

to the apportionment of that expenditure among States where results would be forthcoming or where other factors like employment or still other factors which would mean that in the long run there will be some other results, would be considered. But the reason why we do it is totally different. The reference by the Finance Commission to the Planning Commission and the plan period is undoubtedly vital, but it is incidental. If the hon. Member gives some more thought to this, he will find that his question is not based on proper premises.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS*—GENERAL

Mr. Deputy-Speaker: The House will now take up the Supplementary Demands for Grants in respect of the Budget (General) for 1957-58 presented on the 3rd September, 1957 and 6th December, 1957. There will be a combined discussion and voting on both the sets of Supplementary Demands for Grants and the amounts voted may be incorporated in a single Appropriation Bill. Three hours are available for discussion and voting on these. After the discussion on all the Demands is over, I will put them all together to the vote.

I would like to know whether hon. Members desire to allot to separate items separate time.

Shri Naushir Bharucha (East Khandesh): I do not think it is necessary. But there is in the Chair's discretion one additional hour.

Mr. Deputy-Speaker: Discretion should not come in the first instance. First, we may try to finish it within the allotted time. But if there is any necessity for additional time afterwards, that will be seen. Now, we have taken half an hour from the

previous Bills. As there is no particular item for which particular time is to be allotted, we may continue discussion on both sets together.

The Minister of Finance (Shri T. T. Krishnamachari): May I ask if the House would like to discuss Demand No. 23A first, that is, Naga Hills-Tuensang Area? I ask this because my colleague, the Deputy Minister of External Affairs will not be here tomorrow. So we may probably like to hear her. Otherwise, I will have to act to the best of my ability tomorrow.

Mr. Deputy-Speaker: I agree with the hon. Minister that if the hon. Members want that to be taken up separately, we can take it up first. We can devote the time we have got because that would be a new item.

Shri Naushir Bharucha: Is it proposed to be taken up first?

Mr. Deputy-Speaker: Yes; the hon. Deputy Minister for External Affairs will not be here tomorrow. But, then, it will be difficult; there are only 15 minutes left.

Shri Naushir Bharucha: It would not be possible.

Mr. Deputy-Speaker: So, it would be left to the Finance Minister.

DEMAND NO. 18—GEOLOGICAL SURVEY

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 20,65,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Geological Survey'".

DEMAND NO. 23A—NAGA HILLS—TUENSANG AREA

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 1,07,21,000 be granted to the President to defray the charges which will come in

*Moved with the recommendation of the President.

[Mr. Deputy-Speaker]

course of payment during the year ending the 31st day of March, 1958, in respect of Naga Hills-Tuensang Area'".

DEMAND NJ. 93—SUPPLIES

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 3,96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Supplies'".

DEMAND NO. 104—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'".

DEMAND NO. 126—CAPITAL OUTLAY OF THE MINISTRY OF STEEL, MINES AND FUEL

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 10,10,000 be granted to the President to defray the charges which will come in course of payment during the year ending 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'".

Now, the Demands are before the House for discussion.

Shri Naushir Bharucha: Sir, I am not using the time allowed to me to speak. I am raising a point of order, namely, that Demand No. 104 be ruled out of order. If you turn to the First Supplementary Statement, on

page 7, Demand No. 104 is a Demand for a token grant of Rs. 1,000.

The points of order that I raise are that the prevailing practice of Ministries asking for token grants. . . .

Mr. Deputy-Speaker: Would it be desirable according to the hon. Member to throw it out at the first instance or when we take them up afterwards? We are opening them for discussion now. Does he mean to say that it cannot be discussed?

Shri Naushir Bharucha: All the Demands are placed before the House.

Mr. Deputy-Speaker: They are placed before the House for discussion.

Shri Naushir Bharucha: Therefore, I am inviting the Chair to rule out that one Demand. If it is ruled out, there would be less of discussion.

The point of order that I am raising is that the prevailing practice of the Ministries asking for token grants as in the case of Demand No. 104 is unconstitutional and illegal.

Secondly, that rule 217 of the Rules of Procedure sanctioning such practice is *ultra vires* the Constitution.

Thirdly, that the correct method where funds to meet the proposed expenditure on a new service can be made available by so-called reappropriation is to make a Demand for the entire expenditure involved on that new service and to treat the available funds as lapsed grants or savings.

Therefore, the Demand for Rs. 1,000 as token grant is out of order; and my reasons are as follows:

The control of Parliament over expenditure consists ultimately in sanctioning specific sums for specific heads of expenditure.

Once Parliament sanctions a specific sum for a particular head of expenditure, under 114(2) no amendments can be proposed which will

have the effect of varying the amount or altering the destination of any grant so made in the course of an Appropriation Bill.

Thirdly, when Rule 217 refers to reappropriation, it virtually means that it gives authority to the executive both to vary the amount of grant and to alter its destination.

Fourthly, such varying of grant or altering of its destination, once the Appropriation Bill is passed rests only with the Parliament under article 115(a) and (b), and not with the Executive.

Fifthly, article 115 contemplates supplementary demands, additional demands, that is, for new service or excess demands.

Sixthly, neither under article 114, nor article 115, nor even under article 116, any legal fiction of a so-called token grant is permissible.

Seventhly, the legal effect of a token grant is that Parliament sanctions only a microscopic fraction of the entire expenditure on a new head and delegates to the Executive with respect to practically the whole of the expenditure on a new service the power to alter the destination of a grant. Such delegation is not constitutionally permissible and what cannot be done under the Constitution cannot be done under any Rule

Eighthly, the Constitution does not recognise any practice of reappropriation which is only another name for varying the amount or altering the destination of a particular grant.

Ninthly, if the practice of reappropriation of token grants were accepted as under Rule 217, the logical and legal implications of it would be that the Executive can play a 'general post' with the entire Budget, utilising grants made for head of expenditure for any other head, so long as the Executive remained with the gross Budget amount and came to the House for so-called token grants.

Tenthly, on merits the practice of token grants tends to conceal at first sight the magnitude of the transfer from one Budget head to another and to make slackness of supervision of the House over the Budget.

Eleventhly, the fact that the practice of token grants prevails in other Parliaments is not relevant to the issue as we have specific prohibitory provisions in our Constitution against altering the destination of grants or varying the amounts thereof.

Twelfthly, that the practice of token grants may defeat the right of an hon. Member to move a token cut of Rs 100/- where the Ministry asks for a token grant of less than Rs. 100/- or even to move a policy cut of Re. 1/- if the Ministry comes forward with a token grant of eight annas.

Therefore, I submit that all token grants under Rule 217 of our Rules is *ultra vires* the Constitution and that the practice of asking for token grants is unconstitutional, and illegal and, therefore, Demand No. 104 has to be recast. As it stands it is *ultra vires*.

Shri T. T. Krishnamachari: As the hon Member himself is rather new to me, his method of argument is rather new. I do not think Rule 217 is a thing which prevents token grants excepting that it prescribes that a certain method should be followed when funds to meet the proposed expenditure on a service can be met by reappropriation. I think it is a common practice, leave alone this particular instance, for us in the Budget to put down a token amount for anything new or even for something old, if we do not have all the detailed data available for the make-up of the Budget. The House then discusses the principle and if we accept the principle, then we bring in later on when the details are available, the total amount of expenditure.

In fact, that is my experience of this particular House and its predecessors during the last 17 years. I have had so many instances where there has been a grant of Rs. 1000 or Rs. 1 lakh or even Rs. 1 crores, as the case may

[Shri T. T. Krishnamachari]

be, put down without any specific detail.

In fact, even in the Budget which is under preparation I felt that in many Ministries where they did not give me any details, I was not going to accept the Budget in that way and I shall come to the House only for a token grant so that they agree to the services and, shall put before the House the complete detailed cost because it is not right for me, without being convinced that the expenditure is legitimate or adequate or inadequate as the case may be, to come before the House and say that I want Rs. 3,97,23,000/-.

Oftentimes it does happen that the various Ministries do not give me adequate figures and I have told them that they have to come back again to the House for supplementary demands, and I will take only token grants. It is a habit which we do normally have in a Budget.

I do not think here that Rule 217 is preemptive really. It relates to a different contingency other than the one that is now being contemplated under this particular demand. I do not see any force in the arguments of the hon. Member.

Shri Naushir Bharucha: If rule 217 does not apply, which rule applies?

Mr. Deputy-Speaker: The hon. Member, Shri Bharucha, has raised a very complicated question. I must say that he wants me to rule Rule 217 as *ultra vires* the Constitution and then say that this Demand that is being made is not admissible and it cannot be taken up here. Without going into the question whether the Demand made here is admissible or not, I have to say that I have no authority to rule out this Rule 217 as *ultra vires* the Constitution. These Rules have been accepted by the House and I have to administer them as they are. I cannot declare that such and such rule is *ultra vires* the Constitution. If the hon. Member has got that grievance, he

should put in an amendment that so far as this particular Rule is concerned, it is *ultra vires* the Constitution. It would be referred to the Committee and it would give its own decision. Then it will come before the House and the House shall have a chance to declare whether it is *ultra vires* or not. In this indirect and summary way, I have no authority—I think no Speaker has. So, when I have not got that authority, I cannot proceed further and I over-rule the objection and place all the Demands that we may take up for discussion now.

Is anybody wishing to speak?

Shri Naushir Bharucha: This could not be taken as part of my speech. There are two or three points.

Mr. Deputy-Speaker: I wanted to find out whether any Member was getting up. Shri Bharucha has stood up. I call upon him to speak.

Shri Naushir Bharucha: I think the hon. Finance Minister wants to speak and say something in support of his Demands.

Mr. Deputy-Speaker: That is not the usual method. He may speak now.

Shri Naushir Bharucha: Sir, I desire to invite the attention of the House to two or three points. The first relates to Demand No. 126 printed on page 10. This is a Demand for Rs. 10 lakhs for the purchase of shares in a newly created corporation, namely, Orissa Minerals Development Company Limited. The Durgapur Steel Plant requires the supply of iron ore and the Government has come to the conclusion that the best possible source, taking into consideration, the quality as well as the transport difficulties, would be from the mines at Bolani in Orissa. The Government goes on to observe that these areas are already held on lease by companies and private parties most of whom have an option to have the leases renewed under the Mineral Concession Rules. Therefore, it is not possible to terminate the licences and therefore an arrangement

has been made under which a joint enterprise has been evolved and a new company has been formed, Government holding 50.5 per cent. of the shares and the rest of them holding 49.5 per cent. of the shares. The new company will be paid all the expenditure which is incurred in exploring, proving, developing and maintaining the areas. The directorate will be nominated on the basis of two each, with a fifth director of the joint choice between the Government and the other parties.

The point that I want to raise is this. Why is it that the mining leases of companies held by private parties cannot be terminated? How can the Government bring any question of the right of renewal of lease when it is within the discretion of the Government to terminate the licences? What was the difficulty in terminating those leases by payment of compensation? We have already passed an Act on that. Why is the Government not applying that? It seems to me that the private enterprise is being smuggled by the back-door into the public sector. We have got larger capital but in the composition of the directorate, there are two on each side. One director will be taken up by the Government in consultation with the other side. I am afraid that the policy of the company will rest with the other side.

It is conceivable that both the Government and the private sectors will look at the target of six million tons for steel production from different points of view. The private sector may insist on restricting production and creating artificial scarcity and putting up the prices. We are not interested in that. When we are asked to vote Rs. 10 lakhs, why is it that the leases are not terminated by payment of necessary compensation? Why is it necessary for the private enterprise to be taken in?

There is a second point in respect of which I have given a cut motion—the Naga-Tuensang area. We are allotting certain specific amounts. It is not that I am against that allotment. I say a

bigger allotment should have been made. Starting from page 4 it goes up to page 11 and the Demand is for Rs. 107 lakhs. If we turn to Police Administration, Rs. 54 lakhs are devoted to this expenditure out of this total. When we take over a new administrative unit, and when it is the declared policy of the Government, as soon as possible, consistent with the maintenance of law and order in this newly created area, to reconcile the Nagas, I expect that good deal would be spent on education, medical relief, development of projects, agriculture and other subjects. But, what do we find? Practically half is being taken up by police administration alone. I think this is excessive allotment to police administration.

If it is the contention of the Government that this much expenditure is immediately required for the maintenance of law and order in that troubled area, I suggest that the Government should increase the grant that has been allotted for other purposes. I think it is glaringly small compared to the expenditure on police. It would seem that instead of creating a normal administrative unit, we are establishing a police unit.

The last point over which, I shall take only two minutes, is this. In Demand No. 93, the Government is asking for an amount of more than Rs. 6,18,000. Government sold foodstuffs to somebody, and it was not fit for human consumption. A suit was filed for the recovery of damages to the tune of Rs. 6 lakhs. This is an old 1947-story; I know. But I find that storage of foodstuffs even now has not improved. We were told in Bombay state that one percentage is wastage in storage. One per cent. is a big thing, especially when we find that we have to pay for every hundred thousand tons. I would like to know whether the Government have learnt any lesson from this bitter experience.

Mr. Deputy-Speaker: This discussion will continue tomorrow.