

SHRI N. C. SEKHAR (Kerala): Sir we welcome the extension of this Bill to the Kashmir area. In fact, we have been agitating that all the laws now operating in India should be extended to Kashmir since Kashmir is part and parcel of India. We are glad that this Bill has been extended to that State, but we hope that the other laws also would be extended to that State without much delay and the trouble that has been going on there would be checked by taking proper steps. Thank you.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Central Sales Tax Act, 1956, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: Now we shall take up clause-by-clause consideration of the Bill.

Clause 2 was added to the Bill.

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

SHRI B. R. BHAGAT: Sir, I move: "That the Bill be returned".

MR. CHAIRMAN: The question is:

"That the Bill be returned". The motion was adopted.

THE APPROPRIATION BILL, 1958

THE DEPUTY MINISTER OF FINANCE
(SHRI B. R. BHAGAT): 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 1957-58, as passed by the Lok Sabha, be taken into consideration."

Sir, this Bill arises out of the Supplementary Demands of Rs. 86-78 crores voted by the Lok Sabha on the

21st February last, and the expenditure of Rs. 405-41 crores charged on the Consolidated Fund of India as detailed in the Supplementary Demands Statements presented to the House on the 11th February, 1958J

The total additional requirements are of the order of Rs. 492-2 crores, of which Rs. 55-92 crores will be met from Revenue and the balance of Rs. 436 28 crores from Capital. The reasons for the additional requirements have, as usual, been explained in detail in the footnotes below the Supplementary Demands Statements. I would, therefore, contend myself by making a brief reference to them. The additional dearness allowance of Rs. 5 granted to the employees drawing a salary of Rs. 300 or below on the interim recommendations of the Pay Commission accounts for an increase of Rs. 4-45 crores under Revenue. The main items of additional expenditure under Revenue are Rs. 16-56 crores under Defence Services mainly for the purchase of additional stores and equipments, Rs. 12-83 crores for transfer to the Steel Equalisation Fund which is a self-balancing item and is covered by an equivalent credit on the Receipt side, Rs. 11-51 crores for payment to States of their share of additional excise duties on sugar, tobacco and textiles levied in September, 1957 in lieu of States sales tax, Rs. 3 crores for the write-off to Revenue of a portion of the losses on imported foodgrains, Rs. 2-79 crores for purchase of building materials required by the Central Public Works Department, Rs. 2-5 crores for the discount on additional creation of *ad hoc* Treasury Bills, and Rs. 1-16 crores for transfer from Revenue to the Fund for the development of khadi and handloom industries.

Of the increase of Rs. 436 28 crores on the Capital side, Rs. 322 02 crores if for the discharge of *ad hoc* Treasury Bills. These bills have a currency of 91 days and unless cancelled or encashed, have to be renewed for which a gross provision is required to be made under the head

'Repayment of Debt'. But this debit is covered by a corresponding credit on the Receipt side. The creation of *ad hoc* Treasury Bills in favour of the Reserve Bank to replenish the cash balance of the Government has had to be accelerated this year. This was itself due to larger payments to the State Governments as Ways and Means Advances and their share of Union taxes and grants following the award of the Finance Commission, throw forward to the coming year of the aid from U.S.A., under Public Law 480 and large remittances abroad for imports on Government account. Of the balance of increase under Capital, Rs. 34 crores are for part repayment of 3 per cent, loan 1958, which was accepted in conversion as subscription to the new market loans floated this year, Rs. 38-48 crores for increased procurement of wheat to build up adequate reserves, Rs. 35 crores for additional Ways and Means Advances to the State Governments to cover the lag in their resources, Rs. 2-95 crores for Defence Capital Outlay mainly for the acquisition of ships ordered by the Indian Navy, and Rs. 1-5 crores for the construction of roads other than national highways.

As explained in the introductory remarks to the Supplementary Demands, major portion of these demands would be covered by adjustments, savings, recoveries or additional receipts, as the case may be. The net outgo from the Consolidated Fund would thus be Rs. 21-28 crores only; which is mainly attributable to the increased requirements of Defence Services.

Taking the earlier two batches along with the present list of Supplementary Demands, the net additional outgo from the Consolidated Fund is of the order of Rs. 54-11 crores. But as this does not take into account the savings under other grants and appropriations, it would not represent an excess over the amount budgeted for the year. As the hon. Members are aware, a full picture of the Revised Estimates of the year would be avail-

able only in the Budget to be presented on the 28th February.

With these words, Sir, I move.

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MR. CHAIRMAN: Motion moved:

"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 1957-58, as passed by the Lok Sabha, be taken into consideration."

SHRI JASWANT SINGH (Rajasthan): Mr. Chairman, if we scrutinise the Budget we find that every year in regard to many Ministries and Departments, the Budget is over-estimated and the Ministries or Departments concerned are not able to spend the money so much so that lakhs and lakhs of rupees and in some cases even crores of rupees have either to be surrendered or to be lapsed. The result is that the Finance Minister, in order to balance the Budget, has to tax the poor people, and taxation has already reached the limit where probably it will be the last straw to break the camel's back. Similarly, we also notice that Supplementary Demands for Grants are presented to the House, that they do not anticipate in regard to such items where it could easily have been seen at the time of presenting the Budget that this expenditure is likely to be incurred. The Deputy Minister of Finance has now come with an appropriation Bill for the year 1957-58 and in his introductory remarks he has told us about the amount that he requires for this purpose. This amount has to be granted no doubt, but I would like to point out in regard to two Ministries that these items could easily have been anticipated at the time when the Budget was presented to the House last year.

First, I would refer to the Defence Ministry. Rs. 1,22,95,000 are required for expenditure on stores, and it has been stated in the footnote that the additional sum required is to meet the expenditure on certain purchases of

[Shri Jaswant Singh.] stores mostly in replacement of obsolescent equipment decided upon after the framing of the original Budget. This replacement of obsolescent equipment does not take place suddenly. The Defence Ministry must be careful as this Ministry has got very great responsibility. Equipment, arms and ammunition have to be kept in line with modern developments. It could easily have been foreseen at the time of presenting the Budget what obsolescent equipment has to be replaced. The Budget was presented and then I soon after they have come forward for the replacement of obsolescent equipment to the extent of Rs. 1,22,95,000. According to me, this expenditure could easily have been foreseen and provided for in the original Budget.

Similarly, with regard to charges in England, there is an amount now required to the extent of Rs. 6,77,89,000. Here also, the explanation given is that the requirement of additional funds is on account of certain purchases mostly in replacement of obsolescent equipment decided upon during the course of the year. This is a big amount and could have been foreseen. This does not do credit to a Ministry of the type of the Defence Ministry where they have to keep pace with modern developments and old obsolescent equipment has to be replaced without delay.

Then I will come to the External Affairs Ministry.

SHRI B. R. BHAGAT: What is the page?

SHRI JASWANT SINGH: Page 18 with regard to the Defence Ministry, and page 20 in regard to the External Affairs Ministry.

Here, in regard to the External Affairs Ministry, entertainment charged amount to Rs. 6 lakhs. I find that in the current year the expenditure on entertainment would come to Rs. 23-35 lakhs. I would like to submit that in keeping with our policy

it is a very good thing to entertain important personalities of all countries, to whatever ideologies they may belong, but we have seen that this over-entertainment is putting us to trouble also. When various personalities visit our country, they pass remarks in regard to other countries. They use our official platform for the propagation of ideologies which they follow and hit at other countries, and this has great repercussions for us, especially when our policy is non-alignment with any country. We have seen that visitors either refer to Kashmir when they have nothing to do with it as far as they are concerned, or they refer to Goa, and countries belonging to different ideologies also express opinions which are injurious to our interests. Then, we lavishly spend money on some guests, money flows like water, while in regard to some other guests so much money is not spent. That also creates difficulties as it has been seen. Then, there is mismanagement with regard to entertainment. I would like the Ministry to be careful in regard to entertainment. Rs. 23 lakhs in one year on entertainment is a very big amount, tantamount to wastefulness.

Similarly, there is another amount of Rs. 1,40,000 provided for payment to the Government of the Punjab towards leave salary contributions in respect of their police staff employed in the recovery of abducted persons from Pakistan, for which no provision was included in the Budget. This has been continuing since the partition, and it could easily have been foreseen at the time of presenting the Budget.

With these remarks, I would submit that there are many items in which there has been wasteful expenditure. In regard to some items, the need could easily have been foreseen at the time of presenting the original Budget. This is all that I would like to say in regard to this.

SHRI JASPAT ROY KAPOOR (Uttar Pradesh): Mr. Chinnafi, even a cursory glance at the Supplementary

-Demands for grants pamphlet circulated to us brings before us very prominently two aspects of the Budget, firstly that no proper estimates are drawn up at the time the original Budget is presented. Secondly, in very many cases there is undue delay in the payment of sums due to others by Government. I will take up these two points, one after the other and ultimately deal with the question of foodgrains both from within the country and from without.

So far as the question of estimates not being properly drawn up at the time of the framing of the Budget is concerned, I will draw the attention of the House to item 5 at page 11. Here at the foot from the explanation we find that the Budget—estimates for the current year included a provision of Rs. 18 lakhs on account of India's participation in international exhibitions and in one case, the Budget-estimates were only to the extent of Rs. 4 lakhs in the case of our participation in the exhibition at China. Originally it was estimated at Rs. 4 lakhs but subsequently it was found inadequate and a provision of about Rs. 16 lakhs was needed. Now, we can understand if there is a difference between the estimated expenditure and the actual expenditure of 5 or 10 per cent, or may be a little more even "but then if the expenditure is to jump from Rs. 4 to Rs. 16 lakhs, it does strike us, it will strike everybody, that probably, absolutely no mind was applied to the question at the time the original estimates were framed. Why should it be so?

Again, we find at page 12 that a sum of Rs. 1' 18 lakhs was provided for the purchase of exhibits to be sent outside in the various exhibitions this year. Ultimately the sum is to be Rs. 3'63—a jump from Rs. 1-18 to Rs. 363 lakhs. In the case of our participation in the China exhibition some excuse, though not justified, may be made on the score that we had not much experience and we did not anticipate that we would have to pay heavy rent for the stalls there but so far as the question of purchase of article from within

the country is concerned, I wonder what justification can be advanced for the original estimates being Rs. 1'18 lakhs and ultimately going upto Rs. 3'63 lakhs? Even if there had been some increase in the price of articles, surely it could not be an increase to the extent of about 300 per cent. Obviously it cannot be. It only goes to show that originally almost in a blind manner, estimates were drawn up and when people began to actually implement the original scheme, they found that the original estimate was much too low or may be that somebody intervenes and then wants to purchase more things or more costly things—it is not for us to anticipate and it is for the Minister concerned to explain why there should be such a huge discrepancy between the original estimates and these new Supplementary Demands that we are asked to sanction.

This is not one solitary instance. I could point to the House many such huge discrepancies between original estimates and the Demands now before us but I think one illustration should be sufficient to illustrate in what careless manner, if I may say so, the original estimates were drawn up. I think the hon. Minister owes it to the House to give some explanation on items like this.

With regard to delay in making payment

SHRI b. R BHAGAT: May I submit that for these items very detailed explanation is given in the footnotes. If the hon. Member wants to say anything in addition or if he makes any new point, only those can be replied to otherwise it is difficult to reply to all the points because all explanations are given.

SHRI J ASP AT ROY KAPOOR: My only intention in making the suggestion is that the hon. Minister might give us some satisfactory explanation. It is to give him a further opportunity to make his position clear but if he feels that he has nothing more to add to what has been mentioned, I submit

[Shri Jaspat Roy Kapoor.] that these are not satisfactory at all and if we are asked only to go by these explanations, then I shall submit that the Ministry concerned stands self-condemned.

SHRI B. R. BHAGAT: Unless any new point is raised . . .

SHRI JASPAT ROY KAPOOR: It is for the Minister to consider whether he has any satisfactory explanation or additional explanation to offer or not.

Since my hon. friend Shri Mehr Chand Khanna is here, I think I can straightaway deal with one of the items concerning his Ministry.

THE MINISTER OF REHABILITATION AND MINORITY AFFAIRS (SHRI MEHR CHAND KHANNA) : My presence seems to provoke him.

MR. CHAIRMAN: Because he is present, you want to talk about him?

PANDIT ALGU RAI SHASTRI (Uttar Pradesh): He talks to the face.

SHRI JASPAT ROY KAPOOR: He is always so very attractive. Sir, I refer to Demand No. 77 on page 44. It is no doubt a very small demand of Rs. 6,000 only but how does this demand occur now? A jeep was purchased by the Ministry for which an amount of Rs. 6000 had to be paid.

SHRI MEHR CHAND KHANNA: It is Delhi Administration.

SHRI JASPAT ROY KAPOOR: It is an expenditure on displaced persons. Whoever may be concerned with it, the facts of the case are that a jeep worth Rs. 6000 was purchased but then the person from whom the jeep was purchased said that two jeeps had been purchased from him.

[MR. DEPUTY CHAIRMAN in the Chair]

Therefore, the claim arose on his part for two jeeps worth Rs. 12,000. The Ministry did not accept the

claim for the second jeep but then so far as the claim for the first jeep was concerned, it was an admitted claim but even the price of the one jeep was not paid. Then a suit was brought against the Ministry and the suit was decreed in respect of one jeep in the lower court and in the High Court it was again decreed only in respect of one jeep but yet the price of one jeep even was not paid for several years with the result that the Ministry is now saddled with the cost of Rs. 744. Even after the whole case was finally decided by the High Court, the Ministry did not deposit the amount. The suit was finally disposed of in January 1957 but even upto May, the Ministry did not deposit the amount for being paid to the claimant. It was only in May 1957 and even then when the Court asked the Government to deposit the sum of Rs. 5,743 that the amount was deposited. This is surely not one solitary case of delayed payment. I hold no brief for the person who has sold this jeep but then this delay in payment not only distresses the persons from whom the Government makes purchases but it leads to an impression on the public that they do not get a square deal from the Government. And what is more damaging to the Government and of greater loss to the Government is that when they go into the market to make purchases, because of this impression that money cannot be easily got from the Government, people charge higher prices for the articles that they sell to the Government. This is not something imaginary that I am saying, for I know it as a matter of fact that on many instances people do not like to sell things to the Government at normal prices, because they know that for months and even years to come sometimes, it will not be possible for them to get the price of the things that they supply.

Next I come to Demand No. 24. This is with regard to External Affairs. Here we find that a new demand is being put before us for making payment in respect of expenditure incurred not last year, but *m* previous years, it is said. If the hon. Deputy

Minister of Finance is pleased to look at the explanation at the bottom of page 20, under sub-head he will find that the word used is "years". For how many years have these payments not been made? For how many years have these payments been kept pending? Not for one year, of course, it is for more than one year. So I would like to know whether it is for 2 or 3 or 4 or for how many years have all these payments been pending? It may be said that bills were not received and so on and so forth. Of course, some explanation will naturally be given. But we want to see if that is a satisfactory explanation. For everything there may be an explanation, if not an explanation, at least an excuse. But is that excuse a proper and valid excuse? Should it not induce you now to adopt some better methods to see that payments are not unduly delayed?

SHRI B. R. BHAGAT: The hon. Member may refer to the next three lines which speak of a new and revised system.

SHRI JASPAT ROY KAPOOR: Well, it is good that you are alive to the necessity of revising the system. But the question is what new system you are going to adopt. These things come before us from year to year and every year, we are of course, assured that things will improve here after but then the same story is repeated once again.

Next, I come to the question of food and that is Demand No. 117. Under this item I would like to take up along with this item, Demand No. 46 also, because they are correlated. A very huge demand has been placed before us on behalf of this Ministry. It is to the extent of over Rs. 38 crores. Originally, the demand was to the extent of Rs. 146 crores 'md now an additional demand is placed before us for over Rs. 38 crores, that is more than 25 per cent, of the original demand.

This question of foodgrains has been worrying us considerably and one does not feel happy that the major solution

for solving this difficulty should be the importation of foodgrains from foreign countries. Originally, 20 lakh tons of wheat were intended to be imported. But then it is said that in the course of the year it became necessary to-step up the import of wheat with the-object of building up a sizeable reserve and of making available-somewhat larger quantities so as to-produce an appreciable effect on the price level in the country. And the quantity of wheat expected to be imported this year is about 30 lakh tons-against 24 lakh tons originally envisaged. Again 25 per cent, more of wheat is sought to be imported to meet ~~the~~ requirements of the country. Ever*, inside the country itself, the programme is to purchase 3 16 lakh tons of wheat whereas the original programme was to procure only 1 -50 lakh, tons. So here it is a cent, per cent, increase. But I am not very much concerned with what is proposed to be done within the country, fo>- that does not affect the financial or economic-position of the country. But so far as the imports from foreign countries is concerned, it is a serious question. It affects our foreign exchange and all that. It is a matter of great regret, not only of regret, but it is a matter of shame for us, not only for the Government, but for the people at large even for the whole country, that we should be going about with a begging bowl, as it were, to foreign countries,, to get the necessary food for us. We must try to devise ways and means to-stop this foreign imports within a year or so. After all, our population is also increasing and if we do not increase our food production in the country, we are sure to land ourselves in a very difficult position. Of course, there can be no difference of opinion-between the Government and the people with regard to this question. They will readily agree that we must do our best to increase food production in the country. It is the psychology I submit, which to some extent stands in the way of giving a fillip to the production in the country, and if you try to solve the problem by this easy-method of importing foodgrains **from**

[Shri Jaspal Roy Kapoor.] outside, and if you do not even let the people and let yourself feel the pinch of the situation, then of course, things are not likely to improve quickly. Rather than spend these huge amounts on the imports from foreign countries, it would be much better if you spend a substantial part of it or at least a considerable part of what you are going to lose on this account, on increased food production in the country itself. Of course, it will be said that they are doing whatever is possible for them to do. But my submission is that finding that these efforts have not brought about the necessary results, you must divert your energies more towards the direction of improving the food production inside the country rather than try to easily solve the situation by importing foodgrains from outside.

There is one thing which with my limited knowledge of figures and with my lack of intelligence I have not been able to understand and reconcile. They relate to Demand No. 117 on page 65 and Demand No. 46 on page 37. As far as I could follow from what you have said on page 65, it seems they are likely to make a profit of Rs. 8 crores by sale. Rs. 46-76 crores minus Rs. 38 crores comes to a profit of about Rs. 8 crores according to the calculations based on the figures given on this page.

THE DEPUTY MINISTER OF FOOD AND AGRICULTURE (SHRI A. M. THOMAS) : Which page?

SHRI JASPAT ROY KAPOOR: Page 37 and page 38. There in the last para you say something that leads me to that conclusion. But some five lines from the end, you say that this "will involve a trading loss of the order of about Rs. 30 crores." These two figures I have not been able to reconcile and I seek clarification.

SHRI B. R. BHAGAT: I could not follow the hon. Member when he says there will be a profit of Rs. 8 crores. How does that come in?

SHRI JASPAT ROY KAPOOR: If you look at page 65 ...

MR. DEPUTY CHAIRMAN: He wants you to explain.

SHRI B. R. BHAGAT: But I do not find it. How to answer?

SHRI JASPAT ROY KAPOOR: At page 65 if you read these figures—you cannot of course very easily lay your hands on these, but if you make a little calculation, as I have made, you will easily come to the conclusion that the figures you have put therein will give you a profit of Rs. 8 crores. Do I take it ...

MR. DEPUTY CHAIRMAN: He will explain it.

SHRI JASPAT ROY KAPOOR: If he only understands it. But then, as he says, he is not able to follow what I say. But if he will go through the figures and take the assistance of his officials, perhaps they will be able to tell him that according to the figures quoted on page 65 the profit is likely to be to the extent of Rs. 8 crores, whereas on page 38 we are told that all these transactions will entail a loss of about Rs. 30 crores. I would like to know how actually the position is, and in what way I have misunderstood the situation.

Therefore to sum up again, these are the three points, that no proper estimates are made originally. That defect should be removed. And then, payment should be promptly made. That will be to the advantage of the Government. And then lastly, Sir, the way in which the food situation is being dealt with is certainly not satisfactory.

SHRI SANTOSH KUMAR BASU (West Bengal): Mr. Deputy Chairman, I do not desire to enter into the question of the justification of these individual items which have been demanded by way of Supplementary Demands. I take it that there was necessity for the increased expenditure and the departments concerned had to incur it in public interest.

But there is one question of principle which I would like to raise in connection with this debate. Sir, these grants were originally made when the demands were voted by Parliament, by the House of the People. Definite Demands shown under different Ministries were placed before that House by the Government, and these Demands were voted. If a departure is now sought to be made from the grants already made,—and may be for very good reasons—I submit, Sir, some kind of democratic procedure should be adopted within the four corners of the Constitution.

Now, the Constitution has definitely laid down in Articles 114 and 115 that Supplementary Demands can be made, and Government is certainly within its rights in coming forward with these Demands in this Appropriation Bill. But, Sir, at the same time the question remains, after Parliament has voted the original grants after due deliberation and consideration, the departments concerned or the Ministries concerned took upon themselves the task of increasing the expenditure to such an enormous extent without coming to Parliament beforehand. Now, Sir, that is not possible, and the Constitution definitely empowers Government to incur the expenditure and come to Parliament later under Article 115. But some sort of a *via-media* can probably be thought of, previous consultation, not with the entire Parliament, I mean the House of the People, but with some committee, consultation with some committee of that House, which can function as an intermediate agency for the purpose of advising the Government or the Ministries concerned, in that respect.

Sir, I am referring to this aspect of the question because such a procedure was laid down and adopted under the Government of India Act of 1919. A Standing Finance Committee was a part of the democratic system, such as it was, set up under the Government of India Act of 1919, and so far as I remember, Sir, these Supplementary Demands used to be placed before the Standing Finance Committee of the

Central Legislature, and after having secured their approval expenditure used to be incurred, particularly when it was of enormous proportions. In that way the demands of democracy were satisfied, at the same time not going to the length of calling the entire House for the purpose of considering the Demands which, however, would have to be done at a later stage by way of Supplementary Demands. I do not know, Sir, whether such a procedure would be applicable to our Constitution which has provided Articles 114 and 115. But if consideration is given to this aspect of the matter that previous consultation with a standing finance committee should have taken place before the expenditure was incurred, then some Members who would be functioning as members of the Standing Finance Committee can be consulted. In that case the Government may not be required to take the entire responsibility upon their shoulders, of incurring expenditure in excess of what had been granted by Parliament without consulting any committee of Parliament at all. The Standing Finance Committee was a real live institution in those days, and they used to be consulted very often by the departments or Ministries concerned. I would submit that this question may be given some consideration for whatever it is worth so that an apparently undemocratic procedure, though sanctioned by the Constitution, may not have to be adopted by Government when Parliament after solemn deliberation and consideration has passed the original demands and yet a departure has to be made in vital matters so far as the amounts granted are concerned.

DR. P. J. THOMAS (Kerala): Sir, I support the point raised by my esteemed friend, Mr. Basu. It is true that such Supplementary Demands are allowed in all democratic Constitutions, but the figures given here are to my mind rather unusual. Under 'defence' very large amounts have been shown in these Supplementary Demands. It is again true that our present position in regard to defence

[Dr. P. J. Thomas.] is extraordinary and therefore, extra expenditure has to be incurred, but even there, as Mr. Basu said, there should be some body which would look into the matter carefully and then accord its approval. The need of defence of course may be extraordinary, but under other items also, for example, under food, we find very large increases in expenditure. No, as my esteemed friend Shri Kapoor pointed out, it is a pity that we have still to depend upon imported foodgrains so largely, and this, to my mind, is very harmful to this country. Indeed the Ministry has been speaking about the increase in the output of foodgrains. In my opinion, in most parts of the country there are ample foodstuffs of one variety or another available for the consumption of the people, foodstuffs other than rice and wheat and they are not being widely used by the people, the various kinds of other foodstuffs, and therefore we are dependent too much on imports not only for piling up stocks, which of course is necessary to be drawn on when there is a failure of crops for some reason or other, but also for regular consumption.

Now, in my opinion the whole thing indicates that there has been lack of forethought and proper co-ordination in these matters. Sir, we have been agreeing to heavy increases in taxation, but that approval was conditional upon Government carefully spending the moneys, upon Government effecting economy in expenditure where it was called for. To my mind, so far as I have been able to see things during the last one year I have been here, everything points to the fact that there has not been sufficient effort to economise expenditure.

Well, Sir, every Ministry puts forward numerous demands and those demands are approved, largely because of various political factors. But, to my mind, in a country where taxation has been pushed to such high limits, such freedom should not be given and there should be some

agency by which very strict check could be kept upon expenditure. I think it is a very essential thing, because in the last few years especially the pace of expenditure has been most unjustified in many directions. I quite agree with Mr. Basu, and I do hope that every attempt will be made on those lines to look after our financial interests carefully.

Thank you, Sir.

SHRI B. R. BHAGAT: Mr. Deputy Chairman, I confess I have some genuine difficulty in answering points of detail raised one after the other by some hon. Members because when one hon. Member made a point, I tried to understand it in my mind but in the meanwhile, another hon. Member was making some other points and I had to look at him to follow him. With this difficulty, I will try to explain some of the points that have been made to the best of my capacity.

Sir, I should like to deal first with the hon. Shri Kapoor who said that he could not understand the schemes of things here, loss in one place of thirty crores of rupees and, what appeared to him a gain of Rs. 8 crores at the other place. The explanation is a very simple one. One refers to imports under PL-480 where the cost of the imported foodgrains is higher than the internal price and we are incurring a loss and it is estimated that as a result of the sale of foodgrains, wheat at Rs. 14 per maund and rice at Rs. 16 per maund, the loss would be of the order of Rs. 30 crores. That has been capitalised at the rate of three crores a year over a period of ten years. He refers to the price of internally procured foodgrains where the expenditure, because of the quantity of procurement having been increased, there is also an increase in the expenditure. Similarly, there is a corresponding increase in the recoveries as against the sale and the price is pooled. There is, therefore, some surplus here. This is all explained here and I think this might be a bit clear to the hon. Member.

SHRI JASPAT ROY KAPOOR: At page 65 you deal not only with the question of internal procurement but also with imported foodgrains and in para 2 you say that whereas you will have to spend more, you will be receiving more. The demand under this head is Rs. 38.4 crores and you will be receiving Rs. 46.76 crores. It is a simple question of subtraction. Rs. 46.76 crores of income minus Rs. 38.4 which is the new demand and this leaves you a balance of profit of eight crores. Here again you refer to Rs. 30 crores on account of imported wheat and on page 37 also you refer to the question of imported wheat. The loss here is Rs. 30 crores and the profit there is eight crores.

SHRI B. R. BHAGAT: There is nothing conflicting here. The whole thing is capitalised over a period of ten years.

SHRI JASPAT ROY KAPOOR: We are not concerned with capitalisation; how you spread over the loss is a different matter.

MR. DEPUTY CHAIRMAN: One provides for the purchase of increased quantities of foodgrains and the other provides for the loss that is incurred in selling the food that is imported. That is all and there is no difference.

SHRI JASPAT ROY KAPOOR: The difference is so very obvious. Anyway, we might proceed.

SHRI B. R. BHAGAT: The point raised about Defence stores by the hon. Shri Jaswant Singh was, I think, admirably answered by the speaker who spoke last, that in defence sometimes extraordinary situations arise and it is difficult to anticipate. As has been explained in this, these stores are meant for replacement of obsolete ones and it was only after the Budget estimates were prepared that it was brought to notice that these stores had become obsolete and that they had to be replaced. Most of it is imported and so we have to place the order at a particular time and we cannot wait. So, in such an extraordinary situation, everything can-

not be anticipated to the most meticulous details. I think this is a very justifiable ground for the Supplementary Demands which could not be foreseen.

He spoke about one small item of Rs. 1,40,000 towards the payment of leave salary to the police staff of the Punjab Government engaged in the rescue of abducted women. You see, Sir, the nature of the demand. First of all, it is leave salary and secondly, it is for the police staff of the Punjab Government. Leave salary has got to be calculated; we have also to calculate what portion of the police staff worked in connection with this recovery of abducted women and so on. All these detailed calculations have to be done by the State Government of Punjab and only then could they submit a supplementary bill to us. So, obviously, this thing could not have been anticipated here and that was the reasons why it could not find a place in the Budget. If we had got the figure earlier, we would certainly have placed them in the Budget. We got them later on and that is why we have come in for a supplementary grant.

One or two hon. Members referred to the hospitality fund and the increased amount of expenditure. Sir, the Prime Minister, in the other House, has dealt with this question elaborately and I can only repeat what he said that, although it is true that of late we are incurring a bigger amount and sometimes our hospitality is lavish but, situated as we are, the dignity of the country and everything taken into account, we have to incur it. Some Members said that this is being abused and all that but, Sir, we have to treat the distinguished and honoured guests who come to this country with dignity and the honour that they deserve. On this score, I think, the House should not grudge this expenditure.

The hon. Shri Basu spoke in his very inimitable way about the need for some prior consultation with some committees of the House. Citing constitutional precedents, he said that

[Shri B. R. Bhagat.] it was perfectly constitutional for the Government to come in for supplementary grants but said that it would be better if these were screened through some committees of Parliament and, in this connection, referred to the Standing Finance Committee. Personally speaking, I am also of the view that some such screening is necessary but the very fact that the Parliament in its wisdom decided to do away with all these committees should be borne in mind. We had the various committees. First, the estimates used to go to the Standing Committees and then they used to come to the Standing Finance Committee, not only the Budget estimates but also the supplementary grants and then they used to come to Parliament here.

Now, since the whole Parliament considered it in great detail—I do not know—it is not for me to give an opinion as to whether the present procedure is correct or the procedure that was followed in the Committee was correct. But I think this is a very strong point. This needs some careful consideration by the Estimates Committee or the Public Accounts Committee or by the House. But I would only defer the judgement to a bigger occasion when these points may be raised and may be discussed in all its aspects. I am grateful to the hon. Members who have made comments. With these few words I conclude.

MR. DEPUTY CHAIRMAN: You want to say something?

THE DEPUTY MINISTER OF EXTERNAL AFFAIRS (SHRIMATI LAKSHMI MENON): Sir, I would like to supplement some of the information given by the Deputy Finance Minister, especially in answer to the points raised by Mr. Jaswant Singh in my absence. Regarding the supplementary demand for Rs. 1,75,800, perhaps the House will know that the entire recovery organisation has been closed on the 1st of December, 1957, and it was necessary to meet the

post-budget commitments on that account.

The other point has been already explained that we have to get the information about these accounts from the Punjab Government and the delays are due to that. And, therefore, the amount has to be sanctioned.

Regarding the entertainment charges and the hospitality fund, there also the time lag is really due to the fact that we have to get the exact quantum of payment, which has to be received from the State Governments. And as has been pointed out the procedures have been now changed. There has been more decentralisation and hereafter the same need not be repeated and supplementary grants may not be asked for hospitality grants.

MR. DEPUTY CHAIRMAN: Normally other Ministers must speak before the Finance Minister. This is a special case. *• -
"SHRIMATI LAKSHMI MENON: I did; not know that the Deputy Minister has spoken.

SHRI JASPAT ROY KAPOOR: For how many years these hospitality bills have been pending and not received by the Central Government, pending with the State Governments?

SHRIMATI LAKSHMI MENON: For some time, I am not able to give the exact period of time.

MR. DEPUTY CHAIRMAN: The question is . . .

SHRI JASPAT ROY KAPOOR: May I make a submission for you to consider a question of privilege of Members of this House whether on such important occasions a few Ministers may not be here to explain things? Of course, we cannot expect all the questions relating to all the Ministries being replied to or answered. Only one Deputy Finance Minister is here (*Interruptions*) . . .

MR. DEPUTY CHAIRMAN: Not necessary.

SESI J ASP AT ROY KAPOOR: If some more Ministers are here they will be able to throw some light . . .

MR. DEPUTY CHAIRMAN: I think all the points that were raised have been replied to by the Finance Minister.

SHRI J ASP AT ROY KAPOOR: Well, that may give satisfaction to the Chair, but not to us . . .

MR. DEPUTY CHAIRMAN: If some privilege question has to be raised, it should be in a particular way. It is not the way to raise the question of privilege. The question is:

"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 1957-58, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause by clause consideration.

There are no amendments.

Clauses 2 and 3 and the Schedule were added to the Bill.

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

SHRI B. R. BHAGAT: Sir, I move: "That the Bill be returned."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be returned." The motion was adopted.

THE MERCHANT SHIPPING BILL, 1958

THE MINISTER OF STATE IN THE MINISTRY OF TRANSPORT AND)

COMMUNICATIONS (SHRI RAJ BAHADUR): Just about five minutes for one p'clock . . .

MR. DEPUTY CHAIRMAN: You can continue in the afternoon.

SHRI RAJ BAHADUR: Shall we take up after the lunch?

MR. DEPUTY CHAIRMAN: We have still got six minutes.

SHRI RAJ BAHADUR: It will be better for the sequence . . .

SHRI V. K. DHAGE (Bombay): We can meet five minutes before 2-30.

MR. DEPUTY CHAIRMAN: You can just begin and continue afterwards. We have still got six minutes.

SHRI RAJ BAHADUR: All right, Sir. I beg to move:

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill to amend and consolidate the law relating to merchant shipping, and resolves that the following members of the Rajya Sabha be nominated to serve on the said Joint Committee: —

1. Shri Janardhan Rao Desai
2. Shri Akbar Ali Khan
3. Shri T. V. Kamalaswamy
4. Shrimati Savitry Devi Nigam
5. Shri J. S. Bisht
6. Shri M. D. Tumpalliwar
7. Shri Jethalal Harikrishna Joshi
8. Dr. Raghbir Sinn
9. Giani Zail Singh
10. Shri Vijay Singh
11. Shri R. S. Doogar
12. Shri Abdur Rezzak Khan
13. Shri V. K. Dhage
14. Shri R. P. Sinha
15. Dr. P. L. Thomas."