

DEMAND No. 146—CAPITAL OUTLAY ON ROADS

"That a sum not exceeding Rs. 6,04,17,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1958, in respect of 'Capital Outlay on Roads'".

DEMAND No. 147—OTHER CAPITAL OUTLAY OF THE MINISTRY OF TRANSPORT

"That a sum not exceeding Rs. 1,47,08,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1958, in respect of 'Other Capital Outlay of the Ministry of Transport'".

DEMAND No. 148—DELHI CAPITAL OUTLAY

"That a sum not exceeding Rs. 3,05,50,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1958, in respect of 'Delhi Capital Outlay'".

DEMAND No. 149—CAPITAL OUTLAY ON BUILDINGS

"That a sum not exceeding Rs. 1,91,13,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1958, in respect of 'Capital Outlay on Buildings'".

DEMAND No. 150—OTHER CAPITAL OUTLAY OF THE MINISTRY OF WORKS, HOUSING AND SUPPLY

"That a sum not exceeding Rs. 89,90,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1958, in respect of 'Other Capital Outlay of the Ministry of Works, Housing and Supply'".

DEMAND No. 151—CAPITAL OUTLAY OF THE DEPARTMENT OF ATOMIC ENERGY

"That a sum not exceeding Rs. 3,75,00,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1958, in respect of 'Capital Outlay of the Department of Atomic Energy'".

APPROPRIATION (VOTE ON ACCOUNT) BILL, 1957*

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I beg to move for leave to introduced a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58.

Mr. Chairman: The question is:

"That leave be granted to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58."

The motion was adopted.

Shri T. T. Krishnamachari: I introduce** the Bill.

FINANCE BILL, 1957

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I beg to move:†

"That the Bill to continue for the financial year 1957-58 the existing rates of income-tax and super-tax, other than super-tax on companies for which provision is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General

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**Introduced with the recommendation of the President.

†Moved with the recommendation of the President.

Agreement on Tariffs and Trade and discontinuance of the duty on salt for the said year, be taken into consideration."

In respect of this Bill I had spoken at the time I introduced the Budget, and I would only like to add that in this Bill Government are not making any changes in the existing tax structure in the next financial year. The object of the Bill is to ensure the levy of income-tax and super-tax and the additional duties of customs and excise for that year at the rates at which they are now being levied under the Finance Act, 1956, subject to the modification that the rates of super-tax on companies shall be as laid down in the Finance (No. 3) Act, 1956.

Mr. Chairman: Motion moved:

"That the Bill to continue for the financial year 1957-58 the existing rates of income-tax and super-tax, other than super-tax on companies for which provision is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and discontinuance of the duty on salt for the said year, be taken into consideration."

Dr. Rama Rao (Kakinada): Sir, I do not want the Finance Bill to be passed without even a five minutes' speech on it. I just want to point out to the Minister the irresponsibility on the part of certain Ministries. I will quote the instance which the hon. Finance Minister himself gave the other day. It is good that the vigilance of the Finance Ministry brought to light a case in which another Ministry recommended a further loan of Rs. 20 lakhs to an institution which was worth only Rs. 14 lakhs or Rs. 16 lakhs. That institution had already borrowed about Rs. 44 lakhs and swallowed or wasted Rs. 30 lakhs out of it. It was worth only Rs. 14 lakhs

and a sister Ministry recommended a further loan of Rs. 20 lakhs. It is good that the Finance Ministry stopped it.

But I want to ask the Finance Minister what action the Government has taken against that sister Ministry or the Minister who recommended a further loan of Rs. 20 lakhs due to sheer irresponsibility. I think it is high time that the other Ministries or Ministers are taught a lesson in this matter of responsibility. Each Ministry cannot spend as it likes and expect the Finance Minister to be the only guardian of finances. Therefore, I would request the Finance Minister to follow it up and see that the Government takes a firm deterrent action on that particular Minister and the Ministry concerned.

T. T. Krishnamachari: Sir, I am very grateful to my hon. friend for having kept a watchful eye. I won't say that the Minister or the Ministry is to blame; the system is to blame. I am proposing to ask my colleagues in the other Ministries to co-operate in scrutinising the loan position in the various bodies to which we have given loans. I am thinking of asking for their co-operation when an officer, whom we propose to appoint, will scrutinise and find out the real position of all these loans. I think it is only fair that we do that and place before the Parliament what the actual position is. It may be that we can write off in many cases.

As I said the other day, what happens is that when we refuse a grant they ask for a loan. The only difficulty is that they do not understand one thing. The Government can take a decision and give grants. If finances are not available the Finance Ministry must find money. Once a loan is given the appropriate Ministry and the Finance Ministry should know if there are reasonable chances of the loan being returned. If there is no chance of the loan being returned it is taken as a grant. That is the principle going on for the last more than fifteen years, not yesterday

[Shri T. T. Krishnamachari]

or today. Now I am trying to change it. I am very glad that the hon. Member caught the point and emphasised it. I wish hon. Members in this House do insist upon these things being reviewed from time to time and placed before the Parliament because, as I have said once before in September, the Finance Ministry is friendless, they are absolutely alone and, after all, the only persons before whom the Finance Minister can come and plead his case happens to be the Parliament, who are the ultimate guardians of expenditure in this country. I am sure with this new consciousness that is developing we will be able to check to some extent this question of loans. Of course, if Government wants to make a loan and are prepared to place it before the Parliament they can do it. It is not, therefore, because of any fault of a particular Minister or Ministry. It is the fault of the system and that we are trying to change. I hope I will be able to give some account of it to the Parliament, say, six months hence, by which time I will probably get some of these things scrutinised. I am perfectly sure that no Minister or Secretary wants to give a loan if he has the slightest inkling that the loan is not likely to be returned but we must make up our mind that a loan is a loan and it cannot be treated as a grant.

Once again, I am grateful to the hon. Member for having emphasised the point.

Mr. Chairman: The question is:

“That the Bill to continue for the financial year 1957-58 the existing rates of income-tax and super-tax, other than super-tax on companies for which provision is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty

on salt for the said year, be taken into consideration.”

The motion was adopted.

Clause 1 to 6, the Enacting Formula and the Title were added to the Bill.

Shri T. T. Krishnamachari: I beg to move:

“That the Bill be passed.”

Mr. Chairman: The question is:

“That the Bill be passed.”

The motion was adopted.

RAILWAY BUDGET—GENERAL DISCUSSION

Mr. Chairman: The House will now proceed with the General Discussion on the Railway Budget.

Shri Nambiar (Mayuram): Sir, I am sorry that the Minister for Railways is not here, perhaps he may be busy otherwise, but I am glad that the Finance Minister is present and I am sure he will certainly convey the points that I make here to the Railway Minister.

I am not going into a detailed examination of the performance of our Railways during the past one year at this stage, because that can better be done by the new House which would assemble shortly. My purpose here is to focus attention on certain aspects which are of a specific nature and urgent, namely, (1) the serious impediments on the expansion of Railways, (2) the negative policy towards labour which requires immediate revision and (3) a legitimate wage increase to compensate the loss to the railmen on account of higher prices.

It is true that the Railways are trying their utmost to get out of the situation created before and during the war and cope with the growing needs of a developing economy. The White Paper agrees that, even after