping over the Act. This is one Act which has given handle to all politicians who are in authority or who were in authority to mint money; it has become a grazing ground or a green pasture for those who are in authority. In the name of Urban Land Ceilings Act, they give exemption and take a lot of money. I challenge whether the Karnataka Government, after the enforcement of the Urban Land Ceilings Act, has acquired land; they have surplus area; they have taken possession of it. Out of that surplus area, how much surplus area has been distributed to those people who are living in the slums? Bangalore is full of slums. How much surplus area has been distributed to those down-trodden people? Nothing. Not even an acre of land. They take money and give exemption. That is the business even today going on there without any check or hindrance.

Janata Leaders swear by Gandhiji and Jayaprakash Narayan. What is their achievement during the last 6 1/2 years? I am ashamed of their achievement. They may be proud of their achievement. The achievement is that thousands of arrack shops spring up in all villages and Highways. If you go to a village, people will say, we have some difficulty in providing drinking water, but if you want arrack, it is available in plenty. In Karnataka, arrack is available in plenty, but not drinking water. So many arrack shops have been opened; so many bar shops have been opened; they have been opened in thousands. I think, whatever arrack shops and bar shops were there at the time of the Janata Dal or Janata party taking over the reign of the Karnataka Administration, within these six years, nearly twice those arrack shops have come into existence. This is their achievement in the name of Gandhiji and Jayaprakash Narayan.

Another achievement of the Janata Party and the Janata Dal, if it is considered to be an achievement, is that education at all levels has been commercialised; from the nursery level upto university level, education is

completely commercialised. Even if you want to get admission for your child of 3-4 years in a nursery school, you have to shell out a lot of money by way of capitation. Even today it is going on. So, the whole education system has been commercialised. Before coming to power, while contesting the election, in the year 1983, through their manifesto, they promised people, they gave an assurance to the people that if they came to power, they would stop this menace of capitation-based institutions. But what happened after they came to power? This is one State, this is one Party where not only it has not kept up their promise that had been given to the people solemnly through the election manifesto, but they went contrary to the promise. Instead of putting a stop to the capitation-based institutions, they allowed freely a number of institutions to come up. I think during their period, they allowed nearly 7-8 Medical Colleges to come up; they allowed nearly 30-40 Engineering Colleges and 150 Polytechnic Institutions to come up. They are not in the public sector, not started by the Government but they are purely in the private sector and capitation fees-based besides doubling the intake capacity of all educational institutions, medical colleges, engineering colleges, polytechnic etc., during this period. This is the achievement of the Janata Dal and Janata party. Medical college seats were sold in the market for fabulous capitation fees. It may be Rs. 2 lakhs, Rs. 3 lakhs or Rs. 4 lakhs—there was no limit at all—depending upon the capacity of the parent of the boy or girl who sought admission in the medical college or engineering college.

Unemployment, as it is growing everywhere, is growing in Karnataka also. Today more than one million of our boys and girls are unemployed according to the live registers of the employment exchanges! Of course, the Janata Dal came into existence or they changed the label and all that in the month of January 1989, but before that it was the Janata Party, the party which went to the polls and promised that it would provide jobs for every house, for every family. But what happened after they came to power? That put a blanket ban on fresh recruits. Not only

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did they put a blanket ban on fresh recruits, but they put a blanket ban on filling up of the vacancies also. The result is that there are so many Primary health Units where there are no nurses there are so many hospitals where there are no doctors, there are so many colleges, high schools or primary schools where there are no teachers. Why? Because there is a ban on filling up of vacancies and that is how they tried to fulfil the assurances that they had given during the election period or through the election manifesto!

When such a Government fell, naturally, there was none to shed a tear! On the other hand, everybody heaved a sigh of relief, and the people were happy. Although that party gave a call for a Bandh there was absolutely no response to it at all. Life was normal not only in Bangalore but in all other cities also, when there was a call from the Janata Dal for a Bandh and all that. So, naturally the people are fed up and the people had the taste of the sample of administration that an opposition party can give to the country if unfortunately they come to power. And here was a shining example! Karnataka is a shining example where Janata was in power for more than six years continuously enjoying a comfortable majority in the Assembly. This was the worst administration. This was a corrupt administration—I am sorry to say that—that they have given to the people of Karnataka.

In this background we have to examine the Budget that is now before us. As I have said already, the State is in such a mess that nobody can bring it back on the right track within a short period—not even the Governor who is the representative of the President. I think that the situation has deteriorated to such an extent that even after the elections the successor Government would require at least two to three years' period to set right the whole thing and bring back the entire Government machinery on the right track. It is not so easy.

I will be failing in my duty if I do not mention some of the achievements under the President's rule, by the Governor and his Advisors. I record my appreciation that the Governor with the assistance of the Advisors was successful to a great extent in averting strikes of the Government employees and the employees of the Dairy Development Corporation and the employees of the Karnataka State Road Transport Corporation, etc.

I am very happy to place on record that under the President's Rule, sincere efforts are being made to increase revenue by plugging the loopholes by taking over the wholesale trade of Indian made foreign liquor. As I said just now, even the successor Government will require a lot of time to set right the damage done to the administration. I do not want to go into the details. But I would like to quote one statement of an officer, which was very widely published in a national daily. I think some hon. Members might have read it; 'Officer defames a Department under Janata Rule'. I do not want to mention the name of the Department. He says: 'There is a saying in our Department. There is no rule except *mamool* which overrules all the rules.' This is the state of affairs so far as the Karnataka administration is concerned. This was the achievement of the Janata rule. As I said, the Governor is making all efforts to increase revenue by plugging the loopholes and the recent step taken by the Governor is taking over of the wholesale trade of Indian made foreign liquor, where there is a lot of leakage of revenue. Naturally they have to pay *mamool* to the politicians. Out of that, they make some money and pay a little money to the politicians. I am told that by plugging this loophole, the State Government is going to realise nearly rupees fifty to sixty crores additional revenue to the State exchequer. As the representatives of the people, we welcome whatever the Governor and his administration does to plug the loopholes. We are the first party to welcome all such steps.

When the Governor took over the administration as a representative of the

President under President's Rule, the financial position of the State was so bad that when thousands of cheques which were issued earlier, were presented to the treasury, most of the cheques bounced and there was no encashment of cheque at all. Today we are happy to know that there is not a single cheque which is pending in the treasury. No bills are pending, the Government has paid all the bills and there is no question of bouncing of cheques now. So, it only indicates that the financial position of the State—thanks to the Government of India—is improving. Similarly, the Governor is trying to reopen spinning mills and other mills which were closed. Efforts are being made to reopen such mills.

Sir, when I say that there are certain achievements to the credit of the Governor, I would be failing in my duty if I do not mention some of the failures. One failure is, I do not know whether it is permanent or temporary, that is a different matter—so far as public distribution system is concerned, we are not happy, people are not happy. I want to be very frank. Public distribution system is not functioning effectively and satisfactorily. Not only the quantity is inadequate, but even the quality is not up to the mark. The quality is also not so good. Therefore, the Governor, his advisers and the entire administration which is at the disposal of the Government must make all out efforts to see that public distribution system works efficiently to the satisfaction of the consumer. That is what I wanted to suggest on this occasion. Similarly, there is a feeling that there have been too many transfers. on behalf of my party MPs, I want to make it very clear to the administration in Karnataka on this occasion that so far as we are concerned, we are the least interested in interfering in the administration. Some of us might have gone but that does not mean that we are now continuing the business that was going on unchecked during Janata Dal or Janata regime. We are least interested in that. So, we do not want to interfere in the administration. At the same time, we want to see that minimum transfers are effected and effected only when they are absolutely necessary not

simply because so and so comes and makes a representation and he is transferred. I do not know how far there is truth in this impression, but the impression is that too many transfers are being effected which are not required, which are not called for.

Similarly, people are not happy with the fee structure in the private colleges. I understand that the fee structure is not a novel idea of the Governor. A Committee was constituted during Janata Dal regime, Janata Party regime. They worked out the fee structure and made a report and everything was ready. They were ready to announce the fee structure but their government fell. So, the Governor has introduced that one. But it is very heavy, very fat fees that the parents have to pay. Therefore, we find that there is resentment not only among the parents, but there is resentment among the students also. Now the students are also our voters. Therefore, we have to give lot of attention to this problem. These are the two or three minus points so far as the Governor's administration is concerned.

Now I come to the budget for the year 1989-90. The deficit shown in the papers presented by Shri Panja is only Rs. 176.30 crores. Again, I must submit that it is deceptive figure because according to my calculation, if they take into consideration the public deposit accounts and the pending bills which they have not yet paid, the gap will be not less than Rs. 300 crores and not Rs. 176 crores, as has been made out in the budget papers. We are all very much concerned about the current Plan. The size of the current plan is Rs. 1,040 crores, but I have my own doubts whether we are going to implement this Plan, whether we are going to spend all the Rs. 1,040 crores which have been fixed as size of the Plan for the year 1989-90. What happened in the Janata Dal regime and the Janata Party regime? Every year they used to show on papers, only for public consumption, that their Plan size was Rs. 800 crores or Rs. 900 crore, and at the end of January or in February, they used to come out with a statement saying they were sorry, they had to slash down their Plan by Rs. 300

[Sh. Veerendra Patil]

crores. The axe invariably falls on two sectors, that is, irrigation and power, which are very badly required because the entire development of the State depends upon these two sectors. Therefore, if at all the Government is serious, if at all the Governor's administration is serious about spending these Rs. 1,040 crores, then my suggestion is—and I think there is no escape also—that the Central Government should come forward with a munificent special assistance of not less than Rs. 300 crores. I am saying from this House which is the temple of our democracy for the entire country, and I am making this categorical statement that without special assistance from the Government of India, it is impossible for the State Government to maintain the size of the Plan at Rs. 1,040 crores. Therefore, we are now looking towards the Central Government because the Central Government has taken over the administration and it is their responsibility to see that the size of the Plan is maintained and the entire amount that is earmarked for the Plan, that is, Rs. 1,040 crores, is spent fully without any slashing at all.

Now I come to the development projects because they are the projects vitally concerned with the economic development of the State and the development of the State in all fields. I want to mention about the VISL. I am very grateful to the Government of India, to the Prime Minister and to the Steel Minister because they have already taken a decision to take over the VISL. The formal function is going to be held on the 18th of this month. That is alright, so far as VISL concerned, because it was considered to be a white elephant on the part of the State Government. This steel company was set up by Shri Visveswaraiyah, the great engineering statesman. So, this is one good step that has been taken by the Government of India to perpetuate the memory of the engineering statesman. Similarly, there are so many other projects which are languishing in Government of India. I want to quote a few. Now, we are happy that it appears that the Vijayanagar Steel Plant is likely to take some shape

because we are told that the Planning Commission has been asked to have a fresh look with regard to the technology and other things. I only hope that the Government of India will take some concrete steps so far as the Vijayanagar Steel Plant is concerned and make sufficient provision for the steel Plant for which the foundation stone was laid by Shrimati Indira Gandhi, the late Prime Minister. The foundation stone was laid in 1971 and till today it remains a stone. So, in order to perpetuate her memory, it should not remain a stone any more and during the Eighth Plan the Government should take some concrete steps. Now, the entire responsibility is on Government of India. In the name of Shrimati Indira Gandhi, I appeal to the Government of India to take concrete steps and see that sufficient provision is made at least in the Eighth Plan for this Steel Plant. Similarly, there is the Mangalore Refinery and Petrochemicals Complex. This is another project. I do not want to boast myself. This project was conceived when I was the Petroleum Minister and I was responsible for selecting the site in Mangalore. One is coast-based refinery and another is inland refinery. Now, the detailed project report has been received and is being studied. It is under process in the Petroleum Ministry. I want to express my doubts because attempts are going on to delink petrochemicals from this refinery and keep only the refinery of three million tonnes. If petrochemicals is delinked from this project, the whole project will become unviable and uneconomical. Then this project cannot see the light of the day. I do not want to go into the details. I am prepared to discuss the matter with the concerned Minister because I know much about what is going on in different Ministries. Therefore, I have voiced my fear that this project which was conceived during the Sixth Plan has not yet been commissioned till this day. The detailed project report is before the Government of India. They should not take any more time. It should be placed before the Public Investment Board and approved by the Cabinet. This is my request to the Government of India. This project is an economical project. This is not only going to benefit the South Kanara district, but the

entire State. Therefore, we are very much particular about this project and under no circumstances, the concerned Ministry should allow this project to become unviable and should not allow this project to be split into two. Similarly, financial clearance should be given for the Super Thermal project at Mangalore, for the expansion of Raichur project, Sharavathi and then the Cauvery Hydroelectric project. It is the project with the run of the river and no water is wasted. These projects are pending with the Government of India. I want that these projects should be sanctioned as early as possible. Similarly, the Upper Krishna project aided by World Bank loan, which is the biggest irrigation project in Karnataka should be expedited. There are so many other projects with regard to the Railways. We have been time and again requesting the Railway Ministry from this floor and also from outside to take up railway projects like extension of Hubli-Karwar, conversion of Miraj-Bangalore line and such other projects. These projects should be taken up without any delay.

Sir, in Karnataka, we always suffer from drought. But this year, along with the drought, we are facing floods. Due to incessant rains and sea erosion, a lot of damage has been caused. Just now the Minister in-charge of Agriculture, drought relief and flood relief was pleased to mention the details. 14 people died in these floods and a lot of damage has been caused to more than thousand villages and a lot of damage has been caused due to sea erosion also. I think, the Governor must have sent a detailed report. Already the Minister was pleased to state that an amount of Rs. 6 crores has been placed at the disposal of the State Government. They must spend this money immediately and send a detailed report and ask for more money because we require a lot of money in order to provide relief to those people who have suffered.

Sir, in conclusion, as one belonging to the Hyderabad-Karnataka area, I would say this. I belong to the area which was part of Hyderabad prior to 1956. That is the most backward area. It is admitted by all sides;

everybody has admitted it. Every Chief Minister has admitted that this is the most backward area. Earlier, the Janata Dal, Janata Party Government was telling every time, "What to do, we have submitted a scheme for crash programme, Rs. 130 crore scheme to the Planning Commission. They are not giving the money". Therefore, what has happened is, till this date, this area continues to be the most backward area. Although the previous Government announced that they were going to constitute Hyderabad-Karnataka Area Development Board, what I suggest is that simply by constituting a Board, it is not going to solve the problem of that area. Some special programme, in order to remove the backwardness of this area, has to be conceived, has to be prepared and special assistance has to be provided for this backward area.

In conclusion, I can only say, as one belonging to that State, I am proud of belonging to Karnataka. It is a land of gold. It is very rich in natural resources. Sir, a Party committed to the development of the State and its people, with honest, upright, efficient and selfless leaders at the helm of the Government cant only convert the State into a land of gold. Let all of us go to the people who are our masters to seek their verdict to achieve this laudable objective. Sir, earlier we do this, better it is because I have said on so many occasions that we want 6th elections to be held on time. We are not for extension of the President's rule. Therefore, we want to go to the people. We want to seek the blessings of the people. We want to get the fresh verdict of the people and I am quite sure and confident that the verdict of the people will come in favour of my Party.

MR. DEPUTY-SPEAKER: Shrimati Basavarajeswari.

16.33 hrs.

[SHRI SOMNATH RATH *in the Chair*]

[*Translation*]

*SHRIMATI BASAVARAJESWARI

*Translation of the speech originally delivered in Kannada.

[S mt. Basavarajeswari]

(Bellary): Mr. Chairman Sir, the hon'ble Finance Minister has presented the Budget for the State of Karnataka for 1989-90 in this august House and I support it.

I take this opportunity to congratulate the centre for taking bold decisions. All sections of people in Karnataka are happy about the take over of the Visweswaraiiah Iron and Steel Limited (VISL) by the Government of India. This has provided job opportunity for more than ten thousand persons and I welcome this bold decision of the Centre, Our Prime Minister visited Bellary some time ago.

At that time I requested him about the Vijayanagar Steel Plant. He said that he would consider the matter. I hope that the Hon'ble Minister for Steel would tell us clearly about the future plan regarding this Steel Plant. The decision to set up Super Thermal Power Plant at Mangalore is another boost to the progress of Industry in the State.

Earlier, Karnataka had surplus electricity and it attracted many industrialists to set up their industries in the State. Now the situation has changed. Scarcity of electricity is compelling the industrialists to go to other States to set up their industries. At this juncture the decision of the Centre to set up a Super Thermal Power Plant at Mangalore is laudable. I heartily congratulate the Government of India for this decision.

The Janata Dal Government went on alleging the Centre. They told the people that the Centre was doing injustice because it was ruled by non congress (I) Government. This allegation was baseless. The Railway Ministry has enhanced the allocation to new lines in the State. The railway line construction work between Chitradurga and Rayadurga and another construction work between Karwar and Hubli have been allocated more funds. Today we have daily express train between Bangalore and New Delhi. The people of Karnataka must be grateful to the Railway Ministry. I thank the

Hon'ble Railway Minister for his generosity.

The Janata Party leaders and workers are requesting the people to give them another chance to rule the State for another five years. They say that the Congress (I) is responsible for the fall of Janata Government in the State. This is another senseless statement of the Janata Party. How do we come into picture? We are not at all responsible for the fall of Janata Government. The leaders and legislators fought among themselves and the Government fell. They went on collecting affidavits for four months. The people of Karnataka are peace lovers. But what happened in Karnataka during the recent election for Rajya Sabha seats? A leader who intends to divide the country has been elected to Rajya Sabha from our State. This is entirely against the culture of the Karnataka People. Shame to the leaders who indulged in this act.

Janata Party became Janata Dal. The former Chief Minister stepped due to his own misdeeds and another leader took over as the Chief Minister. He wanted to expand his Ministry to include most of the legislators in the Cabinet. He wanted make many others as Chairmen. Before this plan could be executed he lost the majority and the government fell. Ultimately President's Rule was promulgated.

There are persons who ride on horses. The Janata Party legislators and Ministers chose to ride on wealth. They got crores of rupees. They had given many promises to the people. They declared that they are the real representatives of farmers. They went to the extent of saying that Congress (I) is against the interest of the farmers. They succeeded in getting the support of farmers and finally came to power. They were boasting the Janata Party which is now Janata Dal talked of every time repeatedly about their value based politics. But immediately after coming to power they forgot their value based politics. They permitted a large number of Engineering and Medical Colleges to open in different parts of the State. Sites were sold and money was collected. Revajeeu is a

classic example of making money. Liquor affair (arrack) is well known to the whole country. In the mean while what had happened to the farmers who had supported them. The farmers from Bellary, Raichur who took keen interest to cast their votes to Janata Party were the most disappointed. They got the shock treatment by the way of functioning of the Janata Government functioned. Instead of providing power supply they started with power shedding. They had enough of electricity to give to cinema halls, industries, etc. but for irrigation they had no electricity. They could not give electricity during the day time. Power was available during the nights but which farmer can go to the field and work during the nights. This caused havocs in the life of the farmers.

There was severe drought for three consecutive years in the State, perhaps that was to indicate the misrule of the Janata Government. As is the king so are the peasants. Small farmers and labour workers started migrating to the neighbouring States. At this point of time the Janata Government blamed the Centre. They said that the Centre had step motherly treatment to Karnataka. They said that the State had requested the Centre to release Rs. 500 Crores, and the same had not been sanctioned by the Centre. This is how they wanted to fool the people. Our Prime Minister visited the affected areas and provided all support to the affected people. On the other hand Janata Government was not able to pay the monthly salary of Government employees also.

Water from Tunga-Bhadra Dam can be provided to Raichur Bellary area. Lakhs of acres of land can get water for irrigation purpose. The State Government promised the farmers to give water upto May 5. Farmer were very happy. Previous year there was drought. This year at least the water would be supplied as the dam was full. People had expected that the Government would provide water. Unfortunately no water was supplied to the farmers during Janata regime and the entire paddy crop was destroyed. The total estimated loss was Rs. 300 Crores. On March 29th they issued a

notice and said that water was not available to the farmers. The instead water was supplied to Andhra Pradesh. There was mismanagement by the officials also. The farmers' associations went on strokes and agitations. They blocked the roads. Under section 144 the police tried to bring the situation under control. The farmers had taken loans and their financial position became hopeless. Infact the farmers met the concerned Minister when he had no solution for the problems of farmers. The government could not keep the officials also under control.

Cotton is grown abundantly in my area. Varalakshmi Cotton is very popular there. The farmers wanted good quality cotton seeds for their cultivation. One K. G. of good quality seeds would cost about 150 to 200 rupees. Such seeds were not supplied to the farmers poor quality seeds purchased at a very cheap rate were distributed to the farmers. Infact only the adulterated seeds were distributed to the farmers, and their future was in danger. The total estimated loss to the crop was several lakhs of rupees.

The rate of water was also increased abruptly. The fixed rate of water for a tonne of sugarcane was Rs. 120 only. This was increased Rs. 400. The process of torturing the farmers was unabated. In fact they were supremely happy when they heard the news of dissolution. There were celebration at various parts of the State.

Karnataka has a good attraction for the industrialists to set up industries. Electricity was abundant in the State. The labour relationship is very good. The climate is celubrious and many industries were set up. But the Janata Government started discouraging them. They could not provide sufficient electricity to the industries. Infact the power cut went upto 70 per cent. They went on saying that they have no electricity because they are fully dependant on hydle projects. There was no alternate arrangement. Even the subsidy did not reach the industries. Many industries especially small scale industries became sick. The Janata Government collected huge money from self financing in-

[Smt. Basavarajeswari]

dustrialists. They were asked to deposit money and that went to the pockets of Janata legislators. Regarding this affair I want Hon'ble Minister should give a categorical answer while replying.

I urge upon the Minister to give top priority should be given to the irrigation projects. The Upper Krishna Project should be completed at the earliest. This would provide irrigation water to lakhs of acres of land in the districts of Raichur and Bellary. The World Bank has extended its helping hand for this project. But I do not know how much money has been utilised for this project.

It is really shameful to say that the Janata Government was not able to pay even the salary of government employees. The Bills of Contractors were not cleared. Development works have come to a halt. There is no progress in the irrigation projects. Krishna Project is still pending. It can provide water to the drought prone areas like Raichur, Gulbarga and other adjacent districts. The Hyderabad-Karnataka area which is most backward in the State would get the maximum benefit. Yesterday there was a mention about this project. It has been stated that the inter-state assistance would be taken and during the 8th Plan period it would be completed. I hope the Hon'ble Minister would look into this matter and help my State in the completion of this project.

A vast number of foundation stones were laid when Shri Devegowda was the Irrigation Minister. There are about 70 foundation stones in my Constituency alone. Canals are there but not even one lift irrigation project has been completed. They have not spent even a single rupee on these projects. The Janata Government tried it best to eye wash the farmers. Regarding these lift irrigation projects the government asked the beneficiaries to bear 50 per cent of the cost. There was not lift irrigation. There was no minor irrigation. There was a total mess and confusion in the administration. In

this way the Janata Government was in total confusion.

There was commandant area Committee to look into the irrigational programmes. There is no such Committee now. In the absence of such Committee the mismanagement would continue and the farmers have to suffer. We should not allow such mismanagement to repeat. Hence, it is very essential to reconstitute this Committee. This Committee has an important role especially in Thunga bhadra area. I therefore, urge upon the Hon'ble Minister to reconstitute this Committee immediately.

Janata party went on propagating about decentralisation of power. They told the villagers that power would be given to them and they need not go to Vidhan Soudha in Bangalore. They conducted Zila Parishad elections. Our Party, President Shri Veerendra Patil and other veterans advised the Janata Government not to hold Zila Parishad elections because we had village Panchayats and there was no need of Zila Parishads. Janata Government did not yield to this advise because they had other goals. Now we see politics and quarrels in each and every villages. Most of the members of these Parishads are spending most of the time in Courts. Many cases are pending before various Courts. Janata Government went ahead with nominations to give opportunity to their own party people. In every mandal they had their own people. These Mandals have no funds. The Janata Government changed the names of national projects. The name of Indira Awas Yojana was changed into Nazir Awas Yojana. The Central Government constructed Janata houses for the downtrodden people. The Janata Government told the people that the houses have been constructed by the Janata Government and not by the Government of India. This is how they continued to cheat the poor people of the State. Will the people of Karnataka excuse them?

Bhagya Jyoti Programme was introduced by the former, Chief Minister, Late Shri Devaraja Urs to provide lights to each

and every family especially in the down trodden areas. The Janata Government disconnected all these discontinued this facilities. The Twenty Point Programme of the Centre did not find any place in Karnataka during Janata rule.

The working of Public Distribution System was miserable in Karnataka during Janata Rule. Poor people did get nothing from the fair price shops. Only Janata Party workers got the licences and huge money was collected by those party worker is this business. There are about 30 lakh green card holders in the State. This is only for name sake. No poor men is benefitted by this public Distribution System. All the essential commodities are sold in the cities. Once in three or four months some wheat, rice and sugar may reach the village fair Price Shops. The huge money collected by Janata Party workers in this business of P.D.S. was utilise for their elections against us and for other Party activities. Infact a dual system was there in the State. Zila Parishad was looking after the distribution work in villages. In the cities Deputy Commissioners was Incharge of this responsibility. This kind of dual system should go immediately. I request the Hon'ble Minister to order for conducting Survey and take necessary steps in this regard to improve the working of P.D.S.

The amount allocated in the Budget is not sufficient for the State because its financial position has been heavily damaged by the Janata Government. Hence, I urge upon the Hon'ble Finance Minister to allocate some special assistance of Rs. 300 Crores to the State.

God has yielded to the prayer of the people and he has removed the most corrupt Government. The people of Karnataka are in a relaxed mood now. Some of them say that the Governors rule should continue for a couple fo months. But we are eager to go to the people. Most of the people in the State are eagerly waiting for an efficient leadership. They want more effective administration in the State. The State administ action which was out of the track has to be brought

back on the right track. Now the employees are getting their salary. Bills are being cleared. The Government which collected huge money in the name of national savings is no more there. They have taken away the wealth of the State. Now it is our responsibility to repair the damages.

The Harijans, Girijans, downtrodden, people affected by the floods and other backward class need our help immediately. The exploitation of these people had come to and end but the rehabilitation work has to be accelerated. The Centre has already taken measure to help the flood affected people in Karnataka. I am grateful to the Government for that.

It is known to all in this august House that Karnataka is one of the richest State in its national resources. Sandal wood is available in abundant. Coffee, Spices, Silk, etc. are produced in the State in plenty. The State is rich in Maganese, Iron and Gold ores. In fact it is a golden State. the people living in this State are also like Gold. They are intelligent and peace loving people. They are eagerly looking forward for an able and efficient Government. I am sure they will support us. Let us go to them and explain to them about our plans and programmes. I hope that we would succeed in our innovative ventures and serve the people of Karnataka to the best of their expectations.

Sir, I thank you for giving me this opportunity to speak and with these words I conclude my Speech.

[English]

SHRI D. K. NAIKAR (Dharwar North):
Sir, I thank you for giving me an opportunity to support the Budget introduced by the hon. Minister, Shri Ajit Panja. I presume Shri Ajit Panja a Central Minister is now playing the role of the Karnataka State Finance Minister. Therefore, presuming that he is a good Minister, I hope any deficiency will be compensated by him liberally. The Budget introduced in the present form is not sufficient to achieve progress in Karnataka. I fairly say

[Sh. D.K. Naikar]

that the present Budget is not going to achieve anything like what are called developmental activities in Karnataka. There are reasons to believe it. When Janata party came to power in Karnataka, they suffered a financial crisis. They were not able to even pay salaries to the staff. Our Party President said that thousands of vacancies were not filled because that they had no money to make payment for the staff. So, that was the drawback on their part for not filling up the vacancies. Even whatever amount they had mentioned in the Annual Budget was not fully spent by them. I may give you a concrete example so far as the Health Department is concerned. In Karnataka Budget, the allocation was about Rs. 100 crores or so. Half the amount had been spent on salaries and increase of beds and construction of hospitals and the other half was spent on supply of drugs and medicines. I visited a number of Government hospitals during these six months, when they were in power. I found that even tincture was not supplied to the patients, leave aside other drugs. The medical officers in Government hospitals were instructed by the Government that they have to purchase medicines from outside by giving cheques. It is really unhappy that these people had run the administration like this. I went to a mental hospital which was covering eight to twelve districts. There were only two doctors to examine 200 patients. You imagine the amount of time spent on each patient. There were six vacancies which arose out of leave or retirement or otherwise. But none of them was filled in this period. I may tell you in this connection, that the Janata Government headed by the then Chief Minister was exercising deception on the people of Karnataka. It was really a deception. Therefore, they suffered a financial crisis. In support of this financial crisis, I may submit another example. It is about the small savings scheme recommended by the Finance Commission. This is a voluntary contribution by the public. I happened to be a Minister during the period of Shri Devraj Urs. According to my personal knowledge, this was voluntary contribution made by some people who were capable of

contributing towards small savings. But the then Chief Minister made it a compulsory contribution for every citizen, whoever drew money from the State Government. He fixed a target of Rs. 375 crores during his period and he collected the amount. Now, by collecting Rs. 375 crores, by way of small savings, he created a liability of seven to eight hundred crores of rupees for the future Government. That is what Mr. Veerendra Patil has said. It will be very difficult to cover those loopholes by the new Government. These were the main difficulties created by the Janata Government. The Central Minister must learn to give aid to the States. Why I am saying this is because whatever amount has been mentioned in the Budget is not enough to achieve any progress in Karnataka. We had a discussion with the State Ministers headed by the then Chief Minister. Under the Bachawat award, 700 CMCFT of water was given to Karnataka for utilization. But we were not able to utilize 300 CMCFT of water; we could utilize only 400 CMCFT of water. When we discussed this with the expert engineers, they said that nearly Rs. 250 crores are required to complete the on-going and future projects. We asked the then PWD State Minister about this as to what their contribution would be and what is the total amount that they were going to spend over and above the Budget allocation. He promised to spend Rs. 80-100 crores in addition to that. It is, however, unfortunate that not a single pie was spent as additional amount. Even the Budget allocations were not utilized. If we are not able to utilize 700 CMCFT of water as per the Bachawat Award, which is in operation, it would be a course for the Karnataka people. This would, in that case, be treated as surplus water and it would go to sea unutilized. The farmers in Karnataka have been deprived of the water which was legitimately due to them by the Janata Government and the then Chief Minister had committed a sin. As I said, even the on-going projects are suffering and there is not much progress. I request the hon. Minister to come to the rescue of the Karnataka people and allocate more funds to them.

As has already been stated by the hon.

Member, Shri Verendra patil, in their manifesto, the Janata party made so many promises. During the 1983 elections, they made several promises to poor people including the backward people.

There was a Commission headed by Shri Venkataswamy and he made several recommendations, but the Government totally ignored them and made reservation to the extent of 92 per cent for the backward people which is unwarranted under the Constitution. You, yourself, have been Speaker for some time and you know the provisions of the law and the Constitution. Article 16 (4) envisages that if any State Government is of the opinion that certain backward classes are not adequately represented in Government service, then reservation should be made for them. The reservation has to be made only if they have no proper representation in Government service, not otherwise. Some of the courts, including the highest court of this land have said that the reservation should not be more than 50 per cent. Because, if it is more than 50 per cent, it hampers efficiency. Therefore, that is the dictum given by the judiciary also. The Janata Government knowing full well the constitutional provisions, decided to provide for 92 per cent reservation for the backward classes. It was nothing but deception exercised by the Janata Government on the people.

Another thing that I want to point out pertains to land deals. That has already been mentioned. It is not only about the land deals, but it is sale of sugar factories to private people also. A sugar factory which had 250 acres of irrigated land was sold just for Rs. 2.5 crores. You can imagine that the land value was only more than Rs. 10 crores. How this deal came to light is important. The modus operandi and the magnitude of corruption in Karnataka has been explained by Shri Patil.

Many Members have talked about granting of seats in the medical colleges. There was rampant corruption in granting seats to the medical colleges. At the end of 1982,

there were only 600 seats so far as medical colleges in Karnataka are concerned. When Janata Government come to power after the dissolution of the Assembly, the number of seats was increased from 600 to 2200. You just imagine the difference. On the basis of this figure everyone can imagine to what extent they were corrupt and how much money they would have looted.

I don't want to say anything about the refineries and other things. One thing that I want to say is that there were too many loopholes in the administration which was not efficient. Many of them did not know how to run the administration. They made money and because of their corrupt attitude, the people of Karnataka are very poor even now and they are very unhappy. Because they knew that they will not come to power again, they created deficit financing for which the people of Karnataka will never excuse the heads of the Government of that time.

Out present Government who is working on behalf of the Central Government under the President's Rule is doing his best. We had several discussions with him. With the help of his Advisor he has set up so many things. Sir, I believe till the elections are over, he will definitely achieve something.

Thank you very much, Sir.

SHRI SHARAD DIGHE (Bombay North Central): Mr. Chairman, Sir, the Finance Minister has laid on the Table of this House Annual Financial Statement of the State of Karnataka for the financial year 1989-90. Already three hon. Members from Karnataka State itself have made their comments as far as this Budget of the Government of Karnataka is concerned. I will now only make a few observations with reference to that Budget.

The Annual Financial Statement of the Government of Karnataka was in fact presented on 17th March, 1989 and vote on account was obtained on 27th March, 1989. But before the whole Budget could be passed the Government collapsed under its own

[Sh. Sharad Dighe]

weight and the President's Rule had to be imposed by proclamation issued on 21st April, 1989. Sir, it has been made clear by the Statement of the Minister of State for Finance that these revised estimates for 1988-89 show closing deficit to Rs. 91.53, which after the data from the Reserve Bank is available reduces to Rs. 10.46 crores. So, prima facie it might give an impression that this improvement was brought about by the former State Government. But it has been made clear that this lowering of the deficit has been brought about by two methods. First was by deliberate withholding of large amounts of payments for supplies and services and the second was by impounding the deposits of autonomous bodies in the State Treasury. Therefore, the burden was shifted to the current year. After reading the statement which came from the State Finance Minister, I would like to know further details regarding this deliberate withholding of large amounts of payments for supplies and services. If any broad details are given to this House, then we will get really the correct idea regarding this method of lowering the deficit which was brought out artificially by that former State Government. Similar, if the impounding of deposits of autonomous bodies has been also resorted to for lowering the deficit, we would also like to know some details from the State Finance Minister regarding the deposits of autonomous bodies which have been impounded by the State Government. What I mean to say is that that will give a fairly correct picture and idea to this house regarding the artificial way in which the State Government sought to reduce these deposits from Rs. 91.53 crores to Rs. 10.46 crores. Already several misdeeds have been put before this House by the previous speakers and I would not like to go into the details. As far as these two scandals are concerned, they are already referred to a Commission of Inquiry by the Government and by notification dated 28th June, 1989. That Commission of Inquiry under Justice Kuldeep Singh, a Judge of the Supreme Court of India will inquire into the NRI Housing scheme scandal and another scandal

which is known as Reva Jeetu Land Deal. These two scandals are already before the Commission of Inquiry and the facts will come out of those inquiries.

Another scandal of this Government refers to the supplies to consumers in sealed bottles or sachets to avoid possibility of adulteration of the arrack. The Karnataka High Court had already decided that case against the Government and has specifically stated that it has shocked the judicial conscience. These deals shocked the judicial conscience and that whole thing was unlawful, arbitrary, capricious and subversive to the rule of law. This judgement has been confirmed by the Supreme Court by an order Dated 9th April, 1986. So, the whole thing has been judicially decided and it has been proved that several misdeeds were the cause of the fall of this Government. At that time, when President's rule was imposed, it was tried to allege that Union Government, i.e. the Central Government of the Congress Party wanted to throw away a Government which was properly elected and did not give a chance to test the majority on the floor of the House.

Certain allegations were made against the then Governor also. But it is clear now from the events which took place thereafter that the Government collapsed under its own weight, by their own dissensions, by their own scandals, by their own things or misdeeds which were the causes of this. So, on this occasion, while dealing with their deficit and their budget, it is clear that these misdeeds were the causes of the fall of this Government and the state of affairs which was there.

As far as financial and administrative chaos of this Government is concerned, since the President's Rule, a number of measures have been taken to improve the collections. But as far as the 1989-90 budget estimates are concerned, revenue deficit shown is Rs. 122.16 crores, capital deficit shown is Rs. 54.14 crores; and totalling both the deficits, it comes to Rs. 176.30 crores. As far as the State plan outlay is concerned, it

has been fixed at Rs. 1040 crores out of which central amount is Rs. 255.51 crores. It is in the fitness of things that a major portion of this State Plan goes to the priority sectors, namely, Irrigation and Energy. Rs. 209.40 crores go to Irrigation and Rs. 257.17 crores go to Energy. There is a legacy of undischarged liability and fiscal mismanagement and indiscipline; and the Government will have to take care of them. The hon. Member, Shri Veerendra Patil, has said that it will take some years to bring back the whole thing on the proper lines. Now, it is gratifying to note that since the President's Rule, a number of measures to improve revenue collection have been introduced. We are told that a higher target for the tax collection has been set and action to plug loopholes is being taken and they are also taking action to eliminate tax evasion. It is a very welcome sign and it will definitely improve the finances of the Karnataka State. As far as expenditure is concerned, it is stated that a complete review of the expenditure to effect maximum economy without affecting priority areas has been introduced and small saving collections maximizing the receipts are also resorted to. All these factors will go to improve the financial condition of this State.

Many hon. Members from Karnataka State have rightly demanded further assistance or substantial assistance from the Centre in order to improve the situation and to complete many of the projects which are already pending. Therefore, loan from the World Bank and financial assistance is also called for, as far as several projects are concerned. I also support their claim, their demands, and aspirations of the MPs of the Karnataka State. I wish that the Union Government will come to their help and see that not only their financial condition or financial state is improved under this budget by taking several measures which are promised but also give substantial assistance to the Karnataka State. With these words, I support this Budget.

[Translation]

*SHRI V. KRISHNA RAO (Chikkabal-

lapura): Mr. Chairman Sir, I welcome the Budget for the State of Karnataka for 1989-90 while supporting the Budget proposals. I would like to give some suggestions for the kind consideration of the honourable Finance Minister.

Regarding the style of functioning of the Janata Dal Government it has been already explained by Shri Veerendra Patil, Smt. Basavarajeswari, Shri D.K. Naikar and Shri Sharad Dighe. I therefore confine only to some of the important issues.

You have said that we cannot mention the names I therefore, say that the former Chief Minister of Karnataka was leading a corrupt government. It was bankrupt. The misrule of the Janata Government made the life of the people miserable.

The Congress (I) government during its rule too all care for the upliftment of the down-trodden. Harijans and Girijans and other backward classes were happy during that time. Land was distributed among the landless people. Dwelling units were constructed for the poor people in the State. Street lights were provided in the villages. The farmers got more facilities and there was a big boost to the agricultural production.

In spite of all these factors, unfortunately the Janata party was voted to power. Janata party government went on giving promises. That was all they could do. They could not do anything for the people of Karnataka except false assurances. They said that at least one person in each family would get a job. They promised to provide rice at the rate of two rupees per k.g. to the poor people. They also promised to provide 'mangala Sutras' sarees etc. etc. to the poor people other parties like CPI, BJP Ktanti Ranga etc. Joined hands with the Janata Party. Unfortunately for the people of Karnataka the net result was a big zero. Not even a single work was completed by the Janata Government. Even a *single tube of a tank* was not laid by that government to help agriculturists. I do not know to whom they distributed the sarees and Man-

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gala sutrams. There was rampant corruption and the bureaucracy was thoroughly demoralised. The high court gave its verdict in the bottling case. That verdict itself is enough for that government to feel shame. Revajeetu affair is a familiar issue in the country today. Shri Naikar was referring to the sale of sugar factories by the Janata Government. Gowribidanur Co-operative Sugar factory was in my constituency. It was like "Kamadhenu" to the people of my area. That was swallowed by the Government. The in flight and the corrupt practices of the legislators and ministers made the government to fall. The Six year Janata rule is a shameful history. They never cared for the people. They had no sympathy with the poor people. The officers, labourers, farmers and all other sections of the society were eagerly waiting for the bankrupt Janata Government to go.

The Governor is trying to bring back the State administration on the right track. Of course it is not possible for the Governor to do so. Even if "Lord Brahma" attempts to set right the administration it will not be possible because the damage caused by the Janata government is of that great magnitude. It may take at least 2 to 3 years for the repair work.

The state has suffered from severe drought Flood also affected several areas in the State. During those difficult time the State government did not come to the rescue of the people our prime Minister Shri Rajiv Gandhi visited the affected areas and proper relief programmes were taken up.

Earlier, when Cong (I) in power there were about 6000 arrack shops and when Janata Government took over it issued licences to more than 8000 additional arrack shops. There was no facility of drinking water but arrack was available in plenty during the Janata rule. The growth of Educational institutions was like the growth of mushrooms and they made huge amount of money. Transfers were made and they amassed wealth. The farmers were in great trouble.

Shri Veerendra Patil has said it was a roaring business for them. As they were not able to pay the interest for the loans they had obtained long ago. They started agitation all over the state but the government was a silent spectator. Neither the government nor NABARD came to the rescue of the farmers. The efforts of the Janata Government were confined to slogans, false promises and press statements. No development work was taken up. They could not pay even the salary of government employees. The villages remained poor. It pains me to tell the story of Janata rule. They did not have even one percent of sympathy for the poor suffering farmers. Hence they were praying to God for the exit of the Janata Government.

There are several projects pending in the State. The estimated cost of these projects has also increased tremendously. We cannot go on mentioning the sins committed by the Janata Government for the last six years. It is of no use. The centre has to come forward with bold decisions and invest more in the pending projects.

The total allocation of the Budget in Rs. 1040 crores. The amount allocated for irrigation is only Rs. 240 crores. It is like butter milk worth six paise to the stomach of Ravana. Hence I urge upon the hon'ble Minister Shri Ajit Panja to allot more fund for irrigation. There are so many reservoirs to be repaired canals have to be made and new projects have to be taken up. Houses have to be built for the downtrodden, harijans and girijans and other weaker sections of the society. Therefore the total allocation has to be increased.

We had surplus electricity in the State before the Janata party came to power. The surplus was worth about Rs. 10 crores. Now due to scarcity of electricity the State is incurring loss of several crores every year. The Janata Government increased tax on electricity, house, and on many other items. About 40% of the amount allotted for NREP and RLEGP and other programmes was diverted. They amassed money through Bangalore Development Authority by selling

land to the rich people. Their own people got the most valuable sites in Bangalore city at throw away prices. After collecting money from various sources they did not spare the temples also. They swallowed the money of the temples. When a shameful act it is? They could not provide electricity to the farmers during the day time. They said that the farmers can get electricity during the night. How can we expect the farmers to go to the field and work during the nights. This is how they cheated the farmers of Karnataka.

Upper bhadra and upper Krishna Projects have to be completed. These projects can supply irrigation water to more than 10 lakhs hectares in the districts of Chitradurga, Tumkur, Kolar and Bangalore according to experts, planners and engineers. For the last four years the lands of these projects are laying in cold storage. The hon'ble minister should get these plans and give a serious consideration to them.

There is very old narrow gauge line between Yelahamka and Bangarpet. This is more than 100 years old. This is not at all helpful to the farmers and passengers of my constituency, Chikkalallapura. Potato is grown abundantly in this area and it has to be exported to Rangoon. Potato is transported to Shimla and other places and the wagons provided at present are not at all sufficient. On account of this reason the potato growers of my area are incurring huge losses every year. In north India we have too many railway lines. Each and every town and even the villages are linked by railway lines. Why not Karnataka also get more railway lines. I appeal to the hon'ble Railway Minister to convert the Yelahamka-Bangarpet narrow gauge into broad gauge link immediately. As Mr. Veerendra Patil has explained there are several other important railway lines to be completed. The conversion of Mysore-Bangalore meter gauge line has taken a long time and it has to be converted into broad gauge line at the earliest. Similarly Bangalore Miraj railway line also should be converted into broad gauge very soon. The people of Karnataka should not be neglected. There is a general feeling that Karnataka has

been ignored by the Ministry of Railways. This feeling should go and the Railway Ministry should look into the matter seriously. Mr. Veerendra Patil said that Bangalore has a celubrious climate. I support his statement, infact the whole country knows that Bangalore is the garden city of India and it is the pensioners' paradise. This City has many other advantages and hence the Railway Ministry should set up South West Railway zone here. Bombay, Hyderabad and Madras have their own zones. Similarly Bangalore should have south west zone. Let Karnataka also find a prominent place in the map of railways.

The media of Television and radio have expanded tremendously in the country. In Karnataka it is not so. Many of the programmes that are telecast from Bangalore Kendra are in Hindi, English, Tamil etc. In this regard there were many agitations from Kannada Sanghas and other associations. Therefore, Kannada programmes should get top priority in the State telecast programmes. There is a long pending demand for providing a Second Channel to the Bangalore Door Darshan Kendra. We have received hundreds of representations in this regard. Some people send us bangles and sarees and ask us to wear them. They put us the questions 'why do you wear dhotis and walk in the streets of Delhi? Why don't you MP's from Karnataka wear sarees?' They also send us Kum Kum to apply on our forehead and turmeric powder to apply on our cheeks. Therefore it is high time for the Centre especially for the Ministry of Information and Broadcasting to give a serious thought to the demands of the people of Karnataka.

There are several areas of dry land. These areas have to be developed and afforestation programmes have to be stepped up.

In recent times some down trodden people have lost their small piece of lands. These people must be given some land for cultivation and for their livelihood. The centre should come forward in this regard and help the landless people.

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The land reform act was implemented very efficiently in the state when late Devaraje Urs was the Chief Minister. Even in West Bengal this act has not been implemented properly. The CPM and CPI members from West Bengal boast a lot but they could not implement act in their own State. The husband who does not like the food finds stone in the butter. Similarly these members and their friends found something in the C&AG report and started shouting to us. Finally they ran away without facing the parliament. They did not have the guts to participate in the debate regarding the C&AG report.

The people of Karnataka are looking at us. They need our help. Especially the poor, down trodden, harijans and Girijans are completely depending on us for help. They do not forget how the Janata government deceived them. They are badly in need of our help. The Centre has to come forward for their assistance. The people of Karnataka want an able and efficient government. Now it is the responsibility of our hon'ble government of India to provide responsive and a responsible leadership to the state of Karnataka.

I hope and trust that our honourable Prime Minister would take necessary steps in this direction and put the state administration on the right track. I request the hon'ble Minister of finance to allocate more funds to Karnataka and to complete all the pending projects in the State. I am sure that peace loving people of Karnataka would bring us back to power. I am confident that all sections of people in the State and in the whole country would live happily.

Sir, I thank you for allowing me to speak on this vital subject and with these words I conclude my speech.

*SHRI G. S. BASAVARAJU (Tumkur): Mr. Chairman, Sir, I rise to support the Budget presented by the Hon. Minister for the State of Karnataka for 1989-90. Several Hon. Members have already explained the misrule of the Janata Government. Value based politics was the main promise of the Janata Party before coming to power. But, what had happened to the value based politics of the Janata party? The people of Karnataka have suffered a lot for the last six years under the corrupt rule of the Janata Party Government.

[English]

MR. CHAIRMAN: You can continue your speech next time.

17.59 1/2 hrs.

RESIGNATION BY MEMBER

[English]

MR. CHAIRMAN: I have to inform the House that the Speaker has received today a letter from Shri Anadi Charan Das resigning his seat in Lok Sabha. The Speaker has accepted his resignation with immediate effect.

The House stands adjourned to reassemble tomorrow at 11.00 a.m.

18.00 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 4, 1989/ Sravana 13, 1911 (Saka).

*Translation of the Speech originally delivered in Kannada.