

(20) The Deputy Secretary in the Ministry of Commerce and Industry in charge of Cottage Industries.

(21) Shri B. K. Ghoshal, Officer on Special Duty, Ministry of Commerce and Industry (*Member Secretary*).

Shri K. L. Nanjappa, Deputy Development Officer, Cottage Industries Directorate (*Assistant Secretary*).

Additional members will be appointed as and when necessary.

2. The functions of the Board will be to advise Government generally on the problems of the handicrafts industry and, in particular, to improve and develop production and promote sales in India and abroad. The Board will also advise Government on grants and loans to State Governments and private organisations and institutions for financing activities necessary for the development and improvement of handicrafts. Among the purposes for which the grants or loans may be made are—

- (a) introduction of better technique and improved equipment;
- (b) prescribing of standards of quality and arrangements for their enforcement;
- (c) training of personnel;
- (d) promotion of research;
- (e) improvements in design and introduction of new patterns;
- (f) publications on cottage industries products in form of catalogue, directory, guide books on industries, pictorial posters;
- (g) procuring and supply of raw materials for 'Handicrafts' and to suggest ways and means of marketing products both in India and abroad;
- (h) to set up All-India Handicrafts Museums for the purpose of displaying and popularising the goods; and

(i) conducting of economic surveys and collection of statistics.

ORDER — Ordered that a copy of this Resolution be communicated to all concerned, and that it be published in the *Gazette of India*.

(Sd.) K. N. KAUL,
Joint Secy.

RIVER VALLEY PROJECTS

88. SHRIMATI SHOILA BALA DAS: Will the Minister for IRRIGATION AND POWER be pleased to state:

(a) how many river valley projects were undertaken in 1952;

(b) how many of them have been completed; and

(c) how much money out of foreign aid has been invested in them?

THE DEPUTY MINISTER FOR PLANNING & IRRIGATION AND POWER (SHRI J. S. L. HATHI): (a) to (c). The information is being collected and will be laid on the Table of the Council as soon as possible.

LEAVE OF ABSENCE TO DR. MURARI LAL

MR. CHAIRMAN: I have to inform hon. Members that the following letter has been received from Dr. Murari Lal:

"In continuation of my previous letter, I am sorry to inform you that I am still confined to bed suffering from gastro-intestinal trouble and consequent weakness and I am unable to undertake the journey to attend the session.

I therefore request you to kindly grant me further leave up to the end of this session."

Is it the pleasure of the Council that permission be granted to Dr. Murari Lal for remaining absent from all

meetings of the Council from the 25th of March 1953, till the end of the session?

(No hon. Member dissented)

MR. CHAIRMAN: Permission to remain absent is granted.

THE FINANCE BILL, 1953 AND THE
CENTRAL EXCISES AND SALT
(AMENDMENT) BILL, 1953—
continued.

SHRI H. N. KUNZRU (Uttar Pradesh): Mr. Chairman, during the course of the debate on the Finance Bill several hon. Members referred to the need for economy. One of them was the hon. Shri Hegde who pointed out the need for it in connection with the defence expenditure which he regarded as high. No one here thinks that the defence expenditure is low. But when he went on to make the statement that the defence expenditure was not open to audit by the Comptroller and Auditor-General of India ...

SHRI K. S. HEGDE: I am sorry I did not say that. All that I said was that there was a feeling prevailing in some sections of the people that they were not amenable to control.

SHRI H. N. KUNZRU: Well, I will accept his words and say that if such a feeling prevails, it is not founded on facts. The expenditure of the Defence Ministry is as much open to audit by the Comptroller and Auditor-General of India as that of any other Ministry. In respect however of stores, no stock has yet been taken. If the Public Accounts Committee or the Comptroller and Auditor-General can devise a suitable method of checking the stores, it will be a desirable thing and I am sure that the Defence Ministry will raise no objection to it. The question of economy, Sir, however, must be regarded as an important one and even if we are unable to reduce our expenditure, it is necessary to see that the funds that are granted by Parliament are spent for the purposes for which they have been

granted and that they are used to the greatest advantage of the country. From this point of view, Sir, what is known as exchequer control, i.e. the control over the expenditure of the funds granted by Parliament is of great importance. The matter has received the attention of the Public Accounts Committee and it has made certain recommendations which I hope will receive the serious consideration of the Finance Ministry.

The present system, Sir, makes the audit department responsible not merely for auditing Government accounts but also for keeping them and making payments. The Comptroller and Auditor-General has strongly objected to the continuance of this system and he has pointed out that it is anomalous that the auditing authority should be required to maintain accounts as that places the Comptroller and Auditor-General in a very embarrassing position when he has to audit the accounts compiled by his own officers. It is obvious, Sir, that the present system is indefensible and should be changed as early as possible. It has been in existence no doubt for a long time and it may not be possible for Government to change it all at once. The Public Accounts Committee recognises this, but insists that steps should be taken to bring about a change in the system though it may be that the completion of the change may take a few years. The Committee has said:

"The reform is urgently needed, apart from the necessity of obedience to the Constitution, in view of the expansion of the activities of Government which have resulted in enormous increase of expenditure not only on the normal administration of the country but also on account of State-trading schemes, community projects, rehabilitation schemes and the multi-purpose river valley schemes and various other schemes in the Five Year Plan."

In view of this, Sir, it is necessary that the State Governments should