

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

[Shri Morarji Desai]

payment to Uttar Pradesh for common works of Gandak project. An additional recovery of Rs. 2.16 crores over and above the amount assumed in the original budget out of the loans advanced by the State Government has also been provided. I might mention in this connection that the outstandings of the loans advanced by the State Government now are of the order of Rs. 55 crores, of which short-term loans to agriculturists due for recovery this year amount to Rs. 47 crores. However, for the present a recovery of Rs. 22.66 crores in all only has been assumed but with proper organisational effort it should be possible to recover more. The Budget now shows an overall deficit of Rs. 1.5 crores but it is hoped that it will be possible to cover this during the course of the year by recoveries of outstanding dues.

The Budget includes a total Plan provision of Rs. 65.76 crores as against an outlay of Rs. 62.75 crores in 1967-68. In addition, the State Electricity Board will find Rs. 5 crores from its own resources for covering its Plan expenditure. While drawing up the Plan, every effort has been made to meet the requirements of the priority sectors of Agriculture, Irrigation and Power. The provision for Agricultural production is Rs. 3.23 crores and for Minor Irrigation Rs. 10.47 crores. Irrigation, including Multipurpose River Valley Schemes, accounts for Rs. 18.26 crores, flood-control Rs. 1.5 crores and Power, Rs. 10.75 crores. The total Plan Outlay of Rs. 70.76 crores will be financed to the extent of Rs. 53.5 crores by Central assistance.

It will not be out of place to add that in the field of Agricultural production, significant results were achieved in the State in 1967-68 due to the special measures taken during the year. It is also expected that given good weather conditions, better progress may be expected in 1968-69. The main strategy for agricultural production this year is to extend the area under irrigation and to maximise the production of foodgrains in the irrigated areas through High Yielding Varieties and multiple cropping in order to achieve a production potential of 89.51 lakh tonnes by the end of 1968-69. Increased emphasis is also being given to lift irrigation, particularly by exploiting ground water resources and it is

expected that an additional irrigation potential of 4.5 lakh acres will be created this year. An area of 11.38 lakh acres was covered during 1967-68 under the High Yielding Varieties programmes and the target for 1968-69 is 15.31 lakh acres. The consumption of chemical fertilisers has also shown a marked increase and is expected to be 5 lakh tonnes in 1968-69. Over 15,000 agricultural pumps were energised during the last year and this incidentally exceeds the total number of pumps energised during the previous 15 years; and another 15,000 pumps will be energised during the current year. High priority has also been given to the completion of the major irrigation schemes under execution and with the additional Central assistance for the Gandak project already agreed to, the execution of the project would be expedited.

Sir, the House is aware of the ordeal that Bihar has passed through because of the severe drought conditions in the State in successive years. Relief measures had to be undertaken on an unprecedented scale and the assistance provided by the Government of India for this purpose amounted to as much as Rs. 18.5 crores in 1966-67 and Rs. 41.74 crores in 1967-68. A good monsoon last year has made a considerable difference to the economy of the State and the well-being of the people. Nevertheless, much remains to be done, if the economy is to be placed on a sound footing so that the sufferings of the last two years are not repeated. I have no doubt that given stable conditions in the State, the people of Bihar will prove themselves equal to the task of improving their economic condition through self-help and determination.

*The Lok Sabha adjourned for lunch till fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch at five minutes past Fourteen of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]  
STATUTORY RESOLUTION RE :  
INDIAN PATENTS AND DESIGNS  
(AMENDMENT) ORDINANCE;  
INDIAN PATENTS AND DESIGNS  
(AMENDMENT) BILL; AND PATENTS  
BILL

MR. DEPUTY-SPEAKER : Mr. Dandekar.