

MR. SPEAKER : Only one question; no (a) and (b).

SHRIMATI GEETA MUKHERJEE : Sir, you would have noticed that these days I do not ask many questions.

SHRI BASUDEB ACRARIA : You also kindly take a liberal view.

MR. SPEAKER : I am too liberal; that is why, I have allowed so many questions.

SHRI S. JAIPAL REDDY : We want the Speaker to be liberal.

MR. SPEAKER : I have been liberal always. Nothing could be more liberal.

PROF. MADHU DANDAVATE : Do not say (a) and (b); put a compound question.

SHRIMATI GEETA MUKHERJEE : I take the advice of my illustrious senior.

The Government says that it is taking a liberal view. At the same time, there are certain norms laid down. Firstly, I would like to know if you have changed the norms already. If so, why is it not in writing? Secondly, how much time does it normally take for such applications to be reviewed and the answers to be given? How much time was taken in the case of Shri Madhavrao Scindia?

SHRI BRAHMA DUTT : Norms have not been changed, but we are taking a liberal view in order to protect our financial interest abroad...*(Interruptions)*

MR. SPEAKER : Please do not interrupt.

*(Interruptions)*

SHRI BRAHMA DUTT : I have given you volumes of names; do not single out a particular person. You cannot drown my voice.

*[Translation]*

MR. SPEAKER : This is wrong. Let him say what he wants to. Why do you quarrel? Let him complete what he has to say.

*[English]*

SHRI BRAHMA DUTT : I am trying to give you all information.

*[Translation]*

MR. SPEAKER : I don't know from where they have acquired this habit of interrupting.

*[English]*

This is very bad.

*(Interruptions)*

SHRI BRAHMA DUTT : When the applications are in process, generally these are processed in time. He ceased to be a director there and, therefore, this become irrelevant...*(Interruptions)*.

SHRI CHANDRA PRATAP NARAIN SINGH : I just want a clarification from the Minister. The Minister just now said that according to rules and laws of the country, technically it is wrong, but to promote investments abroad, we want to be liberal. Is it within the rules of the Government of India or not?

SHRI BRAHMA DUTT : Technically, a permission is required, but we have been taking a liberal view...*(Interruptions)*

MR. SPEAKER : He has replied whatever he could.

SHRI BRAHMA DUTT : The first is to protect our investments abroad previous to this law and the second is to promote joint ventures and subsidiaries abroad. Lastly I submit that about the directorship there is a dispute. The directors say that it is association, and they do not come within the purview of Sections 27, but we maintain that they come within the purview of that. No court of law has yet decided, but it has been our policy to allow directorship liberally.

#### Budget System

\*741. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) whether budget system of Union

Government is based on Macro-economic Policy Environment; and

(b) if so, the salient features thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT) : (a) and (b). The Budget of the Union Government is formulated on the basis of the prevailing economic conditions, the objectives of economic policy and their priorities as decided upon for the ensuing year. The salient features of the economic situation which are normally taken into account in the formulation of the Budget, are contained in the pre-budget Economic Survey which is presented to Parliament, and which depicts the *macro*-economic policy environment.

SHRI HUSSAIN DALWAI : Sir, the growth rate of the country in eighties was hardly 5 per cent. In 1985 it has gone to 22 per cent. Is it because of the sound and responsive economic policy adopted by Government? If so, what are the reforms adopted by Government for ensuring this good achievement ?

SHRI BRAHMA DUTT : The Long Term Fiscal Policy and the formulation of this Budget have been in the direction to which the hon. member is pointing out. Through this Budget, we are trying to promote savings; we are giving incentives for housing; we are giving incentives for accelerating the growth of capital goods industries so that there can be more production; and we are giving a thrust to the New Education Policy in order to improve the quality of our manpower, which is the basic input. Also, protection to workers has been provided. These are the main social objectives which will lead to further growth as well as maintenance of growth rate.

SHRI ANANDA GAJAPATHI RAJU : Mr. Speaker Sir, the answer given by the Minister carries only the macro-economic variables, but not the micro-economic variables. In this connection, I would like to ask the Minister whether the interest rates on the banks have been reduced and the term of the bank deposits are being

decreased in order to get funds to finance the non-plan expenditure of the Government. The bill market which has been created and other institutions and instruments that are created are mainly to get funds for the Government, in addition to the revenue account. So, are they spending out of capital account what they ought to spend out of the revenue account ?

SHRI BRAHMA DUTT : No Sir. While announcing the change in the rates of interest, I have given our objectives on that. The main objective is that the funds should not be blocked for a longer period and those funds should be available to both industrial and agricultural sectors at a reduced rate. We are not using those capital funds for revenue expenditure.

SHRI SRIBALLAV PANIGRAHI : Sir, I would like to know from the hon. Minister through you whether it is a fact that a lot of money or quite a sizable quantity of sums provided in the Budget remain unspent because by the time the Budget is passed and different formalities are gone through and the funds reach the spot or the field for developmental work, monsoon arrives and the real working period gets reduced to 6 to 7 months in a year. In view of this, I would like to know whether there is any proposal for changing the Budget/Financial Year in the pattern of agricultural year or academic year *i.e.* from July to June.

SHRI BRAHMA DUTT : There is no proposal to change the Budget year. But of course, the hon. member has rightly said that some funds remain unspent. Therefore, the hon. Prime Minister has created the Ministry of Programme Implementation and strict monitoring is being done so that the funds do not remain unspent or get diverted.

SHRI SRIBALLAV PANIGRAHI : Sir, the L.K. Jha Committee also favoured a change in the financial year...

MR. SPEAKER : No second question please.

SHRI P. KOLANDAIVELU : Sir, between policy pronouncements and implementation of the programmes, there is a wide gap. With regard to our Budget System, I want to raise a very pertinent

question. We are unable to spend whatever money is allocated in one year Budget because we are getting only four to five months to spend. The Central and State Governments are unable to spend the money wholly. So, we are surrendering the money to the Government. That is the system which is being followed now. Even the economists and jurists also have recently suggested to the Government that instead of the one-year budget, we can have a two-year budget. Supposing a two-year Budget is allowed—or you are going to have it—the term of the parliamentarians also can be raised from five to six years. That is the suggestion made by the jurists and economists. (*Interruptions*) Is there any proposal to have a two-year budget system, and the extension of the term of parliamentarians from 5 to 6 years?

SHRI BRAHMA DUTT : The hon. Member has asked a very interesting question . . .

MR. SPEAKER : Do you approve of it ?

SHRI S. JAIPAL REDDY : It is all the better, coming as it does, from the AIADMK.

SHRI BRAHMA DUTT : It is a very interesting question. We already have a notional budget in the shape of the five-year Plan.

As far as the spending capacity is concerned, I had the honour to be the Finance Minister of the biggest State of U.P. for five years, and I had no difficulty in spending money . . . (*Interruptions*) Just a minute... I am not copying a particular State where deficit financing was resorted to, and the money was not spent on these programmes. We spent the full amount of money, rather more money for Plan expenditure, and did not incur any deficit financing. It depends on what type of Finance Minister they have got in their States.

[*Translation*]

SHRI GIRDHARI LAL VYAS : Mr. Speaker, Sir, the hon. Minister has just stated that a new Ministry called the Ministry of Programme Implementation has been established by the Hon. Prime Minister

for monitoring purposes. In this connection, the hon. Member and others have also submitted that the work on budgeted schemes start after 3 or 4 months after the Budget is presented and the funds lapse. I want to know whether the Programme Implementation Ministry has taken any steps to check this under-utilisation of funds? Have you been informed in this regard? Has the Ministry made any recommendations for giving priority to certain things so that programmes are implemented properly? Has it furnished any such report?

SHRI BRAHMA DUTT : The hon. Member may be aware that the aforesaid Ministry was set up only a year ago but it is working regularly and has given several valuable suggestions. However, whenever a new economic policy or a new system is adopted, it takes time to be fully effective. But it has certainly made an impact. Reports come in regularly, specially in regard to our major projects, and we enquire from the concerned Departments before sanctioning fresh funds whether the earlier allocations have been spent?

(*Interruptions*)

SHRI GIRDHARI LAL VYAS : Have they furnished any report in this regard?

(*Interruptions*)

[*English*]

**Development of Process Technology for  
Extraction of Metal from  
Polymetallic Nodules**

\*743. SHRI BRAJAMOHAN MOHANTY : Will the PRIME MINISTER be pleased to state :

(a) whether process technology for the economic extraction of metal values from polymetallic nodules found in the seabed has been developed in the country;

(b) if so, the details thereof;

(c) if not, whether any steps are proposed to be taken in that direction;

(d) whether personnel with requisite training for cover designing, engineering and consultancy services in nodule mining,