

[Shri Bhupesh Gupta] of these people are also Government employees and so on, employed for Government construction work. May I know, Sir, in view of these things why the Government is not moving in this matter sympathetically to see that these people are not treated in a manner in which they have been treated over the last few weeks, so to say? When a private agency could make arrangements for their alternative accommodation, why should the Government not do the same thing?

SHRI B. N. DATAR: Sir, there is a limit to the Government tolerating such unauthorised encroachments. That was the reason why a special committee was appointed under the chairmanship of the Chief Commissioner for Delhi and he made certain suggestions. Now, my hon. friend will kindly read the statement and many of his legitimate doubts will be removed.

ALLOTMENT OF TIME FOR CONSIDERATION OF (i) THE FINANCE BILL, 1962, AND (ii) THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1962.

MR. CHAIRMAN: I have to inform Members that under rule 162(2) of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I have allotted for the completion of all stages involved in the consideration and return by the Rajya Sabha of:

(i) the Finance Bill, 1962—One hour and 30 mts.

(ii) the Appropriation (Vote on Account) Bill, 1962—30 mts. including the consideration and passing of amendments, if any, to these Bills.

THE BUDGET (GENERAL), 1962-63—continued

SHRI BHUPESH GUPTA* (West Bengal): Sir, before you call Shri Morarji Desai, in the course of his

speech, I would like him to throw some light on one single matter which concerns his Ministry. We have information that on the 18th March the Calcutta residences of Shri Shanti Prasad Jain and his offices were searched, papers were seized and taken away and they have been brought to Delhi. Why, Sir, is the matter not being published in the papers? We understand that they are in possession of the Central Government. May I know, Sir, why the Central Government is keeping back this information from the public?

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI) : Sir, as regards the last thing . . .

MR. CHAIRMAN: Last thing you want to take up first.

SHRI MORARJI R. DESAI: Last thing I want to take up first. As regards the information asked for by the hon. Member, I might say that I do not know anything about it whatsoever. Therefore, it is not possible for me to put him wise about it.

SHRI BHUPESH GUPTA: Does he know that his house has been searched?

SHRI MORARJI R. DESAI: I do not know.

MR. CHAIRMAN: He does not know.

SHRI BHUPESH GUPTA: I know, Sir, that pressure is being brought to bear, but why should Government allow it to happen?

MR. CHAIRMAN: He does not know, he says.

SHRI MORARJI R. DESAI: The searches are not made with my permission or with my knowledge. They are done by the officers concerned according to their own powers.

MR. CHAIRMAN: Searches, if any.

SHRI MORARJI R. DESAI: Yes, Sir. I do not know whether any search has been made. Therefore, I cannot say anything about it.

SHRI BHUPESH GUPTA: Eleven A.M., 18th March, Calcutta residence.

SHRI MORARJI R. DESAI: I have also to start with the hon. Member opposite because he opened the debate. As usual, Sir, he has brought in several other matters which have no relation to the Budget. But in this case he has a right to do so because that is the practice. On the Budget one can speak anything that one likes.

Sir, he brought in the name of the Prime Minister and said that the Prime Minister collected Rs. 2 lakhs at Kanpur from industrialists in connection with elections, referring to the power of money in elections. The hon. Member does not know that the money that was collected as a Rupee fund by the Congress was presented to him at that time. And in this case some industrialists also have contributed to this fund

SHRI BHUPESH GUPTA: One Rupee each.

SHRI MORARJI R. DESAI: . . . no, more but he did not go for collecting this fund. It is for other purposes that he went there and this sum was presented to him. In that connection, I can also say that there was one donation from an industrialist which the Prime Minister returned with thanks because he did not think he should accept it. But my hon. friend always starts with wrong inferences wherever others are concerned, and wrong inferences about himself, but in his favour, where he is concerned.

Then, again, Sir, he also questions the right of the Prime Minister to invite to dinner whomsoever he wants to and he asked for an explanation as to why he invited Dr. Teja.

SHRI BHUPESH GUPTA: I did not ask for explanation,

SHRI MORARJI R. DESAI: That is what you meant, that is what you presumed and presumption has no limit That is all I can say in this matter.

Then, Sir, he mentioned that there was no corruption in the lower ranks of services in this country. I am very happy to hear it from him.

SHRI BHUPESH GUPTA: Quote exactly what I said.

SHRI MORARJI R. DESAI: But that is his view probably on this occasion only in order to refute what I had said in the other House. His Party and his friends have gone on saying all the while that there is corruption throughout the administration- If there is corruption throughout the administration, lower ranks are certainly not out of the administration.

SHRI BHUPESH GUPTA: Will you allow me to say a few words on a personal explanation?

SHRI MORARJI R. DESAI: There cannot be a personal explanation.

SHRI BHUPESH GUPTA: I did not say that.

THE DEPUTY MINISTER OF LABOUR (SHRI ABID ALI): The hon. Member should now keep quite.

SOME HON. MEMBERS: Afterwards.

SHRI ABID ALI: Let the Hon. Member now listen quietly.

SHRI MORARJI R. DESAI: I heard it myself and, therefore, there is no question of any second-hand information about it. I had said in the other House that in the higher ranks there was little corruption and there was the highest integrity possible. Refuting that, the hon. Member said that in the higher ranks there is corruption and in the lower ranks there is none.

SHRI BHUPESH GUPTA: I did not say so.

SHRI MORARJI R. DESAI: If he did not say so, he need not get angry about it. Then I would be wrong. This is how he goes on making his statements. In this connection he said that there are several higher officers, who after retirement . . .

SHRI BHUPESH GUPTA; Sir . . .

(Interruptions.)

SHRI ABID ALI: We need not take any notice of him.

MR. CHAIRMAN: He is wise. He says, 'Do not take any notice of him.'

SHRI MORARJI R. DESAI: It is all better ignored. He referred to the cases of some high officers who were employed in private industrial concerns after retirement and he said that they should be debarred from such employment. I do not see how people can be debarred from employment in a private concern after retirement. I do not see why they should be so debarred. There is a rule for Class I officers and for all-India officers or Officers belonging to the all-India services that within two years of their retirement, they cannot accept any engagement with any private employer without the sanction of the Government and the Government goes carefully into every case and then gives permission if it is satisfied that the officer had nothing to do with that firm during the last years of his employment. The Government, therefore, is very careful to see that no advantage is taken of the service that the officer has rendered to the public in this matter, but there is no bar against other Government officials from taking employment with private employers after retirement. I do not know whether the hon. Member knows that there is a steep fall in their incomes as soon as they retire because the pensions are not very large and these people, many a time, have large families to support or large liabilities also to discharge. Therefore, it would be cruel not to allow them to be employed in an honest manner in private employment. **But**

my hon. friend goes on making allegations against people even if there is no foundation and this is one of the examples.

Then he made a suggestion that instead of additional taxation being levied for the implementation of the Third Plan to the extent of Rs. 1,710 crores, the Government should rely on profits from the public sector concerns or factories. It is a suggestion which, he himself knows, is not capable of being implemented at present. If the Government sector factories increased to an extent where those profits are large enough to cover this, certainly that can be done but he cannot forget the system of taxation in countries which are governed according to his own philosophy. There it is a different question altogether because everything belongs to the Government and, therefore, they can go on fixing prices as they like and adding them to the price whatever they want and taking taxation in that manner. But while he approves of that, here he says there should be no indirect taxation; but there it is all indirect taxation which he does not mind.

DR. R. B. GOUR (Andhra Pradesh): Do prices rise there?

SHRI MORARJI R. DESAI: They rise abnormally but nobody is able to complain. That is the position.

DR. R. B. GOUR: Could you give any facts?

SHRI MORARJI R. DESAI: There are facts which are open to everybody. Therefore, I should be very happy if I can get all the revenues from all the public sector undertakings, but it is a wrong thing to assume that that is a possible proposition. As it is, we have taken account for a receipt of Rs. 450 crores from our public sector undertakings during the Third Plan. In addition to that, we have got to have resources from taxation of Rs. 1,710 crores between the Centre and the States. But if this is to be done from public undertakings, it will be neces-

sary to raise the prices of the commodities which are manufactured in these concerns, and I hope that my hon. friend then will support all those measures which the Government will have to take in the matter of price* and that he will not make an adverse criticism about that.

Referring to imports he again said that the imports had gone up in this country for private industrialists. There again his facts seem to be entirely wrong. He would be correct if he compared only last year with the previous year, but he does not compare them with what happened five years ago. Earlier, in 1956-57 the imports on private account were for Rs. 812 crores whereas in 1961-62 they were Rs. 303 crores and in 1960-61 they were only for Rs 288 crores. Therefore, he will see that they are being brought down but he made a novel suggestion.

SHRI BHUPESH GUPTA: They were liberal years.

SHRI MORARJI R. DESAI: Then they were required for our purposes. Then he suggested that all these imports should be done by Government as if that was going to lessen the imports in any way. How could that *lessen* the imports? As a matter of fact that might mean, on the question of prices, more difficulty. When the prices are negotiated by those who required these imports there is a chance that they get at the best prices possible and there would be competition in fixing the prices, but wherever it is necessary to see that prices are properly given, the Government does not hesitate to utilise the S.T.C. for making imports which are essential for the purpose of this country's economy. The import policy has continued from 1957-58 to be very stringent and of the total value of import licences, consumer goods licence account for only a very small fraction, less than 3 per cent, of the total value of the licences. Therefore, the hon. Member will see that there is not much in the criticism that he made or there is not any fact

in the criticism that he made. I was also surprised at the use he made of Dr. Hazari's analysis about companies. He said that seven families in this country are responsible for Rs. 700 crores of investment. At least that is what I understood. That is the impression he gave me. It is true that there are Rs. 700 crores of investment in many factories with which seven families may have to do in one way or the other but their share of investment in all that would be a very small fraction of the Rs. 700 crores. This sum of Rs. 700 crores do not belong to the 7 families. Take the name of Tatas. The Tatas own hardly 5 per cent, or 7 per cent.—not even 10 per cent—of the total investment in all this and even that investment belongs to some of the charitable trusts which they have. Therefore, to say that these families have got this wealth of Rs 700 crores is an inference which can be drawn only by my hon. friend Shri Rhupesh Gupta.

The hon. Member Shri Patnaik, suggested a change in the financial year, saying that this might solve many of our difficulties, especially in the implementation of our Plans. I do not see how this is going to be achieved by a change in the financial year. As a matter of fact, this proposition has been considered from time to time by Government and every time, after taking into account all the factors which should govern such a decision, the Government have come to the conclusion that changing the financial year will not give us any advantage. There are all sorts of seasons and physical factors in this country. Different States are governed by different climates and different physical factors. Therefore, no single financial year is going to satisfy the needs of every State. Then again, disturbing the financial year and changing it to another would mean disturbing all the statistics and accounts that are to be maintained by Government, and it will be difficult to stabilise these for quite a few years to come. The price to be paid for changing the financial year will not give us a corresponding advantage and it will

[Shri Morarji R. Desai.] not benefit us in any way. Therefore, it is not possible for Government to accept the suggestion of the hon. Member as regards changing the financial year. Moreover, there is no difficulty in implementing the Plan because of the present financial year, because the sanctions go on throughout the year and the implementation also goes on throughout the year. I do not see what connection the implementation of the Plan has with the financial year. In my view there is absolutely none.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Perhaps a better forecast of agricultural production could be made.

SHRI MORARJI R. DESAI: I do not know it, because forecast of agricultural production goes wrong many times because of events in the last few days of the season. How are these forecasts going to be correct? Whatever period is kept, it is not possible. As a matter of fact, agricultural production in this country depends on all sorts of factors throughout the season and many times, rains in the last few days, say, rain in November or December, would destroy the whole crop. There would be a bumper crop in store at the beginning, but at the end, the crop fails. Therefore, it is not possible to keep any financial year which will give us an absolutely fool-proof estimate of any agricultural produce.

Shri Patnaik also referred to the Defence expenditure and said that whereas, before freedom it was nearly one-fourth of the total income of the country, it has now gone up very high, thereby meaning that we should bring it down. At the same time, he said that Defence should be given high priority. I don't see exactly what he meant to convey. Of course, we had gone on reducing the Defence expenditure in the earlier years and it had gone down to about Rs. 171 crores or Rs. 172 crores. But conditions changed and we have got to see that our defences are strong and such as will meet the needs of the situation. The difficulties that we find on our border

areas are such that we have got to go on keeping our defences in proper condition. Moreover, the instruments of defence also get revised and changed from time to time and they have also to be replaced and that also necessitates extra expenditure on Defence.

In this connection it was suggested by the hon. Member, Mr. Mani, that there should be an estimate for the next five years for Defence expenditure and that they—Members of Parliament—should be informed about it. My hon. friend, Mr. Mani, knows very well, or he ought to know, that we do not create a situation for defence in this country. That situation is created for us by others, and we have got to meet it according to the situation that is created from time to time. We cannot, therefore . . .

SHRI A. D. MANI (Madhya Pradesh): May I ask the hon. Finance Minister whether it is not a fact that China has become a continuous problem for us and that we may have to be prepared to fight China. If the hon. Finance Minister is of a different opinion, then certainly there would be no need for such an estimate.

SHRI MORARJI R. DESAI: I do not go on the basis of certainty on which my hon. friend goes. It is possible that we may have to fight China, that is to say, we may have to defend ourselves against China. But we do not fight China by launching a war by ourselves. That is not the problem. The problem is of defending ourselves against China, if they do not redress the wrong that they have done. For that we have to be prepared and we are preparing from time to time.

SHRI A. D. MANI: That is why I want an estimate for the next five years.

SHRI MORARJI R. DESAI: It is not wisdom to let anybody know about these matters, and that also the hon. Member knows, because it is not only letting him know but also all the others know what we are doing. And

it is not wisdom, I think, in military tactics to let everybody know about these matters. That also the hon. Member certainly knows, being a very learned person and a serious student of many subjects.

DR. R. B. GOUR: He is a journalist and he believes in scoops.

SHRI MORARJI R. DESAI: I suppose the hon. Member, Dr. Gour, believes in scoops more than others.

It was argued by Shri K. K. Shah that there was a steep increase in the wages and salaries. By referring to the rise in the expenditure on account of wages and salaries he said that there is a steep increase in the wages and salaries which according to the economic classification had increased from Rs. 245.6 crores in the year 1960-61 to Rs. 271.6 crores in the current year and that they are expected to go up further to Rs. 293.5 crores in the coming year. As these figures stand, it certainly appears that there is a steep increase. But if we look at the reasons for this increase, it will be seen that it is all justified and there is nothing extraordinary about it. There is always a marginal increase in wages and salaries every year because of accrual of annual increments and promotions. Also as a result of the rising developmental expenditure more staff is required to be engaged for planning purposes when new projects are implemented. This steep rise in these two years is mainly due to the increased requirements of the defence services. It is also partly due to the upgrading of certain cities for payment of house-rent and other allowances following the acceptance of the Pay Commission's recommendations. In so far as the expansion of the Armed Forces is concerned, I am sure the House would welcome the increase as an effort on the part of the Government to meet effectively the new situation on our borders. Both the Houses have welcomed it. As a matter of fact, hon. Members have pressed us to have even more expenditure. Therefore, there is no question of this expenditure being unjustified.

But even in this matter, we are trying to be as careful as possible. If the effect of these two special features is excluded, it will be seen that the rise is not abnormal. It is normal and should be expected from year to year in any developing economy.

All the same, Government is very careful in the matter of observing economies. That does not, however, mean that Government is able to make foolproof arrangement that all economy that is possible is always carried out or effected. It is possible that there may be some wastage somewhere. But wastage in human affairs or in nature is provided for and we have got to keep to a minimum, if we are to keep healthy, and that is what Government is trying to do. We have, therefore, provided since 1960, that no extra establishment can be engaged by any Ministry outside the Plan, without the specific approval of the Finance Minister and the Home Minister personally. That is to say, both these Ministers have got to go into every case and approve of the expenditure that is allowed to be made. This has kept down the engagement of extra establishment to the minimum. We have also laid down that temporary vacancies and leave vacancies below two months should not be filled in and that the work should be carried on by the existing establishment. That also leads to some kind of saving and economy. We have also set up a Special Reorganisation Unit which examines different offices from the point of view of the method of work, employed in all those offices, and they suggest different ways and different methods which are more efficient for working which lead not only to better efficiency but to the employment of a lesser number of staff. This is also a way of economising in the establishments in different Ministries. With my view that this goes on continuously the Special Reorganisation Unit goes on training officers from different Ministries also, so that the work is carried on consistently and throughout in every Ministry. It will thus be seen that

[Shri Morarji R. Desai.] Government is alive to the necessity of effecting economies in Government expenditure and keep down, all extra expenditure on establishments.

I was very much surprised to hear from the hon. Shri Patnaik a remark that there is rush of expenditure in the last month of the year, that ten per cent, of the whole expenditure is made in eleven months and ninety per cent, of the expenditure is made in the last month, that is, in March. I do not see whence he got this figure. I make bold to say that there will not be one instance in which ten per cent, of the expenditure is made in eleven months and ninety per cent, in the last month except in a case where perhaps the whole thing may have to be done in the last month of the year and had not to be done in the first eleven months at all

SHRI DIBAKAR PATNAIK (Orissa): I will be glad if some enquiries could be made into that in respect of all the projects and works, whether the money is drawn and spent only in the last month or is evenly spread out. Nothing is done till January, no money is drawn and much money is spent in the last months.

SHRI MORARJI R. DESAI:- I cannot go on making roving enquiries but if any particular example is given to me, I shall certainly go into it. but I might say this that it is always necessary to spend some more in the last month than in the previous months.

SHRI K. SANTHANAM (Madras): Probably it is a case of finalisation of accounting which is always done in the last month though expenditure may have been incurred earlier.

SHRI MORARJI R. DESAI: That is what I was going to say. that that also might give a different appearance. Take the case of the Provident Fund. Many times, provident fund is credited only in March for the whole year which might add twenty per cent. more of the whole expenditure by March, but that does not mean that

that expenditure is incurred actually in March. There was rush in the last months for extra expenditure to finish off the amount granted to the Ministries concerned but in order that this sort of rush may not take place, Government and the Finance Ministry have told the Ministries concerned that they need not be afraid of the unspent balances which they may have left with them being lost to them and that the item on which they had to spend that sum would be missed. We have said that extra money would be given in the new year to cover those items. Therefore, there will be no attempt to spend away money in the last month. This has had a good effect and more and more it is being seen to that there is no rush for spending in the last month.

DR. R. B. GOUR: The fear is that the amount may lapse.

SHRI MORARJI R. DESAI: Therefore, I have just now said that lapsing should not matter to them because that money will be allotted to them in the next year when it is required

DR. R. B. GOUR: That is a good thing.

SHRI MORARJI R. DESAI: My hon. friend, Shri Akbar Ali, referred to shortfalls in expenditure and attributed the reason in some cases to audit objections which are raised piecemeal, as he said, and not all at once. I am afraid that this is a very wrong diagnosis and does injustice to the work of the Comptroller and Auditor General. The Comptroller and Auditor General has to perform the duty of auditing. It is not a very pleasant duty but it is a most essential duty which he has got to perform and I do not think that his objections have led to any shortfall in expenditure. As a matter of fact, he only points out when expenditure is incurred wrongly but there is no question of his telling anybody that they must not spend money properly to the maximum extent. It would be wrong, therefore, to make any such alle-

gation against the audit department. As a matter of fact, the independence of the Audit Department must be maintained by all of us if they are to do their work efficiently, honestly and properly to safeguard the finances of the country.

SHRI AKE AR ALI KHAN: I did not mean any aspersion, but what I meant was that delay is caused when sanction is sought. If the hon. Finance Minister is sure that that does not cause delay, it is good.

SHRI MORARJI R. DESAI: Delay in sanctions is not due to the Comptroller and Auditor General but may be due to the Ministries themselves. This is no fault of the Comptroller and Auditor General and I am sure my hon. friend does not mean that any expenditure should be incurred without sanction being obtained. If that is done, then there will be a crash in the finances of the country and we will not have any remedy afterwards to retrieve the situation. Therefore, there can be no question of any expenditure being allowed without any proper sanctions. Sometimes there are delays in sanctions, and in order to remove all these kinds of delays we have now changed the rules in this matter and have given the various Ministries more and more independence, more and more freedom and more and more responsibility so that they exercise their responsibility. If there is any delay then it is properly located where the delay occurs.

My hon. friend, Shri Santhanam, referred to the *ad hoc* loan assistance of Rs. 30 crores given to four States to cover their overdraft with the Reserve Bank at the end of the Second Five Year Plan, and he suggested that overdrafts to the State Governments by the Reserve Bank should be prevented and that if any assistance has to be made available for this purpose, it should be adjusted against the Plan assistance due to the States. Sir, we have now revised our method of giving Plan assistance to the States in order to relieve their ways and means position, we give them now in advance in every quarter the

amounts which we have to give them for the first three quarters. That is what we do and in the last quarter we do it after taking an account of what is spent. This has relieved the ways and means situation a great deal. But the ways and means position of several States gets involved adversely because of some shortfalls in their revenues and extra expenditure which they make on account of the Plans that they have made. We are trying to see that that does not happen. In the case of the four States, which he has mentioned, we have given them loans but we have made the condition that in future they will not be allowed anything beyond what they have from the Reserve Bank and we will give instructions to the Reserve Bank to see that they do not pay, but this is a very difficult matter. It is not easy to make hard and fast rules in this matter, but I agree with him entirely that this kind of procedure ought to be prevented and it can be prevented by co-operation between the States and the Centre which we are trying to achieve. I hope, Sir, therefore, that he is satisfied that Government is not anxious—unconscious—of this matter or is indifferent because this is a matter which is very important so far as the finances of the States are concerned and also so far as deficit financing is concerned.

Sir, there was also a reference to deficit financing by some hon. Member. It may have been seen that we are trying to keep deficit financing in our Plans to the minimum, that is, to a level where they will not affect the prices. After all, it cannot be said that there should be no deficit financing in a developing economy or in a country backward economically. Otherwise if we make such a principle and have no deficit financing, it will be difficult for us to go ahead. Sometimes deficit financing is even helpful in maintaining the economy in a proper manner. If consumer goods can be supplied in abundance, then spending money by deficit financing for that purpose cannot be wrong but we have got to balance the

[Shri Morarji R. Desai] two all the while and that is what we are trying to do.

It may have been observed that in the Second Five Year Plan we had kept a target of Rs. 1200 crores for deficit financing and we have been able ultimately at the end of the Plan to restrict it to Rs. 1,000 crores and we did not allow it to go to Rs. 1200 crores even though it appeared that in the first two years we had spent more than two-thirds of that amount and yet by careful handling of the situation during the last few years and on account of the favourable circumstances also we have been able to reduce Rs. 1200 crores to Rs. 1000 crores. It must be seen also that in the Third Five Year Plan we have kept it to the minimum by fixing it at Rs. 550 crores. In this matter we have discussions with the Reserve Bank and with all others concerned and we fix the amount in such a way that that spending does not have an adverse effect on the prices obtaining in the country. Even though this target has been fixed it does not mean that the Government will spend that much amount through deficit financing. It depends upon circumstances as they arise. If it is necessary to economise even in this figure the Government will economise and if at times it helps the Government to increase this amount Government will not hesitate to do that, though I would not take recourse to the last situation favourably because it would be a bad tendency on the part of Government and an easy process of going down. Therefore, the Government is very careful in this matter and there is no cause for anxiety in the matter of deficit financing being employed uselessly or indifferently or extravagantly in the finances of this country.

I am thankful to all the hon. Members who took part in the debate and made useful suggestions. I could not say anything about the criticism referring to the taxation obtaining in this country because the formal budget is to come next month and

taxation proposals would be submitted at that time. Whatever I say now in this connection may lead to all sorts of inferences and it would be a dangerous process. It is, therefore, that I would not say anything about what has been said about the mode or method or pace of taxation or about direct or indirect taxation and their relative merits. I would, therefore, rest content by merely saying that it is not possible for me to say anything as regards the criticism made in the matter of taxation obtaining in this country and I hope the hon. Members will have another opportunity and I hope full opportunity in this matter when the Government also will have its say. Again I thank hon. Members for making very useful suggestions in this debate.

SHRI BHUPESH GUPTA: Only I would like to point out one thing in order to set the records straight. The hon. Minister made a reference to my speech the day before yesterday. I said that:—

"he accused the smaller Government employees of corruption and said that in the higher levels things were all right. I dispute that statement. I am not saying that in the lower levels there is no corruption but by and large the Government employees at the lower levels are honest people. I want to pay a tribute to them because they have displayed great honesty and patriotism in conditions which are not congenial . . ."

I regret the hon. Minister of Finance chose to distort my remarks. He can criticise me on what I have said but certainly he should not try to distort my remarks in this manner.

SHRI MORARJI R. DESAI: If the hon. Member has a little patience, I will show where the distortion lies. He himself has read out, 'but by and large the Government employees at the lower levels are honest people'. What is the meaning of it? What is the meaning of it when he says that, by and large the people at the lower levels are honest and there is no corruption? There is no question of

my distorting anything; it is a monopoly given to him.

(*Interruptions*).

MR. CHAIRMAN: Railway Bill.

THE APPROPRIATION (RAILWAYS) BILL, 1962

THE DEPUTY MINISTER OF RAILWAYS
(SHRI S. V. RAMASWAMY) : Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1961-62 for the purposes of Railways, as passed by the Lok Sabha, be taken into consideration."

Sir, in this connection I would like Just to make a brief statement.

In moving the Supplementary Demands for Grants for 1961-62 for the consideration of the House, I may say, by way of introduction, that the Supplementary Demands as initially framed comprised of 9 demands, of which 6 were for information only as 'Charged' expenditure. Based on the latest information from Railways in regard to the progress of works and pace of expenditure, it has been decided to withdraw fully the 'Voted' portion of the Supplementary Demands under Demand No. 16—"Open Line Works—Additions" retaining the 'Charged' portion thereof.

The Supplementary Demand under 'Demand 16 was to cover likely additional expenditure, in an effort to acquire more materials and thus speed up the execution of plan works. On the basis of the latest information collected from the Railways, it transpires that the earlier expectations will not materialise due to the difficult supply position of important materials. This has resulted in the withdrawal of the Supplementary under the 'Voted' portion of this Demand.

[THE VICE-CHAIRMAN (SHRI M. P. SBHARGAVA) in the Chair.] 20R.iS.D.—7.

In the result, the increased provision asked for under the 'Voted' Demands, is for relatively small amounts under Demand No. 3—"Payments to Worked Lines" and under Demand No. 13—"Open Line Works Revenue—Labour Welfare." The balance of the Supplementary Demands relate only to 'Charged' expenditure, mainly due to the post-budgetary decision to treat payments resulting by awards by arbitrators in addition to those resulting from court decrees as items of 'Charged' expenditure. These have been included, merely for the information of the Parliament.

The question was proposed.

DR. R. B. GOUR (Andhra Pradesh): Mr. Vice-Chairman, Sir, on this particular motion of the hon. Deputy Minister, I have got to make every few-observations. Sir, I would like to draw the attention of the hon. Minister to Demand No. 3. On page 2 of the explanatory note that has been supplied to us, it is mentioned that this particular Demand relates to the extra amount that we are called upon to pay to the private companies operating here. They say:

"The Revised Estimates of the overall Gross Receipts of the Indian Railways in the current year show some increase over the Budget Estimates. Correspondingly, there is an anticipation of more earnings on certain worked lines on the Central and Southern Railways, resulting in an increase of Rs. 3-01 lakhs under the net earnings payable to these worked lines.

In addition, there is an increase of Rs. 2-55 lakhs under 'Subsidy' and 'Rebate'. This is the net effect of the variations in the quantum of subsidy to be paid by the Eastern and South-Eastern Railways to the owners of subsidized Railway Companies (Ahmedpur—Katwa, Burdwan—Katwa, Futwa—Islampur and Bankura—Damodar River Railways) in accordance with the contracts with these companies, consequent mainly on the increase in the working Expenses resulting from post-