

16.32 hrs.

**DEMANDS FOR EXCESS GRANTS—
(GENERAL), 1985-86**

[English]

MR. CHAIRMAN : The House will now take up discussion and voting on Demands for Excess Grants (General) for 1985-86,

Motion moved :

“That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India to make good the excess on the respective grants during the year ended 31st day of March, 1986, in respect of the following demands entered in the second column thereof—

‘Demands Nos. 12; 17, 19, 20, 22, 23, 36, 62 and 90.’

*Demands for Excess Grants (General) for 1985-86 submitted to the
Vote of the House*

No. of Demand	Name of Demand	Amount of Demand submitted to the Vote of the House
1	2	3
<i>I. Expenditure met from Revenue</i>		
19.	Defence Pensions	12,01,56,527
20.	Defence Services-Army	22,90,53,508
22.	Defence Services-Air Force	57,37,36,680
36.	Pensions	9,56,18,020
90.	Public Works	4,25,27,067
<i>II. Expenditure met from Capital</i>		
12.	Textiles, Handloom and Handicrafts	1,93,33,402
17.	Telecommunication Services	2,17,34,604
23.	Capital Outlay on Defence Services	24,29,81,834
62.	Broadcasting	34,16,418

[Translation]

*SHRI M. SUBBA REDDY (Nandyal) : Mr. Chairman, Sir, it is strange that we are discussing in the House today the demands for Excess Grants (General) for the year 1985-86. I am one among those who oppose discussing the excess grants of a particular year after a lapse of two years. The expenditure of every year should be discussed during that year only. Each year's budget should be thoroughly formulated. So as to avoid going for Demands for Excess

Grants. Hence coming this way to discuss the excess grants of the year 1985-86 is quite odd and should be avoided at any cost.

This kind of bad planning has resulted in borrowing 2,35,000 crores of rupees from other countries. We are running to each and every country with a begging bowl in our hand. We have not spared any country so far. Forty years of rule has resulted in increasing the poverty. The development is nil. The only development is that we

*Translation of the speech originally delivered in Telugu.

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could increase our population, our poverty, laziness and indebtedness. This is the only development that has taken place during the past 40 years. Wherever we go, we made it our first duty to ask for some loan. It looks very ridiculous. It shows that we cannot estimate our requirement properly. We do not have proper planning and hence we do not know how money should be spent and on what project. Proper study and evaluation of requirements and then proper methods to utilise our scarce limited resources is totally absent. When we do not know how much we have to spend, then it is but natural that we go for demands for 1985-86 makes this attitude of the Government amply clear. Forty years of our independence saw the country going poorer, overpopulated and lazy. 14 thousand crores of Rupees are being spent on paying interest to foreign countries. Can we take pride in saying that we are paying nearly 1400 crores for debt servicing? I am sure no one will feel proud of this fact caught in the debt trap, I thought the Government would sooner or later try to wriggle out from it. Our Finance Minister Shri Narain Dutt Tiwari is an efficient and experienced administrator. I hoped that he would take steps to defuse the crisis of our economy. But, Sir, even this year also we find a deficit of Rs. 7000 crores in our budget. On the one hand there is a deficit to the tune of Rs. 7000 crores and on the other we are doling out Rs. 5000 crores as subsidy what for this huge subsidy? For whose benefit? Corruption has become rampant. Does this subsidy meant for increasing the corruption which has already overgrown? Did anybody get any benefit out of the various subsidies that are offered? Did anywhere, this measure of Government was applauded by anybody? The Government should ponder over this hard reality. Common and poor people have not benefitted from the subsidies. Hence the very philosophy of subsidy should under go through revision. I see no logic in having a Rs. 7000 crore deficit budget by doling out Rs. 5000 crores as subsidies one should be pragmatic while formulating the budget and I feel we could have done better with a lesser deficit budget without being generous enough to squander money as subsidy.

There could have some justification in borrowing many had we taken up and executed atleast some projects which are beneficial to the nation. But unfortunately such a thing has not happened. Not even a single project was added to the ones which were executed at the time of late Pandit Nehru. The foundation was laid to the Narmada Project, that too only recently by our Hon. Prime Minister. But, the controversy regarding who should bear the cost of construction, whether it should be taken up by the Centre or State Government etc. is yet to be resolved. Without sorting out all these details, a foundation stone was laid in a huff. This is how the developmental work is going on in the country.

Sir, Telgu Ganga is a prestigious project which will change the life style of millions of people. Yet, true to its tradition. The Central Government is still withholding the clearance on a plea that the Canal runs through a Reserved Forest area. The fact is that there is no forest whatsoever. One cannot come across even a small shrub or a bush in the so called Reserved Forest area. Even then, the State Government has come forward, with all sincerity to grow a 10,000 acre forest along the Canal as an alternative. In spite of all this, the Central Government is showing reluctance in clearing the project. Does it not show the step motherly attitude of the Central Government? Is it not a fact that the Central Government is withholding permission just for the reason that a non-congress party is in power in that State. Sir, we hear about the divine sage Narade in our epics. He used to enjoy provoking one against the other and in raking up controversies. Now, the Central Government is playing the same role quite effectively. Kannadigas and Andhrietes lived together for centuries. Their history is interwoven. During the days of Sri Krishna Deva Raja, the famous Vijayanagar emperor they lived like the members of one family. Now the Central Government has tried and succeeded in driving a wedge between Andhrites and Kannadigas. The age old amity between the two has now been broken. The rift was created in order to procrastinate the clearance of Telugu Ganga. Sir, after dividing the people, the Centre is now sermoning the

people to come together and hammer out a solution. Is it that much easy for both the parties to arrive at a settlement after reaching the point of no return. Nor the Central Government at any point of time, taken any initiative, to call both the parties to arrive at a settlement. Nothing happened. The then Prime Minister, Shrimati Indira Gandhi was present when the foundation stone for Telugu Ganga was laid. The Tamil Nadu Government had already sanctioned Rs. 30 crores as its share of the construction cost once. Was not the then Prime Minister aware of all these controversies than? Were the three Chief Ministers who are involved in the controversy not aware of these problems? How is that they all remained silent when the foundation stone for this project was laid? How is that they are kicking up dust again and again to stall the construction work? Sir, another important thing is that the Minister Incharge of Irrigation changes for every two days. This frequent change of Irrigation Ministers is adding fuel to the fire. It is a hard reality that the brothers of one family do not see eye to eye on every issue. Then, how can one expect that the counsel of tweedle dum and tweedle dee Irrigation Ministers would prevail upon the Chief Ministers? So the controversy remains as ever regarding sharing of river waters. The good intentions of Andhra Government to best utilise the water of river Godavari which is flowing into the sea is being challenged. Utilisation of water and preventing the river water going waste has become a crime in the eyes of present Government. By this action, the Central Government has outwitted sage Narada. It is strange that three states were pitted against one another on water flowing waste. One should welcome the utilisation of water. But here the approach appears to be negative. It seems that the Central Government is interested only in raising controversies and in perpetuating them.

The performance of the Government is not better in maintaining law and order in the country. Buses are being looted in broad daylight. People sleeping inside their homes are being butchered and their money is being looted. Sir, it is strange to find that these robbers are well educated persons. Recently a bank was looted in

Madras and it is reported in the press that a professor was involved in that crime. Looking at all these things, I wonder whether we have any Government ruling the country. Government has made a mess of our economy and maintenance of law and order is utterly hopeless. Where are we going? The Government has no direction. The population is increasing by leaps and bounds. Looking across the borders we find China is controlling their population so effectively. It could bring down birth rate effectively while ours continue to grow. More population drives one to beg. We hear the story of Kuchela who produced many children and in order to feed them he had no other go except to approach lord Krishna for alms. Similarly we are doing to other countries seeking loans in order to feed our ever growing population. Yet, the Government has not taken steps to avert this population explosion. I fail to understand why the Government hesitates to take effective steps to check population growth. Perhaps the Government is worried about next elections. But let us remember that the positions that we hold are not permanent. We got elected for a term of five years. Hence we should try to do something which is beneficial to the society and the nation. But brushing aside this noble view, the Government is hell bent in doing everything to remain in power for all the times to come. Every one wants that not only he, but his son, and his grandson should come and stay in power. This is the reason why we find our country going more and more corrupt. Every day issues like Fairfax and Bofors are rocking this supreme forum of the people. Had we been honest, the country would not have slid down to such a low state of affairs.

15.38 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

India enjoyed its prominence since time immemorial. We have a glorious record. The history of this country is nothing but glory and greatness of mankind. It was in fore front of all. But such a great country as ours, has slid down from its zenith of glory gradually. We now touched the nadir of corruption and dishonesty. It has become a heaven for

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corrupt, dishonest and anti-social elements. We have drifted away from the path of glory and self sacrifice. Instead selfishness has crept in. Country has become poor. Who is going to save the country? Who is the saviour who can redeem the past glory? What for these positions if they can not help us in progress and prosperity? Sir, nobody is really worried about the country. The policies adopted and meant only for getting votes in elections. It is wrong to think that people would not vote for the party if something good for the country is done. People do appreciate the positive measures.

Sir, the Central Government is treating the Telugu people too lightly. This is not proper. The sacrifices made by the Andhriles should not be forgotten. They were in the forefront of the non-cooperation movement. No one should ever forget Shri T. Prakasham who stood like a rock against the mighty British. This is the glorious record of Telugu people. But it is most unfortunate that the same Andhriles who are known for valour and self sacrifice are reeling under an unprecedented drought. Rayalaseema is chronically drought hit. Andhriles had been pleading earnestly for a canal Telugu Ganga, which could provide them water. Even this small request of theirs was not conceded to. Why this partiality and why this step motherly treatment? I don't know why the Central Government is adopting such a partisan attitude. Telugu Ganga was conceived long ago. Late Pandit Nehru, knowing the difficulties of the people of the region agreed to the Plan of Telugu Ganga for providing water for both drinking and irrigation. But now everything has been forgotten. The Hon. Minister who assumed charge of irrigation has once issued an appeal requesting the concerned Chief Minister to come to an agreement. Actually there should not be any dispute regarding the share of water. All that we wanted was the utilisation of water if river Godavari flowing waste into the sea. Not only our state, even Madras stands benefitted by this Project, population in Madras is increasing everyday and the shortage of drinking water is becoming more and more acute everyday. Not only Rayalaseema would get water for irrigation, but Madras

would also get water to drink. Thus this project benefits both the states. Realising the importance of this project, the then Prime Minister readily gave consent to it. But everything has been brushed aside now. The clearance to this project is being postponed everyday. Forgetting the history and importance of this project every Hon. Minister comes out with an appeal that Chief Ministers should reach an agreement. But on what should they reach an agreement? What is the dispute? Who raised what issue? Sir, there is hardly any dispute among the parties, Bachawat Committee was constituted to recommend the share of water of the three riparian states. Bachawat Commission has made its recommendations. There is no dispute over it. Every State has been given its share of water. Then, why there should be any dispute at all? We have been shouting at the top of our voice that we would utilise only our share of water and we are concerned with the utilisation of water flowing waste in to the sea. But nobody is ever bothered to listen to us. It shows how the Central Government is trying to create problems where there is none. This stand of the Central Government shows clearly how partisan it is towards Andhra Pradesh. It was estimated that the Project would cost around Rs. 100 crores. But due to the delay, the cost of construction is going up steeply. Now, the Project would cost us more than double the amount estimated earlier. Policies, such as this, would ruin the economy of the country. This kind of policies would lead the country nowhere. Country can not expect any progress under the rule of present Government which is more interested in creating obstacles rather than removing them.

Sir, has the Government solved any problem so far? No population is the biggest of problems. Could we reduce it? No Alleviation of poverty is another problem. But Government has failed miserably in removing the poverty. The only thing that has gone up in these days is laziness. The laziness in the country is so much that youth in the country are turning dacoits and narealites for earning money without working for it. Over population is another reason why dacoit in the country are on the increase. I do not know why the Central Government has failed to realise

this fact. Government is afraid that if it goes for birth control, people may not vote for it again. The Government is more worried about returning to power rather than leading the country forward. If the present trend continues, we may not be left with any space for providing shelter to the people. More than a crore of people are being added to our population every year. Why does the Government not take a decision to control the population beyond a certain limit? Crores and crores of Rupees are being spent on family Planning every year. Is this money being utilised properly? No Sir, while leaving out the eligible couples, the old persons who are above the age of 60, are being forced to undergo family planning operation. It may only be helpful in Statistics, but it will not help in controlling the population. Sir, I come from a village and hence am well conversant with the present rural scenario. Various promises are made to the people at the time of elections. A promise will be made to the people to wipe out corruption. But once we are ensconced in our cushioned seats we forget everything. The corruption goes on increasing unabated. We, the politicians, should also share the blame for growing corruption in the country. If a neighbour earns more, we too think of earning more. This is the tendency of everyone. Sir, I happened to visit Korea recently. Korea is a tiny country. Yet, it has developed tremendously. But we, having all resources, are nowhere near it. As I said earlier, all that we can boast of is growing population and poverty and unlimited corruption. This is our development. There is no comparison between the positive development of Koreans and negative development of Indians. The Japanese progress is simply beyond words. They are supplying their products to an extremely advanced country like America. The Americans are now trying to claim the Japanese goods as their own by affixing their seal on them. Japan sets a fine example for everyone to follow. Look at our development. We cannot boast of any achievement in any field. Leave alone making progress, we are not able to control the situation in Punjab. It is a very small state. The Government is not at all bothered about controlling the situation in Punjab. If one goes back by a few years and examines the root cause of the present conflict in Punjab, one will

find a striking similarity between it and the Telugu Ganga Project. In both the cases, the Central Government played a similar role in raking up controversies and pitting one against another. Now, the situation has gone out of hand in Punjab. Innocent people are being butchered there everyday. Another controversy has been created in West Bengal in the form of Gorkhaland. The Central Government has been changing its stance from time to time. One day it says that it is against separation of Gorkhaland from West Bengal. Another day it says that it would support the separatist agitation. So, this way, the Central Government is creating issues everywhere in the country. Just because a left-front Government is there in West Bengal, the Centre is trying to create problems for them. The Central Government should not adopt such a partisan attitude towards non Congress-I Governments in different States. Sir, we had high expectations about the performance of Shri Rajiv Gandhi when he assumed office. But unfortunately he has belied all our hopes. It appears the old Congress-men surrounding him are at their game again. The situation in the country is becoming worse and worse with every passing day. There is no sign of recovery anywhere. Sir, I am a veteran of many battles and hence well conversant with the functioning of the administration. I held the position of Chairman of Zilla Parishad for sometime. We too had a budget at the Zilla level, like the one we are having here in Parliament. At that level also, amount used to be earmarked for spending on each head. This experience has shown me how to avoid unnecessary expenditure and how to utilise the money properly. Looking back, with all this past experience, I only feel sorry for the State of affairs in the country today. I wonder if there is any country left out for borrowing money. Americans are disgusted with us. When the Prime Minister visited Japan recently, the first thing he discussed with them is about loans. We have now been caught in a debt trap. Once the flow of loans stops, we may starve to death. Hence, at least now, we should think of how to get out of this debt trap. We should try to minimise our expenditure. Unnecessary expenditure should be avoided. We should think of wiping out our deficit. Nearly 14000 crores of Rupees are being paid

[Shri M. Subba Reddy]

towards interest. This money could well have been utilised for constructing projects.

Sir, there are many things to be said and please permit me to speak for some more time.

Sir, I hope the Central Government would do some justice to the nation. Shri Dinesh Singh is now Incharge of Irrigation Ministry. He is a big landlord. He knows about lands. He knows about water. He is well conversent with the methods of water management. He is the proper person to guide the Ministry. We had expected that he would do justice to us by clearing the Telugu Ganga Project. But he appears to be following the foot steps of his predecessor Shri Shankaranand. Earliar we used to criticise Shri Shankaranand for the delay in clearing the project. The present incumbent has outsmarted his predecessor.

Sir, if the Centre believe that all States should prosper, then it has to give up the retrograde policies which are being followed by them now. I am afraid, if the present policy is continued, the congressmen may not be able to face the electorate in Andhra Pradesh

Sir, No ruling party should hesitate doing good to the people. The ruling party should utilise its position for doing justice to the people who had elected them. On the basis of good performance only, the people vote any party to power. People will not vote for anyone who shirks away from its responsibility. I will cite an example. People in Andhra Pradesh had voted against Congress for their poor and non performance. If Telugu Desam Party romped home victorious, it is mainly due to the failure of successive congress Governments rather than the performance of Telugu Desam. This is a simple fact and no exaggeration at all. Andhrites are known for their revolutionary character. From good old days they are known for their fearlessness. They are capable of assessing things independently. When Janata Party swept the polls throughout the country, it is in Andhra, it had lasted a bitter defeat. They opposed Janata Party tooth and nail. Except Shri N. Sanjiva Reddy, every Janata nominee was defeated.

Congress bagged 41 seats in that election. So I remind the Congressmen to keep these facts in their mind. If they go on persuing negative policies like the one refusing to grant clearance to Telgu Ganga Project, Andhrites would reject them lock stock and barrel. Those who are at the helms of power in the Centre should treat every State on equal footing. All that the A.P. Government has asked for is mere clrance and absolutely there is no justification in refusing it. Leave alone bearing the expenditure, the Centre has not granted clearance. It is absurd. Already 300 crore rupees have been spent on it. There is no justification in delaying the project. The mere plea that it would destory forest is meaningless. There is no forest there. What is more, the State conveyed its willingness to raise a forest in 10,000 acres of land. The State Government has shown its willingness to bear the entire cost. I am citing Telugu-Ganga as just an example. There are many more such projects which the Central Government is keeping them pending. Sir, I am interested in Telugu Ganga, for the reason that it flows through my constituency. That is why I had to deal with that subject elaborately. The present utilisation of Godavari water is a mere 10% and rest is flowing into the sea. Our food production has fallen forcing us to import wheat from U.S.A. once again. Edible oils are being imported on a large scale. If we cannot raise our agricultural production to the leave of our requirements, then it can be no development at all. There is no meaning in our democracy. Looking back one will find only failures. Failures in each and every front. Naxalites are raising their heads again. I am not blaming any one particular person for all these failures. We should collectively try to set the things right. Then only the country will have bright future. The country was united by Sardar Vallabh Bhai Patel when the British left on shores. Only Kashmir remained. Controversy was raised and the matter was taken to the Security Council. There was the need to take up the matter in Security Council. Similarly Punjab problem the situation is worsening there day by day.

Sir, the prevailing situation in the country worries us very much. We should remember that we are a democracy and we

hold power because of the faith reposed in us by the people. We should do justice to the positions that we hold. Everyone of us is having a responsibility in creating India that the founding fathers of our Constitution dreamt off.

Sir, I thank you very much for giving this opportunity and conclude my speech.

[English]

SHRI G.M. BANATWALLA (Ponnani) : Mr. Deputy Speaker, Sir, the House has been called upon to regularise excess expenditure to the tune of Rs. 248.33 crores. This excess expenditure relates to the year 1985-86. Two more financial years have passed by. This is now the third year and we are now in 1988-89. After such a long lapse of time, the Government has deemed it fit to come before the House for regularising this excess expenditure. I shall, therefore, express my serious concern at this undue delay in matters 'financial'. I hope the Government will explain to the House the reasons for this great delay in getting the excess expenditure of 1985-86 duly regularised by this House.

The excess expenditure is a clear indication of the sorry state of affairs in the matter 'financial control'. We have been having, for the past few years, a declining trend in excess expenditure. Unfortunately in 1985-86, the trend got reversed and we see a steep rise in the excess expenditure. We have a rise of as many as 581 per cent over the figures of 1984-85. This steep increase in excess expenditure, as I have said, abundantly manifests that things are wrong with respect to financial control. I must also submit that these demands for excess grants show that not much mind has been applied towards preparation of the Budget estimates for 1985-86. The Budget estimates were prepared without any in-depth study of the fund requirements. It is also strange to find the excess expenditure has been incurred even though the various Ministries and Departments had come to this house with Supplementary Demands during almost at the fag end of the year 1985-86. For example, we find that the Textiles Ministry had asked for Supplementary Demands of Rs. 45 crores in July 1985, Rs. 9.7 crores in March 1986. I will repeat, it is March 1986, that is,

towards the end of 1985-86. That means, a total Supplementary Demand of Rs. 54.07 and then again with the third year, delay, they have come forward with an excess demand of Rs. 1.93 crores. The point that I am making is that the various Ministries had come as late as March, 1986 with their Supplementary Demands for Grants. While they were calculating the figure of their Supplementary Grants, not much mind was applied and no in-depth study with respect to the fund requirements were done. Even towards the end of 1985-86, the actual fund requirements for 1985-86 were not envisaged by the various departments. We, therefore, find that in the case of Telecommunications, the Ministry came forward or the Department came forward in March 1986 for a Supplementary Grant of Rs. 36 crores. They came to the House in March 1986 for their demand. They ought to have made a study of their fund requirements but even towards the end of the financial year of 1985-86, they had no study whatsoever of their fund requirements with the result that they came with an excess demand of Rs. 2.17 crores. This sad picture, sad story continues with respect to every demand that is now before us.

Another instance of laxity in the matter of financial control and not having applied proper mind to the requirement of the funds was brought to our notice by the Public Accounts Committee. We understand that there were large scale savings of Rs. 19419 crores in the year 1985-86. Supplementary Demands for Grants were obtained in the matter of various Ministries and the grants were not utilised also.

17.00 hrs.

That is the pathetic state of affairs. We are thankful to the Public Accounts Committee for having highlighted this particular point. Look to what we are making of our Budget. The Budget today has lost all its significance. In the first place, as we have always been complaining, large mobilization of resources takes place before the Budget is launched, thereby the sanctity of the Budget getting eroded. And now with respect to Budget Estimates, we find that no particular in-depth study has been made of the various Grants. There

[Shri G.M. Banatwalla]

are in many cases Excess Grants and in other cases, we have large scale savings, and even such serious thing as Supplementary Demand being asked and the whole of the Supplementary Demands remaining unutilized. This is the state of affairs in financial matters.

I have, therefore, said and repeated emphatically that our financial control is at its lowest rock bottom. I would urge upon the Government to pay due importance to this. This is not a party point. Here, we are considering the best management of our finances. The un-utilized savings represent the failure to utilize money in needy areas of economy. They represent shortfall in performances. What are the circumstances under which such savings took place and who were responsible for not properly forecasting the fund requirements. These are the various points that need to be properly attended to.

As I have said, the Excess Demands have reversed the trend of decline and, therefore, it needs serious attention of the Government. I must emphasise upon the Government to see that there is proper financial control. The trend of expenditure in a year should be constantly and closely assessed. What the method should be is for the Government to spell out, but there must be a constant scrutiny of the expenditure *vis-a-vis* the amounts sanctioned by this House, otherwise the Budget has no meaning whatsoever. Corrective measure must be taken and taken very promptly.

Let the Minister not simply tell us that they have given instructions to the various departments to see that the expenditure is properly assessed. That would not do. Instructions you must have given, but let the Government tell us what has been the monitoring machinery to assess the trend of expenditure *vis-a-vis* the sanctioned amount.

I understand that in the case of railways there was some computerization. Perhaps some such computerization is there in the case of Defence and Communications also. In that case, the computerized system of financial review should be extended to all the Ministries and various departments.

Now, Mr. Deputy Speaker, Sir, there is one item which I really failed to appreciate and that is with respect to pensions. We have excess grant No. 19 which refers to Defence pension and we have excess grant No. 36, pensions in general. Now why should there be a need for, or why should an occasion arise for an excess grant with respect to pensions? You know your employees; you know how many there were. You have the records. Now, it is a matter of proper financial projections to estimate what amount would be required for the purposes of pension. If even pensions of your own employees you are not in a position to project properly and adequately, that is a very sad state of affairs. In the case of Defence pensions, we are told that there was an excess expenditure of 12.01 crores of rupees and in the case of general pension, pension with respect to other ministries and departments, there was an excess expenditure of Rs. 9 56 crores. This shows total carelessness..Sir, you know your employees. You have full records about them. Why should you not be in a position to have proper calculations with respect to pensions and have those calculations incorporated in the Budget estimates or the revised estimates or have in supplementary demands for the same? How can with respect to an item like pension, occasion comes up for these excess expenditure which needs to be regularised by this House?

Another important point is that in the case of Defence pension, as given in Grant 19, the overall expenditure was 2.13 per cent of the total provision but in Defence if we study the requirement of excess expenditure as far as pension in the Air Force is concerned, we find that it was as high as 15.95 per cent. This excess expenditure to the tune of 15.95 per cent of the original grant is beyond all limits. I, therefore, hope that proper care would be exercised in having the estimates and in placing the estimates before the House so that such situation of excess grants do not arise or is kept to the minimum.

In the case of general pension, these pensions we find are controlled by the Finance Ministry on behalf of other ministries. Now, here the Public Accounts Committee has already given a recommendation and that recommendation is to

decentralise the pension by making the Finance Ministry to control the pensions relating to all the ministries and those different ministries themselves to be made responsible to draw up their own projections, as far as the projections are concerned. So, this recommendation for decentralising the grant with respect to every ministry responsible for its own pension, I hope will be duly agreed to by the Government.

Sir, with these words I must express my serious concern at the nature of the financial control and urge upon the Government to see that this financial control is duly strengthened. Thank you, Sir.

SHRI AMAL DATTA (Diamond Harbour): Sir, what we are now seized of in this House is the excess expenditure which has been made over and above the budgetary allocations for the Financial Year in question—1985-86. That has to be regularised by the House today. This has been examined by the Public Accounts Committee as Mr. Banatwalla has referred. I am sorry I must have heard the earlier speeches. It has been noticed year after year that the Supplementary Grants are taken by the Ministries as late as March of the Financial Year in question. In spite of that, there are excessive expenditure. That means even in March when they had prepared the estimates for the Supplementary Grants they are not able to know or find out or estimate as to how much expenditure they are going to make at the end of March, which is a very sorry state of affairs so far as the Expenditure Department is concerned. They do not have a clue of what expenditures are taking place, well after the year is at an end. That is the correct state of affairs. I think Mr. Minister, who is nodding his head, will agree verbally so that it can go on record. Your nodding will not go on record.

It had been commented upon by the Public Accounts Committee year after year that sometimes the excess grants or supplementary grants are taken as late as at the end of March or at the middle of March of the Financial Year. They say that the Department had saved much more than the Supplementary Grants. It takes Rs. 50 crores as Supplementary Grant, but ultimately the saving is Rs. 100 crores. So,

why did it ask for grant at all? It should not have asked for a grant. Again it boils out of the something that it has no idea of what expenditure ultimately it is going to incur at the end of the year. This shows that the financial discipline is just not there. Without information there cannot be discipline. So, that information—the basic thing—is lacking. No question of discipline arises.

Supposing, a Department does not come for a Supplementary Grant or does not even come or does not spend even excess of the budgetary allocation, does it mean that all is well with that Department; nothing is wrong. It may be that under each of these heads, either they have spent more or less. That means initial estimates under each of the separate details heads were wrong. This is point number one. Secondly, they have not spent the money or they have spent the money and they have not achieved the results. But to what extent the spending of money had attained effectiveness? Whether the money had been spent effectively or not, that is not known. That is never made known to this House. Quite often this has been commented upon again and again. The Government does not do anything. There is no bunching of expenditure towards the end of the Financial Year. The whole year they do not do anything. Only in the last quarter and that too in last month of the last quarter, practically 50 per cent of the expenditure takes place and much of it during the last month of last quarter. It means, spend the money, somehow or the other. That is not the money well-spent. The people who are in charge of sanctioning and spending the money, do not seem to realise that this money comes from people who are very-very poor. It is not the money to be lavishly mis-spent. This is what they do year after year. In spite of adverse comments, caustic comments being made by the Public Accounts Committee every year, still there is no stop to this. There has been no improvement over the years, over this kind of bunching of the expenditure towards the end.

In the last Financial Year, all expenditure have been postponed. From a particular date, no expenditure has been allowed to be incurred. No commitments had been allowed to be incurred. But to what effect? What is the purpose? What is the

[Shri Amal Datta]

intention? It is just to show that the budgetary deficit is not more than what it was first shown in the Budget in question. The Budget in question had shown a deficit of Rs. 5800 crores for 1987-88. It was more by only Rs. 600 crores or something like that. It is not more by Rs. 2000 crores, which was the case in the year before that. So that, is a postponement of expenditure. That is no a budgetary control. It is not that you have been able to exercise financial discipline. All that you have done is to say: I do not spend at all all expenditure from 1st March to 31st March which is the main burden of the expenditure is postponed.' It will come into the next year. Nothing has been done. The work for which the money was intended, has not taken place. This also is no budgetary discipline: and the small excess of deficit which has been attained this year is not out of any financial discipline, but merely by denying the nation the benefit that it would have achieved by the expenditure actually being made.

So, these are my short comments.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : Mr. Deputy Speaker, Sir, I wish that there should not be a day when we should come before the House requesting for approval of the Demands for Excess Grants. But in this huge Administration, it would be a wishful thinking and, therefore, technically we have to come before this House.

Mr. Banatwalla commented: why such a great delay in bringing this? He is a well experienced man, and Mr. Amal Datta is also a well-experienced man. They know that under the procedure, the Public Accounts Committee has to examine, and they have to recommend the regularization and only then the Demands could be brought before the House. I may wish to point out that the PAC's report was presented to the Lok Sabha only on 7th March 1988, and, therefore, only after the report we could come, and not before; because they have to recommend the regularization. And, therefore, to say that there is much delay, is not a proper thing to say.

Mr. Banatwalla also referred to the excess expenditure in the Department of Telecommunications. It is there; but it was more than anticipated on land acquisition, equipment and stores. In the case of pensions, reckonable emoluments and rate of Service pensions were effective from 1st April 1985; and for increase in the entitlement to gratuity, commuted value of pensions etc., orders were issued only in 1985; and, therefore, they had to come. But from the total, of course I stated at the start that there should be more budgetary control, there should be more correct anticipation, but sometimes because of the contingencies or of something happening like this, when we have to pay more for land acquisition, stores etc., this happens. Therefore, for this amount of Rs. 248.33 crores I have come before the House for approval—which is 0.11% of the total Budget of that year. Out of that also, hon. Members would be pleased to appreciate that a major portion, about Rs. 111.88 crores are in the area of interest, and Rs. 116.59 crores are in the area of Ministry of Defence. So, totally, out of Rs. 248.33 crores, Rs. 228.87 crores are in these two areas; and the rest is very technical. But I definitely agree that budgetary control and anticipation or projections of expenditure either in the Budget proposals or later on in the Supplementary Demands should be more realistic. Time and again we are issuing instructions, and we have issued instructions; and a Cabinet Committee on Expenditure has also been set up by the Prime Minister to monitor and see that proper budgetary control and financial discipline are achieved.

Last year, Mr. Amal Datta criticized that all the expenditure was stopped, and therefore there is no deficit. I believe that this House and the country wanted us to contain the deficit, particularly in the year in which a very serious drought of the Century was there.

Therefore lot of things were to be done. In that case, if we put the ban on expenditure which was not in the priority sector I am told that in the area of priority sector, in the area of defence preparedness, in the area of law and order maintenance, there has not been at all any rigid or undue control or undue ban on expenditure; we have been granting expenditure and that is why we could contain the deficit; and by

containing the deficit, we could achieve certain results in the area of price and price inflation and all other areas, which I need not go into because this is a very small Bill.

Mr. Subba Reddy, who initiated the discussion, had mentioned many areas, but, they were not, in fact, very relevant to this Bill, about the cropping up of the problems and there is no solution to the Telugu Ganga Project and all other things. I think everybody would agree that so far as environment aspect is concerned, even for the project, for the survival of the nation, that angle has to be taken up; but it does not mean that the Centre has given up the Telugu Ganga Project. But, at the same time, if you—Karnataka, Tamilnadu and Andhra Pradesh—cannot come to terms...

AN HON. MEMBER : Including Maharashtra.

SHRI B. K. GADHVI : And then a major portion with these people—then it is better that there should be some understanding. You cited the example of Korea and Japan about their development. I think in Korea and Japan, there is no Opposition which is trying to raise issues from the non-issues. But here every day you are indulging in all these things and keeping yourself busy all the while, not in the area of development pertaining to the nation or in the area of the welfare of the people but in the area of issues which are non-existent, and then trying to create problems for different purposes, for different motives. The moment we give up this stand and have a concerted effort in solving national problems, then I believe the development phase which is already there can have a little more acceleration and more speed. So, that should be introspection on your part also for doing that.

As I said, this is a very technical thing and PAC has recommended regularisation of it. Therefore we have come before the House. Therefore, I would urge upon the House to approve the Excess Demands for Grants for which I have come before the House.

MR. DEPUTY SPEAKER : I shall now put the Demands for Excess Grants

(General) for 1985-86 to vote. The question is :

“That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India to make good the excess on the respective grants during the year ended 31st day of March, 1986, in respect of the following demands entered in the second column thereof—Demands Nos. 12, 17, 19, 20, 22, 23, 36, 62, and 90.”

The motion was adopted

17.22 hrs.

APPROPRIATION (No. 3) BILL, 1988*

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : I beg to move for leave to introduce a Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1986, in excess of the amounts granted for those services and for that year.

MR. DEPUTY SPEAKER : The question is :

“That the leave be granted to introduce a Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1986, in excess of the amounts granted for those services and for that year.”

The motion was adopted

SHRI B. K. GADHVI : I introduce** the Bill.

*Published in gazette of India extraordinary, P. 11, section 2, dt. 2.5.88.

**Introduced/moved with the recommendation of the President.