

14.35 hrs.

APPROPRIATION (NO. 2) BILL\*,  
1966

**The Minister of Finance (Shri Sachindra Chaudhuri):** Sir, I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1966-67.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1966-67."

*The motion was adopted.*

**Shri Sachindra Chaudhuri:** Sir, I introduce† the Bill.

Sir, I also 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 services of the financial year 1966-67, be taken into consideration."

**Some hon. Members:** rose—

**Shri Ranga (Chittoor):** Sir, I would like to speak on this.

**Shri Hari Vishnu Kamath (Hoshangabad):** Because of the guillotine we are compelled to speak on the Appropriation Bill.

**Mr. 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 services of the financial year 1966-67 be taken into consideration."

**Shri Ranga:** Sir, I have already made this point several times but, unfortu-

nately, I could not get the same response from my hon. friend as I did from the earlier Finance Minister, and that is in regard to the need for economy cuts and for economy. The previous Finance Minister was good enough to agree that there is need for exercising the extreme possible economy and also the need for pursuing the earlier practice, in this country as well as in other countries also, for the Finance Ministry to impose economy cuts on as many of the demands as possible—the Demands which have been passed by the House—and ensure 5 to 10 per cent or 10 to 20 per cent economy cuts so that extravagance can be controlled, extravagant economy can be helped by the extreme possible economy in the utilisation of public funds.

I do not wish to refer to what my hon. friend had said, because at that time I thought he did not comprehend or understand promptly what I meant by economy cuts. All that I need have to say is that what he has promised to the House is not enough, what he has stated to the House as being the economy that had been achieved during the last year in regard to various items of expenditure mounting up to Rs. 60 crores is not enough, and that there is scope, if only there is sufficient strength behind the Finance Minister, from the whole of the Cabinet—there is need for will power also on the part of the Finance Minister and the Finance Ministry—for achieving not less than 10 per cent economy on the total gamut of Government expenditure for which this House has already given the vote.

Therefore, I request—this is not the stage or time when I would like to attack the Government—and place before them the plea on behalf of the people as a whole, as I conceive it, that the Finance Minister should try his best to enforce not less than 10

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recommendation of the President.

per cent economy cut on all the Grants including the Defence Ministry's expenditure also, excepting in regard to those items where certain imports of strategic importance, certain items of expenditure within our own country of strategic importance are involved which must be incurred in spite of our extreme need for economy. I trust the Cabinet as a whole would give him the necessary strength, the Prime Minister would stand by him and he would himself also ensure and consider it as one of his primary and principal duties to enforce this economy cut and help this country to save at least Rs. 300 crores from out of the money that has been sanctioned for his Government to spend during the next year.

**Shri Nath Pai (Rajapur):** Sir, during the discussion on the General Budget some of us had sought to bring to the notice of the Finance Minister the omissions of providing adequate funds for developing the atomic capability of this country. Today, again, I would like to endorse my own plea which, I was very happy, was supported by as many as 85 Members of Parliament during the conflict with Pakistan. The plea has assumed a special urgency. No longer is it an academic issue, because once again this country is warned that China will be exploding her third atomic device during the next few days. We raised this question in Parliament in 1964 warning this Government that China was about to detonate her first atomic device. We were told by the Home Minister, who is not present in the House, that the Indian monitoring system is so alert that we will be the first to know in case the Chinese are successful in detonating a device. It was the American system which was the first to alert the world. Once again we are confronted with the fact that China, which is not hiding her design of weakening this country, will be equipping her armory with the most deadly weapon. We should not go on reiterating this plea that we shall not produce it because of the alleged fear of proliferation.

The Government of India goes on practising the self-imposed atomic brahmacharya—I do not say it for the sake of joy....

**Shri C. K. Bhattacharyya (Raiganj):** Why this allergy to brahmacharya?

**Shri Nath Pai:** ...when other countries are going ahead with it, I, therefore, want him to provide even at this late stage adequate funds at least for the research and not go by the pleas of those people who have made a special profession of keeping India weak by raising all kinds of pleas of non-alignment being in jeopardy and all that. What is more important is that our security and defence are not put in jeopardy.

I would like to impress upon the Government the necessity of seeing what is happening. Iran is likely to get arms which she will be passing to Pakistan. The Saudi Arabian King is likely to get arms worth £300 million from the United Kingdom and the Saudi Arabian King has made it clear that his country is pledged to support Pakistan's claim on Kashmir. In this context also I would like that the Government introduces the necessary corrective measures of realism in its foreign policy and not go on following that sycophantic foreign policy towards certain groups even when the heads of those countries publicly, audaciously and blatantly go on taking postures so contrary to Indian vital interests. I hope, the Government will bear in mind these suggestions which we are making.

**Shri Sivamurthi Swamy (Koppal):** Sir, the economic stability of the country is very important and to make the country self-sufficient in food and also economically strong, I appeal to the Finance Minister to allocate more funds for developmental purposes. In this Budget only Rs. 195 crores have been provided. That comes to 9.6 per

[Shri Sivamurthi Swamy]

cent for all the planning purposes; 91 per cent is for other administrative and defence purposes. For agricultural purposes it is only 6 per cent, that is, eight annas in Rs. 100, that we are spending. Agriculture is vital to this country. Statements are given by the Prime Minister and so many ministers here that we are giving more attention to agriculture. Economic stability can be brought about only by allocation of more funds to agriculture. I pray to the Finance Minister and request the House to impress upon the Treasury Benches that at least an amount not less than that for defence should be kept apart for agriculture and developmental purposes; at least 50 per cent should be there.

**Shri Parashar (Shivpuri):** Sir, I am thankful to you that you have allowed me to express my feelings. I was not inclined to speak but after listening to the speech of my learned friend, Professor Ranga, I am compelled just to say a few words. Whereas I may be in agreement with him that there may be some economy in the expenditure of the country, I take strong exception to the words that he has spoken, namely, "including defence". We have reached a stage where we should not shut our eyes. We are surrounded all round by enemies and I will appeal to the Finance Minister that if he is constrained to come for special grants, he should come for Supplementary Grants but he should not make an economy of a farthing in defence expenditure. This is my feeling which I wanted to express.

**Shri Sachindra Chaudhuri:** Sir, I have heard the four short speeches delivered by Professor Ranga, Shri Nath Pai and the other two friends. Evidently, there is difference of opinion between Shri Ranga, Shri Nath Pai and my good friend opposite. Shri Ranga says, "Curtail expenditure"; Shri Nath Pai says, "Spend more for atomic energy" and my hon. friend says, "Spend more for agriculture".

**Shri Nath Pai:** What a brilliant lawyer you are!

**Shri Sachindra Chaudhuri:** Therefore, evidently what is really meant is to keep an eye on expenditure while not sparing expenditure where expenditure has got to be made. That undertaking I have already given in my Budget speech. Having regard to economy, so far as Shri Ranga's warning is concerned, I have always heeded it. I have myself felt that wherever it is possible to put a cut, to axe an expenditure, it should be ruthlessly done, without regard to who the particular person is who is asking for that expenditure. There I am fully with him. All the time the Finance Ministry keeps in view this fact. The Finance Ministry is the steward of the wealth and the revenues of this country. Its duty is to see that expenditure is made; equally its duty is to see that the expenditure made is necessary expenditure. The words of advice given to me have been listened to with very great care and respect and to the extent it is possible to do the thing it will be done.

One word before I sit down in regard to this particular matter. We have a policy. The policy is not to go on proliferating in the matter of atomic weapons and atom bombs. It is not that we are blind to what is happening in the world. It is not that we are not conscious of the demands on us for being strong; but, at the same time, I join issue with Shri Nath Pai when he says that we are becoming weak. We are not becoming weak. Times have shown that we are maintaining our strength, but in order to maintain that strength, I do not agree with him that it is necessary to fritter away our resources which are so necessary for the development of the country in adding to atom bombs and atomic weapons. There, of course, I have a difference of opinion with him. These are the submissions that I would like to make before the House in this regard.

**Mr. 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 services of the Financial year 1966-67 be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clauses 1, 2, 3, the Schedule, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

*Clauses 1, 2, 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri Sachindra Chaudhuri:** Sir, I move:—

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

15:47 hrs.

#### FINANCE BILL\*, 1966

**Mr. Speaker:** As the House is aware, 17½ hours have been allotted for all the stages of the Bill. I would like to take the sense of the House as to how these 17½ hours should be distributed among the various stages of the Bill. Would 10 hours and 7½ hours do?

**Shri Hari Vishnu Kamath (Hoshangabad):** 12½ hours and 5 hours will be all right, I suppose.

**Mr. Speaker:** I have no objection if Members want 12½ hours and 5 hours.

**Some hon. Members:** Yes.

**Mr. Speaker:** All right, then. The time-limit for speeches will, as usual, be 15 minutes for Members and up to 30 minutes for Leaders of Groups, not half an hour for every leader.

**The Minister of Finance (Shri Sachindra Chaudhuri):** Sir, I beg to move†.

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1966-67, be taken into consideration."

Sir, in my Budget Speech, I have explained the basic objectives and ideas underlying my proposals in the Finance Bill, 1966, and also outlined the main features of its important provisions. The specific provisions in the Bill have also been set forth in some detail in the Explanatory Memorandum circulated to Hon'ble Members. In the field of direct taxes, apart from raising the necessary additional resources, principally the provisions in the Bill are designed to enhance the process of rationalisation and simplification initiated last year by making a number of modifications in the law. In so doing it was also intended that the burden of taxation is distributed so that the economically weaker sections of society may have less of the rigours. Other important objectives of these proposals are to provide further encouragement for expansion of industry and to enable it to participate in the development of other developing countries.

The Bill has now been before the hon'ble Members for nearly eight weeks. During the general debate on the Budget, the scope and objects of the proposals and the main fiscal

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†Moved with the recommendation of the President.