

SHRI NIREN GHOSH: Here comes the congenital fixation of hon. Shri Venkataraman.

SHRI R. VENKATARAMAN: I cannot answer all running commentaries. I submit in the matter of hessian—I have given the figures—the margin is around Rs. 3000 and, therefore, we have levied an export duty of Rs. 1000....

SHRI INDRAJIT GUPTA: Rs. 600 was already there.

SHRI R. VENKATARAMAN: Now the duty is Rs. 1000. The margin is Rs. 3000. Therefore the duty is Rs. 1000. Whether it is from Rs. 600 to Rs. 1000 or from Rs. 500 to Rs. 1000 does not matter. The duty to-day is Rs. 1000. Therefore, the reason why we did not levy any export duty on carpet backing is this one. Another reason why we did not levy any export levy on carpet backing is that we have a strong competition from Bangladesh. In Bangladesh the prices are competitive and we will lose the market. In our anxiety to harm certain so-called vested interests we should not harm the country itself. We cannot throw the baby with the bath water.

SHRI INDRAJIT GUPTA: 'So-called vested interests'.

SHRI R. VENKATARAMAN: That is what you have said. I repeated your statement.

SHRI INDRAJIT GUPTA: I never said the 'so-called'. The 'so-called' is your addition.

SHRI R. VENKATARAMAN: There are certain veiled innuendoes that the Government is getting collection for funds or something. If it were so, why should they levy an export duty? They should have kept it at Rs. 600 as it is and collected more money. So you have contradicted yourself. The fact that the Govern-

ment has come forward to do something which is unpopular with the industry and has raised the export duty itself shows that their accusations or allegations are baseless.

MR. CHAIRMAN: The question is:

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7 of the Customs Tariff Act, 1975 (51 of 1975), this House approves the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. GSR 54(E) dated 18th February, 1980, increasing the export duty on hessian cloth and bags (other than carpet backing) from Rs. 600 per tonne to Rs. 1000 per tonne, from the date of notification aforesaid."

The motion was adopted.

15.39 hrs.

UNION DUTIES OF EXCISE (ELECTRICITY) DISTRIBUTION BILL

THE MINISTER OF FINANCE AND INDUSTRY (SHRI R. VENKATARAMAN): Sir, I beg to move:*

"That the Bill to provide for the payment out of Consolidated Fund of India of sums equivalent to the net proceeds of Union duties of excise on electricity to the States to which the law imposing the duty extends and for the distribution of those sums among those States in accordance with the recommendations of the Finance Commission, in its report dated the 28th day of October, 1978, be taken into consideration."

Hon. Members are aware, this Bill, as mentioned in the motion itself, is to give effect to the recommendations of the Seventh Finance Commission, which have been accepted by the Government. Article 272 of the Constitution provides that, if Parliament by law so provide sums equivalent to

*Moved with the recommendation of the President.

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either whole or part of the net proceeds of excise duties may be paid and distributed among the States in accordance with the principles laid down in such a law. The Seventh Finance Commission recommended that: (i) 40 per cent. of the excise duties on all commodities other than on electricity; and (ii) the whole of the net collections of duty on electricity, in or attributable to the States, should be paid to them during the period 1979—84. This is against 20 per cent. of the excise duty on all commodities which were being shared with the States till last year on the basis of the recommendations of the Sixth Commission. A Bill to give effect to the recommendations of the Commission regarding the sharing of excise duty on commodities other than electricity was enacted by Parliament in May, 1979. The present Bill deals with the recommendations of the Commission regarding sharing of excise duty on electricity. The excise duty on electricity at the rate of 2 paise per kilowatt was levied with effect from 1st March, 1978. During 1978-79 the States were paid 20 per cent of the net proceeds of this duty. Later in the light of the views expressed by the States at the various forums including the National Development Council and the Southern Zonal Council, the Central Government took a decision to transfer the entire net proceeds of duty to the States with effect from 1-4-1979. The Seventh Finance Commission was apprised of this decision so that they could take into account its implications in their scheme of devolution to the States during the period 1979—84. The Commission fully agreed with the approach of the Central Government and recommended for the transfer of the entire net proceeds of excise duty as mentioned above. The Commission did not, however, specifically indicate the percentage for *inter-se* distribution of the net proceeds of electricity duty among the States, but observed that they had taken note of the information regarding the energy avail-

ability during the period 1979—84, made available to them. The percentages indicated in the Bill follow the same basis. The estimated transfers on account of the net proceeds of excise duty on electricity during the period 1979—84 is estimated at Rs. 1145.88 crores.

During the course of the debate, Mr. Chairman, I mentioned this and I pointed out that the entire duty is being transferred and that, along with the other transfers, according to the Seventh Finance Commission, will be of the order of Rs. 23,000 crores.

Sir, I move that the Bill be taken into consideration.

MR. CHAIRMAN: Motion moved:

“That the Bill to provide for the payment out of the Consolidated Fund of India of sums equivalent to the net proceeds of Union duties of excise on electricity to the States to which the law imposing the duty extends and for the distribution of those sums among those States in accordance with the recommendations of the Finance Commission, in its report dated the 28th day of October, 1978 be taken into consideration.”

Shri Shamanna.

SHRI T. R. SHAMANNA (Bangalore South): Hon. Chairman, Sir, this is a very important Bill that has been placed before us which requires serious consideration.

Now, according to the excise duty collected, apportionment has been made to different States for the next five years. The quantum of money that is to be paid by the Central Government to the State Governments is in consideration of the duty that is collected.

Sir, it has become a very important subject in our country. As a matter of fact, the industrial development, agricultural development are some factors which have to be taken into consideration. Therefore, this matter should be treated in a different way. Even from the monetary help that is given in the table here, we notice that

Maharashtra gets about 13 per cent and Andhra Pradesh about $7\frac{1}{2}$ per cent. As far as my State, Karnataka is concerned it is seven per cent and odd. Of course there are many States where either on account of the fact that there is no possibility of power development or for some other reason it may be undeveloped. I find from the papers that the percentage given is too low. It is less than one per cent in some cases. The Government of India has to take special care to see that those States that will have to develop (and which have got the potentialities for development of power) should be given all necessary assistance so that as and when they are giving us more by way of duties, you may collect them. But unless you give them all scope in the initial stages it is very difficult for such States to come forward and develop. So, this is my request which I would like to place for the consideration of the hon. Minister. The Government of India in many cases in their plan and non-plan estimates have given large sums of money to State Governments. But I am sorry to say this. Even though many of the States have surplus power they feel hesitant to give power to neighbouring States. For example, Karnataka was badly in need of power and Kerala Governmen had surplus power. But on account of some controversy between the CMs of Kerala and Karnataka the CM of Kerala said that unless this matter is settled we will not give power.

AN HON. MEMBER: Kerala has been supplying electricity to Karnataka also.

SHRI T. R. SHAMANNA: There was controversy about Kasergode and about the employment aspect and they said they will not give power because of this. Since the Central Government is giving a lot of financial assistance, there must be some power in the hands of the Centre whereby they can request the States that have large quantum of power to help the neighbouring States. It is an important point to be taken into consideration.

I want the Central Government to have some power so that it may help the backward States in times of emergency. They should be able to give more than what is allotted here. It is better that certain percentage is reserved in the hands of the Central Government so that it may be used in times of emergency. It may be utilised to help the under-developed States.

Sir, industrial development and food production has been to a considerable extent handicapped for want of power. For all the 12 months there is restriction in power and there is power cut which may range from 20 to 80 per cent. You have power cut in different States Government must find out a method by which if there is no hydro power some other method can be found out, thermal or some other method, for conserving power. It is better that you reserve coal and other ingredients which are to be used when we have failure of hydro electric power. Power is needed for supply of water; for food production and various other things and for the development of industries. So top priority must be bestowed for the development of power. If there is power cut there will be less revenue to Government also by way of taxes. Power cut will mean less industrial production and less taxes to Government and the Government will be hard hit. So, step must be taken to see that due to power cut the industries do not suffer. Food production should not suffer due to want of power and the Centre should take necessary steps in this regard. Steps must be taken to see that at no time our industrial or agricultural development is hampered for want of power. In the matter of power, our policy is neither western nor of the Gandhian type. The Government must lay down a policy to see how best the power is utilised and how the Central Government can see that there is equitable distribution of power for development of different parts of the country. I therefore, urge upon the Central Government that they might reserve certain

[Shri T. R. Shamanna]

percentage and should have some scope in time of emergency to distribute it to such of the States who badly need it, and they might adjust the quantum of grants that are given here. The Central Government should give considerable financial assistance for the power development to those States which are badly in need of power, particularly those States which are having considerable difficulty in the matter of power.

I hope the Central Government will make a deep study and see how best our power resources are distributed in the best interest of the country at large and these are not particularly helpful to one State or the other.

SHRI Y. S. MAHAJAN (Jalgaon): Mr. Chairman, Sir, I rise to support the Bill, the object of which is to enhance the power resources of this country. It has been brought forward to carry out the recommendations of the 7th Finance Commission. But there is no doubt that the recommendations made by the Finance Commission or the increased financial provisions made in this Bill will not be enough to meet the requirements of the Power Boards in the different States.

We have to rely mainly on thermal power; hydel power is limited and the scientists say that there are many hazards as far as the atomic power is concerned. The main source for power are the thermal stations. In 1977, we produced 90.9 million kilowatt hours of electricity; in 1978, we produced 100.9 billion kilowatt hours, this represents an increase of eleven per cent in the generation of power. But this increase was contributed largely by the increase in hydel power of 27.3 per cent in 1978. Thus showing an increase of only 1.3 per cent in the thermal power. The progress is obviously unsatisfactory. Apart from this, we suffer from other difficulties such as bad maintenance and poor service which we render to the consumers. Different State Electric-

city Boards complain that it is because of the fact that new plants cannot be brought into operation immediately; they suffer from teething troubles. Further they say that a large part of the capacity remains under-utilised. For this the usual reason given is that there is not enough supply of coal to the power stations. The third reason, and which you will accept, is the poor maintenance of the power plants and fourthly, there are mounting transmission losses of power. We lose 32 to 35 per cent of the electricity during transmission. I have talked to the electrical engineers in my district and they say that the losses can be considerably reduced provided the technical equipment is improved, but they cannot do it because of shortage of funds. There is thus a growing need of larger resources and more capital investment in this field. Because of the shortage of power, our industries are being crippled. The farmers are also suffering heavily. The farmers get electricity during night time.

It is very strange that everybody works during the day while the farmers have to work during the night. Further, they have to suffer from interruptions of supply of electricity. I think we treat them in a very cruel manner. As far as industry is concerned, in some states the cut was nearly 60 per cent. Nothing is so necessary is to improve the capital resources of this industry. I am glad that this Bill has been brought forward so that the resources of the State Electricity Boards might be increased. But may I suggest to the hon. Minister that what he has proposed is far from adequate? He will have to provide much larger resources to this industry for its development before we can meet the minimum requirement of industry and agriculture. I hope the hon. Minister will not be satisfied only with bringing forward this Bill, but will also make some additional efforts.

SHRIMATI GEETA MUKHERJEE (Panskura): Mr. Chairman, Sir,

the Bill which has been brought will give to the States as the share of Union excise duties on generation of electricity an amount equal to the collection attributable to the State. The problem remains that in the whole of India the power generation capacity is not uniformly distributed. In fact, in the region from which I come, the eastern region, though it is quite developed industrially and its agriculture has also started using power, we have been actually discriminated against it in the matter of generation capacity. If you look at the figures of other regions, you will see the difference. As on 1-7-78, the region-wise distribution of total installed capacity is as follows: the north-eastern region has got 6595 KWH; southern region has got 6100 KWH; western region has got 5993 KWH whereas the eastern region has got 4395 KWH. But the distribution of industries in the country is not in the same proportion. According to this idea, we shall be getting less than other fortunate regions. Due to acute power shortage in the eastern region, I would request the Minister through you to consider whether this regional imbalance should be removed, and whether special steps will be taken to remove this. Our demand is growing but generation is not catching up. In this connection, while requesting for new generation units to be installed in the eastern region, particularly in West Bengal, I would like to say that some avenues will have to be found not only to rely on the thermal power stations but also to have a combination of both, despite the fact that our hydel resources are low.

16 hrs.

Apart from this, I would like to take this opportunity to point out a fact which is rather serious. Our West Bengal newspapers have reported that the Central Minister of Power has expressed his willingness to take over power generation and distribution of West Bengal. I do not know whether it is true. But

firstly it is a State subject; he has no business to make a statement like that. At the same time if he had made this statement being very confident that bringing under the Centre will relieve all the evils that our power generation system is experiencing at the moment, I would request him to oil his own machine, to look after the DVC which is the corporate responsibility of the Centre, West Bengal and Bihar and in that the Central Government has a major share. He should examine all the troubles now being faced by DVC. Because if we look after DVC well our entire eastern region will gain greatly. Instead of poking his long nose into West Bengal generation, if he can do that, I know that generation of power will improve.

16.01 hrs.

[MR. DEPUTY-SPEAKER in the chair]

I know that our State Government also will have to try hard and I hope that they will try their level best to improve the generation in their own sphere. We should say that the centre's main responsibility lies in seeing that the neglected eastern region gets the needed attention in the near future and more generating plants are sanctioned for this region.

SHRI C. T. DHANDAPANI (Pollachi): At the outset I should like to make some suggestions regarding the Union Duties of Excise (Electricity) Distribution Bill. Some provision has been made to draw some money out of the Consolidated Fund of India. The simple reason is that the Seventh Finance Commission has made some recommendations. Our hon. Minister knows well that the Finance Commission used to make many recommendations in regard to financial allocations. Unfortunately the Central Government did not accept all the recommendations. They pick and choose according to the convenience of the Central Government. The hon. Minister himself was the chairman of a committee of the performance and working conditions of

[Shri C. T. Dhandapani]

electricity boards. In India, out of 18, except five electricity boards, all the others are incurring heavy losses. The state governments have to make good the losses of the electricity boards. I agree that the central government did, in the beginning, make some investment, in the initial stages, in the matter of erecting thermal stations or hydel power stations. But as far as generation is concerned, only the electricity boards and the state governments are responsible.

In this matter the Seventh Finance Commission was not in unanimity. The previous Finance Minister stated in this Budget speech as under:

"I feel that with our enormous investment in power, there is ample justification for claiming the contribution from those who benefit from these investments. I am, therefore, proposing to levy a duty of 2p per kilowatt hour on electricity generated."

His claim was, they have made some contribution. They wanted some contribution out of the investment benefits. But I want to say the Electricity Board or the State Government have not made any profit. In that condition how can the Central Government expect something from the Electricity Board or the State Government? But at the same time this extra excise duty is being thrown upon the shoulders of the public. So, it is being levied on the public. The local Boards or the Electricity Boards want to collect excise duty unnecessarily from the public.

There was no unanimity in the Finance Commission also. Shri H. N. Ray, the Member of the Finance Commission said:

"Our information is that most of the States have taken steps to pass on the Central excise duty burden to the consumer. Whatever justification there might or might not be for setting off the electricity duty (which accrues to the State

Government), there appears to be no justification for setting off the Central excise duty accruing by law to the Central Government from the returns which the State Government is assumed to derive during the forecast period from its investments in electricity undertakings."

The State Governments which are in a bad condition in regard to the generation of electricity, they will be deprived, whereas the States which are in a better position in regard to generation of power and electricity, they will be benefited out of this. Secondly, the State Government should be allowed to collect this. I do not know why the Central Government should come in the way. According to the item 53 incorporated in the Constitution State List—the State Electricity Board or the State Government themselves can very well collect the money from the public or they themselves can put the tax if they like. But the Central Government accrues the infrastructure, collects money and distributes to the States. It is unnecessary and unwarranted job of the Central Government, I should say.

Before I conclude I want to say something. According to the statements given here and according to the recommendations of the Seventh Finance Commission it has been stated that the allotment is going to be distributed among the States. I cannot understand so far as some States are concerned. I hope our hon. Minister will throw some light on this. In some States, for example Andhra Pradesh starts from 7.82 per cent in 1979-80 but ends with 8.58 per cent in 1983. In the same way Maharashtra starts from 13.26 per cent and ends with 14.48 per cent. In some cases, for example, Tamil Nadu starts with 7.25 per cent and ends with 6.38 per cent. I fail to understand what is the criteria for all these things. I hope our Minister will enlighten us about this case. Though it is not within the purview of this Bill, I request that this

amount which is going to be earmarked to the States should be compensated with the loans and dues to be given to the agriculturists, so that at least one section of the people, i.e. agriculturists who are the backbone of this country, will be benefited.

SHRI SATYASADHAN CHAKRABORTY (Calcutta South): Sir, I have so many things to say, but since time is limited, I shall try to be precise. My job has been made easy by Mrs. Gita Mukherjee. I would like to invite the attention of the Government to the fact that the whole eastern zone is now power hungry. Power production has been reduced. Not only the eastern region, but the whole of India is short of power. This is due to the lack of perspective planning. Even during the 30 years of Congress rule and 2½ years of Janata rule, our planners and the Government did not create the basis for power generation. Particularly in West Bengal, due to the failure of the previous Congress Governments, we are now suffering. I would appeal to the Government to see that proper steps are taken and funds are made available to the State Governments. Though this is the duty of the State Governments, the Central Government has actually encroached upon the powers of the State Governments and most State Governments are now denuded of financial resources because most of the sources of revenue are now exploited by the Central Government. The State Governments have to depend upon the sweet-will of the Central Government for resources for generation of electricity and for the development of the infrastructure in the State. I demand that there should be a change in the system of divisible pool and the Centre should make more funds available to the States, so that the States can implement their own programmes. I know from the experience of my own State that even if the State Government has the will and plan, because of paucity of resources and the reluctant attitude of the Central Government, they are not in a position to implement their programmes. So,

while discussing this Bill, I would invite your attention to this fact and request that the share of the State Governments should increase, because the State Governments have the main responsibility of running the States and for making the plan successful.

श्री मूल चन्द ठाणा (पाली) : उपाध्यक्ष महोदय, राजस्थान में आज पावर की हालत है ? राजस्थान में 100 परसेंट पावर कट है। हमारे राजस्थान की हालत यह हो रही है कि पावर कट के कारण 360 इंडस्ट्रीज आज बन्द हैं और उनके अन्दर लगे हुए 4 लाख मजदूरों का ले आफ है, और न प्रोडक्शन हो रहा है। राजस्थान में कोटा में थर्मल पावर स्टेशन है, प्लानिंग डिपार्टमेंट के सामने हम लोग कई बार गए और कहा कि हमको स्पया मिलना चाहिए। हमारा कोई पावर स्टेशन कम्बल ऐरिया का ऐसा नहीं है जो पूरी क्षमता पर चल रहा हो। कोटा में जो हमारा एटमिक पावर स्टेशन बना हुआ है जिसकी क्षमता 200 मेगावाट बिजली पैदा करने की है वह मुश्किल से 20 प्रतिशत बिजली आज तक दे सका है। और मान में 69 डेज केवल काम करता है। उसका एरेज 200 मेगावाट है कोटा थर्मल पावर स्टेशन का। हम अपने यहां प्लाना में एक थर्मल पावर स्टेशन जगाना चाहते हैं, जहां की कोयला है। [हमने योजना विभाग से उसके लिए मांग की है और आज मैं देख रहा हूं कि राजस्थान के लिए जो धन-गशि एलाट की जा रही है वह केवल 3.97, 3.62, 3.55 और 3.46 है। मैं जाना चाहता हूं कि क्या रीजन्म है इसके पीछे ?

-सैन्य फाइनेंस कमिशन ने सिफारिश की है कि राजस्थान बिजली के मामले में पिछड़ा हुआ है, वहां पर कोई बिजली स्टेशन नहीं है। हम थर्मल पावर स्टेशन लगाना चाहते हैं। उसके लिए हम तरह से कम स्पया रखा गया है, क्या आप रीजन्म इम्बैलेन्स करना चाहते हैं ? क्या राजस्थान पिछड़ा हुआ ही रहेगा ? एक तरफ तो कहते हैं कि पावर का फेयर डिस्ट्रीब्यूशन होता चाहिए और सैन्य फाइनेंस कमिशन ने इनका क्या क्वार्टी पं रखा है। आप आज हमारे सामने यह बिल लाकर हमें प्युव कराना चाहते हैं, मैं चाहता हूं कि इस पर मंत्री महोदय ध्यान दें।

SHRI R. VENKATARAMAN: Mr. Deputy-Speaker, Sir, there seems to be a misunderstanding about the Bill. This does not represent the total allocation for power in various States. This Bill deals with the limited

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purpose of distributing the money collected by way of levy of excise duty of two paise on kilowatt hour among the States according to certain proportion. Therefore, if some Members have said that the allocation for their State is not enough in this Bill, I say this is not the Bill that settles the total allocation in power in respect of each State. The total allocation in power is made by the Planning Commission and the Planning Commission will take care of the needs of various States.

I will now proceed to deal with the points raised by other hon. Members. Mr. Shamanna said that the Centre should not distribute the whole amount but retain a portion of it to be distributed at its discretion. I am afraid, the Centre cannot do it. Even at the time when this duty was introduced I was on the other side and I said, this is a duty which really belongs to the States and, therefore, it must go entirely to the States. This was taken up in the National Development Council with the various States and at different forums and, therefore, the Government of India accepted this principle that the whole amount would be distributed to them. Therefore, it cannot be kept back to be distributed at discretion.

Shrimati Mukherjee raised the point of imbalance in the power generation in the eastern region. This again is a matter which they have to take up with the Planning Commission and see that adequate provision is made for the region.

SHRI NIREN GHOSH (Dum Dum) The Planning Commission has made a mess of India.

SHRI R. VENKATARAMAN: I have ceased to reply to you.

The next point which was raised by Mr. Dhandapani is that the Central Government does not always accept the recommendations of the Finance Commission. Here I want to inform him that the recommendations of the Finance Commission are accepted as

an award and we do not generally make any deviation from it. This is an award.

But the more important point that he made is, how is it that some States have certain figures in the beginning of 1979-80 and they go up in 1983-84, while some other States have some other figures in 1979-80 and they go down in 1983-84. The distribution of the amount is according to the power availability in each State in each year according to the power survey which has been made. Unfortunately, in Tamil Nadu, the State from which the hon. Member comes, power generation during this period is not going up as compared to other States. Therefore, its proportion will come down. This amount is distributed on the basis of power generated in each State during this period. In Andhra Pradesh it will go up from 7.82 to 8.58 because the power generation in Andhra Pradesh in 1983-84 will be more than in 1979-80. This amount is distributed on the power availability in each State, in accordance with the proportion which has been worked out. There is a load survey and power generation survey made by the Planning Commission and the Energy Ministry, on the basis of which this distribution has been arrived at, which has been accepted by all the States.

I think I have covered all the points.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to provide for the payment out of the Consolidated Fund of India of sums equivalent to the net proceeds of Union duties of excise on electricity to the States to which the law imposing the duty extends and for the distribution of those sums among those States in accordance with the recommendations of the Finance Commission, in its report dated the 28th day of October, 1978, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: We will now take up clause by clause consideration. The question is:

"That clauses 2 to 5 stand part of the Bill".

The motion was adopted.

Clauses 2 to 5 were added to the Bill, Clause 1, the Enacting Formula and the Title were added to the Bill.

PROF. MADHU DANDAVATE (Rajapur): Sir, we cannot say "Aye" because it will be mistaken for Congress (I)!

THE MINISTER OF COMMUNICATIONS (SHRI C. M. STEPHEN): You cannot get over this allergy?

MR. DEPUTY-SPEAKER: You may not accept it, but the people of India have accepted it.

SHRI R. VENKATARAMAN: I beg to move:

"That the Bill be passed".

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill be passed".

SHRI DIGVIJAY SINGH (Suren-dranganagar): Sir, while fully supporting the Bill, I have only one suggestion to make, which could be considered by the Government. We are, after all, reimbursing Rs. 1.150 and odd crores. There was a specific understanding when this cess was levied that it would be for a certain specific period and, therefore, we are re-imbursing it to the State Governments.

We all know that perhaps one of the greatest drawbacks in rural development is the paucity and the very slow progress in our rural electrification schemes. Therefore, my suggestion is, whilst the Government of India reimburses this amount to the various State Governments, a certain condition should be stipulated that a certain amount of this reimbursed money should go in for rural electrification schemes whereby our villages, which are to a very large extent

devoid of electricity connection, could be more rapidly electrified.

SHRI P. K. THUNGON (Arunachal West): Sir, in support of this Bill I would like to say that the system of our country is unitary as well as federal. I have heard from the friends on the Opposition benches, particularly from the CPI(M) side, indirectly still harping on the point of Centre-State fiscal relationship. Their demand has been that the States which have generated more units of power should be given their due share, which means more share and increased share. Sir, as I have stated, in this great country we shall have to realise like in a family some brothers earn more, some brothers earn less, some brothers spend more and some brothers spend less, yet we are in one family. I would like to stress this point that in the States like Assam, Arunachal Pradesh and other backward States and special category States, it is very difficult to get the funds for investment though there are plenty of resources. To exploit the resources we need adequate funds. At the same time, unless we give proper powers to the Centre, proper facilities to the Centre to have more funds, wherefrom these investments in the interest of the nation can be had? Therefore, I support the Bill in full because of the fact that in our backward areas like Arunachal Pradesh, Assam, Meghalaya and other hill States there is a lot of potential for hydro electricity. We are yet to exploit it in a meaningful way and these are the great valuable assets of our nation which are yet to be exploited

With these few words, Sir, since there is no time, I would like to conclude and I full support the Bill. I thank you for giving me this opportunity.

SHRI R. VENKATARAMAN: Mr. Deputy-Speaker, Sir, I am grateful to the House for the unanimous support they have given to this Bill. I would like to take this opportunity to impress on Members from various

[Shri R. Vankataraman]

States that whatever influence they have with their respective State Governments, they should try to see that the emphasis is laid on the power generation. Our greatest weakness today in our economy is the deterioration in the power generation and that has caused innumerable problems. In fact, our industrial production suffers because of the deterioration in the generation. To some extent, of course, our problem is accentuated by the monsoon in the sense that hydro power has failed, but at the same time every State should endeavour to see that it achieves a balance between hydro and thermal so that if one fails, the other can be worked to the maximum extent possible in order to keep up a level of production. This is the appeal I would like to make and I thank the House for the support given.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

16 29 hrs.

STATEMENT RE. BONUS TO P. & T. EMPLOYEES

THE MINISTER OF COMMUNICATIONS (SHRI C. M. STEPHEN): The Government have decided to pay Bonus linked to productivity to the employees working in the P. & T. Department. An *ad-hoc* payment of 15 days wages will be made in the year 1979-80, as a measure of goodwill towards the staff for agreeing to the principle of bonus being linked with productivity. A formula for determining productivity of the employees in the Postal, Telegraphs and Telephone Branches has been evolved and will be applied for payments of bonus from 1980-81 onwards.

The regular departmental employees of the P. & T. Department including P&T Board and those of the Overseas Communication Service and Wireless Monitoring Organisation under the Ministry of Communica-

tions will be covered by the Scheme. Departmental employees drawing a maximum of Rs. 1600 as monthly wages (which includes Pay, Special Pay, Dearness Allowance and Addl. Dearness Allowance) will be eligible for the bonus. For employees drawing monthly wage of more than Rs. 750 but not exceeding Rs. 1600, bonus will be calculated at the wage level of Rs. 750.

The Casual Labour who have worked for at least 240 days for each year for three years or more will also be given an ex-gratia payment on the analogy of bonus payable to departmental employees. In their case, the payment will be computed on a uniform monthly wage of Rs. 150. They will also be paid 15 days wages in 1979-80 as a measure of goodwill.

The Government have also decided to sanction ex-gratia payment to the Extra Departmental employees linked to productivity. The quantum will be calculated on a flat monthly wage of Rs. 75. During 1979-80, they will also be sanctioned the ad-hoc payment of 15 days wages as a goodwill gesture.

The total expenditure on this account during 1979-80 is about Rs. 13 60 crores and will benefit about 7.5 lakh employees.

It is the Government's earnest hope that the grant of productivity linked bonus will provide substantial motivation towards achieving higher productivity by way of increased out-put by the employees and improved quality of service. The staff representatives have also reciprocated the Government's gesture and welcomed the decision.

SHRI NIREN GHOSH (Dum Dum): I want to make a submission.

MR. DEPUTY-SPEAKER: No discussion on this.

SHRI NIREN GHOSH: I am glad that the employees have got some benefit, but I want to know how the