

brought out publications in Urdu which would be used as text books right up to the highest post-graduate stage. That was something of an effort on a national scale of a national character. On this occasion the Minister is even chary of giving an assurance to the House that the medium of instruction would be—an Indian language. He knows very well about the Education Commission having recommended, I forget how many years ago, that there should be a library language which is the English language and the medium of instruction should be one of the Indian languages. Now in the year of Grace 1974 we have a Central University set up in Hyderabad and not a word is said about the Government's intention about the Education Commission's recommendation about the medium of instruction. This kind of thing goes on. In the meantime we have commissions, committees, reports and reviews and discussion; and recommendations and all that sort of thing. Then we get the Planning Commission which comes into the picture, the economy of the country collapses in such a gregious fashion that even the Central Advisory Board of Education cannot meet. Therefore, in this context of things, to be confronted with this sort of legislation which might have been a pleasure in other circumstances but situated as we are today, I find this a dismal proposition, a melancholy formulation, a completely inadequate statute, and something which is utterly unimaginative. But that is perphas all in line with the ways of the Government of the day.

PROF. S. NURUL HASAN: I only wish my hon. friend had listened to what I had to say. Then may be the adjective be used would not have been as strong as they were.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted*

17.22 hrs.

#### FINANCE (NO. 2) BILL, 1974

MR. DEPUTY-SPEAKER: We take up the discussion of the Finance (No. 2) Bill. It is proposed to allot 10 hours to the discussion of this Bill, which may be divided as follows: 7 hours for general discussion, 2 hours for clause-by-clause consideration and 1 hour for third reading. If you all agree, we will go by that time. The Home Minister will move this Bill for consideration.

AN HON. MEMBER: Home Minister?

MR. DEPUTY-SPEAKER: I am sorry; the Finance Minister will move it. I am a human being and there can be a slip of the tongue. In this connection, I have received...

17.23 hrs.

*(Mr. Speaker in the Chair).*

SHRI H. N. MUKERJEE (Calcutta—North-East): The Chair was making a pronouncement and he was half way. He started a clause in his sentence. We do not know what he was going to say. We are left in a very intriguing position.

SHRI PILOO MODY (Godhra): Unless you are prepared to finish the other half of the sentence!

SHRI SEZHIYAN (Kumbakonam): He said, the Home Minister will move the Bill. Then he corrected it and said it was a slip of tongue. Then he slipped away from the House, when you occupied the Chair.

MR. SPEAKER: I was told that they wanted to raise certain objections and points. But it is already very late.

SHRI DINEN BHATTACHARYYA (Serampore): Mr. Somnath Chatterjee is going away. He may be permitted to make his point.

MR. SPEAKER: Unless the Finance Minister moves the motion, there is nothing before the House.

**SHRI SEZHIYAN:** Rule 117 says:

"On the day on which such motion is made or on any subsequent day to which the discussion is postponed, the principle of the Bill and its general provisions may be discussed, but the details of the Bill shall not be discussed further than is necessary to explain its principle."

Therefore, once he moves the Bill, I can discuss only the principle of the Bill and the general provisions. I cannot oppose it.

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):** That you can do when it is moved.

**MR. SPEAKER:** He can say something or oppose only when there is something before the House.

**SHRI YESHWANTRAO CHAVAN:** I beg to move\*:

"That the Bill further to amend the Income-tax Act, 1961 and the Central Excises and Salt Act, 1944, be taken into consideration."

**SHRI SEZHIYAN:** Before the motion is moved I can object to the motion. After it is moved I can deal only with the principle of the Bill. Further, I cannot speak twice.

**MR. SPEAKER:** Already it is going to be 5.25 p.m. The other item is to be taken up at 5.30 p.m. Further, unless a motion is moved, how can he raise any point. I do not think there is any validity in that point. Once the motion is moved he can raise any objection based on the Rules of Procedure or the Constitution. A point of order can be raised at any time, with the permission of the Chair. What is wrong about it?

**SHRI SHYAMNANDAN MISHRA (Begusarai):** After having known about the nature of the Bill, we could submit that it should not be presented to this House.

**SHRI SOMNATH CHATTERJEE (Burdwan):** Sir, you will remember that this Finance (No. 2) Bill was preceded by a statement by the hon. Finance Minister about certain taxation proposals of the Government of India. In so far as this speech, or the statement that we have got in the form of the Finance Minister's speech, is concerned, it stated that the budgetary estimates that have been prepared, which we got in the form of Finance Bill No. 1, the expenditure that was contemplated there would not be sufficient, that the budgetary deficit will increase and that it is essential to contain the size of the budgetary deficit. He further says "the total resources in sight in the current year will be very much larger than the deficit of Rs. 126 crores which was estimated when presenting this year's budget". Therefore, the Government have thought of bringing proposals for mobilising additional resources by way of taxation. To meet the additional expenses the Government have come with proposals for larger receipts. That means they want to impose taxation. So far as estimated receipts are concerned, we have not been given any estimate. So far as the expenditure is concerned, and this is very very important, on the basis of which these proposals of Finance (No. 2) Bill have been brought forward, they do not give us any idea as to the estimated expenditure. If you see rule 219, it says:

"In this rule 'Finance Bill' means the Bill ordinarily introduced in each year to give effect to the financial proposals of the Government of India for the next following financial year and includes a Bill to give effect to supplementary financial proposals for any period."

Now, what the Finance Minister has brought forward is a supplementary

\*Moved with the recommendation of the President.

financial proposal for this particular period, which is being discussed as Finance (No. 2) Bill. The procedure is very clear. The Government comes forward before the House with an annual financial statement of receipt and expenditure. Until and unless the expenditure which the Government is thinking of incurring is known, there is no question of sanction of expenditure and, far less, sanction of income that is required to be given. It is very clear. Parliament's control is not only over the income but also over the expenditure.

I would like to quote from May's Parliamentary Practice, p. 676:

"The Crown, therefore, acting with the advice of its responsible Ministers makes known to the Commons the pecuniary necessities of the Government; the Commons in return grant such aids or supplies as are required to satisfy these demands; and they provide by taxes, and by the appropriation of other sources of the public income, the ways and means to meet the supplies which they have granted. ..."

It is very clear. Therefore, the Government must first make it known to the House what is the amount required, what will be the expenses and, on the basis of the expenses the estimated receipts will be formulated and taxation proposals will be brought forward which this House, no doubt, will consider and grant or not grant.

It further says:

"Thus, the Crown demands money, the Commons grant it, and the Lords assent to the grant, but the Commons do not vote money unless it is required by the Crown."

We do not know what is the amount that is required by the Government. There is no estimated expenditure.

Again, if I may quote from Kaul and Shakhder, it says:

"The Finance Bill containing the annual taxation proposals is consi-

dered and passed by the Lok Sabha only after the Demands for Grants have been voted and the total expenditure is known."

It is essential to precede the Finance Bill by Demands for Grants. Today, we do not know what will be the additional estimated expenditure; the budgetary deficit has not been indicated in the Finance Minister's statement. The Finance Bill does not show that. Without knowing that, we are considering the taxation proposals.

Now, this money, when collected will go to the Consolidated Fund of India. Once it goes into the Consolidated Fund of India, nothing can come out of the Consolidated Fund of India without getting an appropriation Bill or a vote on account or a supplementary grant approved by the House. That is very very clear.

If you kindly refer to the Constitution of India, it makes it absolutely clear. Article 114 says:

"As soon as may be after the grants under article 113 have been made by the House of the People, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of India of all moneys required to meet..."

—the expenses indicated here.

Then, you kindly see sub-article (3) of article 114. It says:

"Subject to the provisions of articles 115 and 116, no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law passed in accordance with the provisions of this article."

Article 114 will apply to all appropriation Bills for all payments out of the Consolidated Fund of India. Even if one pie has to be taken out of the Consolidated Fund of India, there has to be an appropriation Bill within the meaning of article 114 for which the

procedure is laid down in article 114. That has to be followed.

Article 114 says that there has to be approval of grants preceding an appropriation Bill. Therefore, once the new additional taxes are imposed and are realised, they will go to the Consolidated Fund of India. Even if the Government takes one pie out of it, there has to be an appropriation Bill and, before an appropriation Bill can be passed, there have to be demands for grants which have to be approved by the House.

There are two exceptions in sub-article (3) of article 114, that is, articles 115 and 116. Article 115 deals with supplementary, additional or excess grants. It says:

"if the amount authorised by any law made in accordance with the provisions of article 114 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure..."

Then, supplementary grants have to be brought in under article 116 to which there is no question of appropriation Bill being applicable.

Another exception is article 116 which deals with votes on account. This is not a vote on account. There is no question of a vote on account. This is not a supplementary grant for which they have come. They have come here with additional proposals for raising finance by taxation for unexplained, unestimated and undisclosed expenditure. This is against the principle of the Constitution, against the requirements of the Constitution and against the provisions of the rule, and I submit that it is not permissible.

If I summarise, no expenditure can be incurred by the Government unless authorised by Parliament,

Parliament must authorise the expenditure, each and every pie, in this country so long as the Constitution is there, and Parliament cannot authorise an expenditure unless it knows the items of expenditure. I cannot authorise taxation unless it is required to meet such and such expenses. Undisclosed expenses cannot justify a taxation proposal. Parliament cannot sanction a taxation proposal without knowing the items of expenditure, and no money can be withdrawn except under authorisation made by law. (Therefore, a Finance Bill in my submission can only be considered and passed after the Demands for Grants have been made and those have been voted and we know the expenses. We cannot allow the Government to take money for unauthorised expenses. It has not been indicated in respect of what account the amount that is to be recovered will be expended. In the absence of an Appropriation Bill, no money can be withdrawn. This is not permissible without the Demands for Grants being made and without their being voted by Parliament.

MR SPEAKER: We shall resume the discussion on this tomorrow. Now we take up the half-an-hour discussion to be raised by Shri Damani.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): If the House agrees, we may postpone the half-an-hour discussion and may continue with this.

SHRI SHYAMNANDAN MISHRA: No, no. We have already fixed our programme. That is not possible.

SHRI K RAGHU RAMAIAH: It is a suggestion for the House to consider.

MR. SPEAKER: A suggestion has been made by the Minister of Parliamentary Affairs that the half-an-hour discussion may be postponed.

SHRI S. R. DAMANI (Sholapur): I agree for its being postponed.

SOME HON. MEMBERS: No, no.

SHRI P. G. MAVALANKAR (Ahmedabad): In this Session we have been postponing half-an-hour discussions every time, and some of us are quite prepared and ready here to ask questions. So why should that depend on only one member? The discussion on the Finance Bill may continue tomorrow. We should not postpone the half-an-hour discussion.

श्री प्रभु लिजवे (बारा): यह बिल विधेयक का मादला आज आज घट में सजावत होने वाला नहीं है, इस लिये इसको आज नहीं लेना चाहिये ।

MR. SPEAKER: All right. Mr. Damani  
17 39 hrs

#### HALF-AN-HOUR DISCUSSION

##### SETTING UP OF PAPER AND NEWSPRINT UNITS IN JOINT SECTOR

SHRI S. R. DAMANI (Sholapur): Mr Speaker, Sir, this half-an-hour discussion has arisen out of the answer given on 24th July, 1974, to my Unstarred Question No. 471. My question was:

"whether the joint sector idea in setting up paper and newsprint units has run into difficulties and if so, the basic differences that have arisen between Government and the parties who were ready to cooperate in the beginning."

In reply to my question, the hon. Minister has said:

"Discussions on the pattern of management and mode of financing of such projects have been held between the Government and the private sector parties, and various alternatives are under examination."

My aim in asking the question was with what urgency Government was setting up units to increase production in the Joint Sector scheme, or otherwise.

My second aim was to know how far the ideas projected by the hon. Minister himself of the joint sector have crystallised whether there is

some uncertainty or whether it has taken some definite shape of participation between the public and private sector. With that intention I raised that question but the answer was not clear. Therefore I have raised this half-an-hour discussion.

We know very well that at present there is an acute shortage of newsprint as well as paper in the country. For the last 15 years there is only one unit for newsprint at Nepa with a capacity of 75,000 tonnes but it produces only 47 per cent of its capacity and meets only 30 per cent of the country's requirements.

17 42 hrs.

[MR HENRY AUSTAIN in the Chair.]

Provision has been made and assurances were given that the production will increase and that efforts are being made to see that the country becomes self-sufficient in this regard and that we are not to import newsprint from abroad. But so far no new unit has come into production and as such, the situation has become very serious. The newspapers are finding it very difficult to get the required quantity of newsprint. They are always pressing the Information and Broadcasting Ministry for allotment of more quotas. They cannot afford to buy newsprint at high prices in black market. And this thing is going on. Now, many news papers have already reduced their size and the number of pages. I think a time will come when, if this situation continues, they will have to bring a mini newspaper and mini news items and at that time it will be difficult for them to give space for Ministers' speeches which they are getting at present ...

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY AND AGRICULTURE (SHRI C. SUBRAMANIAM): That will be a very good thing.

SHRI S. R. DAMANI: Now, the Hindustan Paper Corporation was set up in 1970. What was its aim? The aim was to set up 3 pulp and