

gold, ornaments and articles of gold and for matters connected therewith or incidental thereto, upto the 13th August, 1968."

*The motion was adopted.*

DEMANDS FOR SUPPLEMENTARY GRANTS (UTTAR PRADESH), 1968-69

THE DEPUTY PRIME MINISTER AND THE MINISTER OF FINANCE (SHRI MORARJI DESAI): Sir, I beg to present a statement showing Supplementary Demands for Grants in respect of the State of Uttar Pradesh for 1968-69.

12.58 Hrs.

BIHAR BUDGET, 1968-69

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI DESAI): Sir, the House has had the opportunity of considering and approving the Proclamation issued by the President on the 29th June, 1968 under Article 356 of the Constitution in respect of the State of Bihar. By virtue of that Proclamation, the powers of the Legislature of the State are now exercisable by or under the authority of Parliament. The Vote on Account which had been granted by the State Legislature before its dissolution, expired on the 30th June, 1968 and it became necessary for the President to issue an Order under Article 357 of the Constitution authorising expenditure until the 31st August, 1968 pending sanction by Parliament. The Budget of the State Government for the current year is, therefore, now being laid before both Houses of Parliament in order to seek Parliamentary authority for incurring expenditure out of the Consolidated Fund of Bihar till the end of the year.

Sir, the finances of Bihar have been causing concern for some time. The State Government ended 1967-68 with a substantial overdraft on the Reserve Bank even after having been provided with an *ad hoc* loan of Rs. 30 crores towards the end of the year for clearing the overdraft. The Budget which the former State Government presented to the State Legislature also had an uncovered deficit of Rs. 26.33 crores. This was not a situation which the Government of India could acquiesce in and opportunity has, therefore, been taken

to recast the Budget in order to reduce the budgetary gap before presenting it to Parliament. I shall presently indicate the changes that have been made.

The Budget now presented places the Revenue receipts at Rs. 163.4 crores as against Rs. 152.85 crores estimated in the Budget presented to the State Legislature. The increase of Rs. 10.55 crores is accounted for by Rs. 6.66 crores under Land Revenue, Rs. 2.5 crores under Mining Receipts and Rs. 1.36 crores under share in Central taxes and duties. While the increase under Central taxes and duties is due to the fact that the share in additional resources mobilisation at the Centre this year was not reflected in the State Budget, the increase under Mining Receipts is due to upward revision of rates of royalties. The increase under Land Revenue from Rs. 5.34 crores in the original Budget to Rs. 12 crores in the present Budget reflects Government's determination to recover not only current dues but also the arrears of over Rs. 13 crores which have accumulated over the last two years. In fact with proper organisational effort, I do not see why the estimate of Rs. 12 crores now adopted should not be improved upon substantially.

The original Budget provided for a total expenditure of Rs. 155.34 crores on Revenue Account. This has now gone up to Rs. 160.35 crores, mainly because provision has had to be made for expenditure arising out of certain decisions of the previous Government which had not been provided for. These include Rs. 3.2 crores for improvement in salaries of teachers. Simultaneously, the provision of Rs. 180.34 crores in the original budget for Capital expenditure, including the provision for loans and advances, has, in view of the constraint of resources, been curtailed by Rs. 4.77 crores, mostly under plan items. The budgeted Plan outlay now amounts to Rs. 70.76 crores, including Rs. 6.7 crores on account of additional outlays on Gandak and Sone projects and closely approximates to the outlay of Rs. 71.7 crores approved by the Planning Commission.

As regards Capital receipts, a market borrowing of Rs. 3.5 crores has been assumed and credit has also been taken for additional earmarked Central assistance for Gandak and Sone projects of Rs. 6.7 crores, including Rs. 1 crore for