

that our officers are generally dishonest and so there will be misuse of this power.

Pandit Thakur Das Bhargava: He is really putting in our mouth words which we have never said. We, on the contrary, place much more confidence in the Customs Officers than he wants to place in them.

Mr. Deputy-Speaker: Order, order. Let the Minister proceed.

Shri A. C. Guha: Further, Sir, on the first day I gave a sort of assurance that by administrative instructions we shall see that the scope of this clause is limited to the barest necessity and that this will operate only in the case of certain articles. We shall also further issue instructions that our officers may use this power with discretion and fairness. I hope, now the Bill will be accepted by the House.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

APPROPRIATION (No. 2) BILL

The Minister of Finance (Shri C. D. Deshmukh): I beg to move*:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56, be taken into consideration."

Mr. Deputy-Speaker: Motion moved:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56, be taken into consideration."

Now, Dr. Lanka Sundaram.

Shri Bansal (Jhajjar—Rewari): Before the hon. Member begins to speak

may I know what is the time that has been allotted to the Appropriation Bill and the Finance Bill?

Mr. Deputy-Speaker: I will refer to the time allowed to the Finance Bill later. So far as this Bill is concerned Dr. Lanka Sundaram will have 15 minutes. Hon. Members are aware that under rule 237(5) only such hon. Members as have given advance notice to the Speaker that they would like to participate in the debate will be allowed to speak. So far I have received only a letter from Dr. Lanka Sundaram. Therefore, after he concludes, I will put the motion to the vote of the House and then we will take up the Finance Bill.

Some Hon. Members: Why not he be given some more time?

Mr. Deputy-Speaker: He may not have enough to say.

Dr. Lanka Sundaram (Visakhapatnam): Sir, the Statement of Objects and Reasons of this Bill states that it is intended to provide for the appropriation out of the Consolidated Fund of India of monies required to meet the expenditure charged to the Consolidated Fund and the Grants made by the Lok Sabha, with the result that I feel I should draw the attention of the House and particularly the attention of the hon. Finance Minister to a question relating to budgeting, spending and non-spending of monies voted by this House.

The House will recall that last year I had the temerity to bring up this question in a different manner and to say that there was dangerous, excessive manipulation of accounts—I am not suggesting any *malafides* there—and I asked the Finance Minister to answer some of the points I raised relating to the non-reconciliation of figures as found in the documents circulated in this hon. House. The House will also recall that at the end of the Budget debate last year my hon. friend the Finance Minister laid two

*Moved with the recommendation of the President.

[Dr. Lanka Sundaram]

statements on the Table of the House trying to answer certain points raised by me in this House, and I regret to say that the answers are not satisfactory.

Earlier in the Budget debate, I drew the attention of the hon. Minister to the difficulties regarding the assimilation of figures and my hon. friend has answered to one or two points. There seems to be an impression that I am bringing this question almost *ad nauseam* here. I beg leave of the House to read one or two passages from the *Appropriation Accounts (Civil 1951-52)* and *The Audit Report 1953*. On page 17 of this Report, circulated to all of us on Saturday last, it is said that on an examination the accounts "indicate that there was room for further improvement in budgeting and control over expenditure". We are on the Appropriation Bill, and without taking much time of the House, let us see what this Audit Report shows. Here are some sorry examples. There are 17 detailed cases listed in this Report relating to defective control noticed during the year under audit—it is on pages 13 and 14.

The Minister of Defence Organisation (Shri Tyagi): What is the year under audit?

Dr. Lanka Sundaram: 1952.

Shri K. K. Basu (Diamond Harbour): He was there.

Dr. Lanka Sundaram: Primarily responsible.

Then it is said in the Report: "In the charged section the supplementary appropriations obtained under the following two grants also proved unnecessary." What are those grants? Administration of Justice and Loans and Advances by the Central Government. Then on another set of discrepancies or difficulties about grants, the Audit Report says: "the bulk of the supplementary grants and appropriations remained unutilised". There are very considerable amounts there. One

amount is roughly Rs. 4 crores in one instance. Then there is another category showing re-appropriation of accounts. Here the Report says: "There were several cases of re-appropriation and modification under individual sub-heads which proved excessive or unnecessary." There is a further category giving cases of defective budgeting. The Report then says about unanticipated credits, and finally the general conclusions regarding control over expenditure. Here it says:

"The net savings in all the grants and appropriations was Rs. 45,86,84,151 (14.5 per cent.) and Rs. 31,79,87,838 (2 per cent.) respectively."

A total, colossal figure of Rs. 77 crores could not be spent. I would ask the House to see how this compares with the total budget figure of Rs. 400 crores. It comes to nearly one-fifth. That is the position of affairs concerning which I crave the indulgence of this House repeatedly to bring this question. I am not making any charge of *malafides*, but the House is entitled to have a correct picture with regard to the proper administration of the task entrusted to the charge of my hon. friend.

One other point from this Report and then I will go on to two very important issues connected with the current appropriations. In the Supplementary Grants for the year 1953, the Grant was Rs. 1,03,98,76,000. Of this a sum of Rs. 43,49,81,687 was surrendered—the same figure I quoted earlier—with the result that the Accountant-General, Central Revenues, says there is indication that there was room for further improvement in budgeting and control over expenditure.

Having said this I would ask the hon. Finance Minister to come to the current year's budgeting. Here I would pose him only two questions. There is quite a number of items on

which I have been devoting my attention, and these two questions relate in the first instance to "Contributions and Grants-in-Aid to States". In the summary given on page 5 of the Memorandum, the total figure given is Rs. 35.93 crores. But, if you examine the Annexure VII of the Explanatory Memorandum, on page 179, there are two items given: Grants and Subventions met from Revenue—Rs. 70.57 crores and Grants and Subventions met from Capital—Rs. 20.19 crores, which gives a total of Rs. 90.76 crores, as against Rs. 35.93 crores given in the summary. If you look at Annexure XII, it is stated therein that the statement showing Grants-in-Aid, other than Grants under the Finance Commission's Award, given by the Centre to the State Governments for the budget year 1955-56, comes to Rs. 78.41 crores. Thus we have got three sets of figures before us, namely, in the summary of the budget position Rs. 35.93 crores; in the Annexure VII Rs. 90.76 crores and in Annexure XII Rs. 78.41 crores. To cap the confusion completely, Sir, I had occasion to examine the latest *Bulletin of the Reserve Bank of India* for March, and there you find another set of figures given. I am trying to summarise it as briefly as I can, and here it is: At page 224 of the *Bulletin of the Reserve Bank of India*, it is said that the resources made available to the State Governments by the Centre in the Budget for 1955-56, that is, Grants and Subventions is of the order of Rs. 98.11 crores. I would ask the Minister to tell us how exactly we are expected to reconcile these sets of figures which are circulated to the House.

I will now give another set of figures. At page 31 of the *Progress Report for the First Five Year Plan* in Statement III details are given in connection with the financing of the Plan so far as the States are concerned. The figures of the loans given to the States come to Rs. 73.30 crores in 1951-52, Rs. 111.70 crores in 1952-53 and Rs. 154.65 crores in 1953-54. The same figures are to be found in the

Reserve Bank of India Bulletin at page 24. The same figures are to be found in Annexure XIII of the Explanatory Memorandum at page 200. Here the figures are different—Rs. 73.30 crores, Rs. 111.20 crores and Rs. 154.65 crores for the three years I have mentioned earlier, with the result that here again, reconciliation is not possible.

The third point I would like to make here is that these are actuals. How exactly these discrepancies arise, I do not understand. I believe, Sir, I will be entitled to pass this remark that since freedom, we in this country are accustomed to astronomical types of finance with the sky as the upper limit. As compared to the figures before the Second World War, the figures now are Rs. 400 and odd crores in the General Budget, and then the Railway Budget and so on and so forth, with the result that there seems to be a tremendous amount of hurry and lack of attention to the manner in which Budget demands are made in the various Ministries. The demands are approved by the Finance Minister before they come before this House.

Now that we are in this Appropriation Bill, I feel called upon to draw attention to only these two of the many things which I would have liked to mention.

Shri C. D. Deshmukh: Mr. Deputy-Speaker, the hon. Member has referred to some statement that I had furnished him last year and his having found it unsatisfactory. I cannot now recall whether he said so in the course of the year....

Dr. Lanka Sundaram: At the far end of the year.

Shri C. D. Deshmukh: I am referring to the last year's statement. What I say is that if the hon. Member is not satisfied with any statement that I furnished, then he should let me know, in which case I would do my humble best to try to reconcile any figures that I might have sent him. I am not in a position to answer his charge, because, I have not got the statement before me which, sent him

[Shri C. D. Deshmukh].

last year, nor have I got before me that speech that I delivered on that occasion. All that I saw about five minutes ago before the Appropriation Bill started was his notice that he was going to raise certain issues with regard to loose budgeting and I think irregular accounting. That in itself carried no clue as to what exactly he was bothered about and I hope, therefore, that the House will be patient with me if I am at the moment unable to dispel the hon. Member's lack of satisfaction. I am prepared to look into this again, and if the hon. Member will be pleased to let me know in which particular respect he found last year's figures unsatisfactory, I can make a second attempt to convince him. That is all that I can say on the first point.

Then, he referred to various portions and paragraphs of the Audit Report for 1953. It is my impression that the Public Accounts Committee has yet to examine that Audit Report. In other words, it is a report submitted to the Parliament and due to be examined by the Standing Committee for that purpose. I am not quite sure if it is very fair to the executive to bring up paragraphs of the report before the committee appointed by the House has had occasion to go into this matter, because, as you are aware, what happens is that every Ministry is called upon to answer the charges that are made by the Comptroller and Auditor-General. Therefore, in detail an opportunity is furnished to every Ministry to clear up any misunderstandings that there might be, and if there are no misunderstandings, to plead guilty before the Public Accounts Committee.

Dr. Lanka Sundaram: The hon. Minister seems to suggest that I have committed a breach of procedure here. This was circulated to us the day before yesterday and it is meant to be used on the Appropriation Bill. I want your ruling, Mr. Deputy-Speaker, on this matter.

Shri C. D. Deshmukh: I do not mind his using it. I have not objected to his using it. I am only declaring my inability to deal with these complaints, because I see that in the normal course such opportunities are furnished to the Ministries in detail, when the matters are examined by the Public Accounts Committee. I am quite certain the House does not expect me to furnish immediate answers to para 52, 53, page 179 and so on. These figures I do not carry in my head. I must look to the records and I must instruct my officers as to what they should say before the Public Accounts Committee.

Mr. Deputy-Speaker: Is it the report of the Auditor-General or somebody else?

Dr. Lanka Sundaram: Accountant General, Central Revenues.

Shri V. P. Nayar (Chirayinkil): How does it preclude a Member from quoting that?

Shri C. D. Deshmukh: I have not objected to any hon. Member quoting it. I am only explaining to the House how it is impossible for me to deal with these detailed figures at a notice of five minutes.

Mr. Deputy-Speaker: I can only suggest that whenever such points which require some detailed explanation are raised, certainly hon. Members raise them for the purpose of getting explanation on the floor of the House. I do not say that they are not entitled to raise them; but, they should give notice and briefly indicate the points which they want to raise, so that the hon. Finance Minister or any Minister may come prepared with the necessary answers.

Dr. Lanka Sundaram: In that case I shall have to send a memorandum. If that is your decision, I am prepared to do it.

Mr. Deputy-Speaker: I leave it to hon. Members to do what they like. I

merely said it to avoid any such statement that the hon. Minister has been taken by surprise.

Shri C. D. Deshmukh: I cannot here and now answer all these points in detail. I have every intention of doing so. In any case I shall resume my correspondence with the hon. Member.

He again referred to certain figures which he could not reconcile in regard to contributions and grants to States so far as the current Budget is concerned. He also referred to a figure which is being given by the Reserve Bank and he asked me how the hon. Members were expected to reconcile all this information circulated by Government. I did not circulate the Reserve Bank Bulletin to hon. Members. That is one of the figures to be reconciled.

Dr. Lanka Sundaram: One of the four figures to be reconciled.

Shri C. D. Deshmukh: In any case, the Reserve Bank's figure is only to the order of something. This 'order of' is a licence for a certain amount of inaccuracy.

So far as the other figures are concerned, there is some explanation. The summary gives only the revenue budget under the Accounts head, Grants etc. Annexure VII gives both the revenue and the capital budgets under all heads and not only under the head, Grants etc. Annexure XII gives the grants to States other than those which have been made in accordance with the recommendations of the Finance Commission.

So, whereas there is perhaps some justification for the hon. Member's complaint, that can be removed by the addition of a note somewhere in the sense of what I have said just now that this figure includes both this and this; this figure includes both this and that, and so on. But actually the figures are different: they relate to different things. That answer I think will for the moment be found to be satisfactory by the hon. Member

because they refer to different matters. In any case, I am very glad that the hon. Member has brought these matters to our notice and if there is any improvement possible in the way of clarification of figures, I consider that it is in our interest to clarify it, so that we might be able to escape the charge of "loose Budgeting" and irregular accounting.

Mr. Deputy-Speaker: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56, be taken into consideration."

The motion was adopted.

Clauses 1 to 3, the Schedule, the Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

FINANCE BILL

Mr. Deputy-Speaker: The House will now take up consideration of the Finance Bill, 1955. Under rule 238(2), 15 hours are allotted for the disposal of the Finance Bill. These 15 hours, if the House is agreeable, I propose to divide as follows with respect to the several stages:

We might devote 8 hours to the general discussion, 6 hours to clause-by-clause consideration and 1 hour to third reading.

Shri H. N. Mukerjee (Calcutta North-East): My recollection is—I am subject to correction—that 20 hours were to be devoted to the Finance Bill.

Mr. Deputy-Speaker: I understand that this matter was discussed in the