

Mr. President : I take it the amendment to substitute the words “Consolidated Fund of India” is accepted.

The question is :

“That in article 268, for the words ‘revenues of India’ the words ‘Consolidated Fund of India’ be substituted.”

The amendment was adopted.

Mr. President : The question is :

“That article 268, as amended, stand part of the Constitution.”

The motion was adopted.

Article 268, as amended, was added to the Constitution

Article 269

Mr. President : There are some amendments which are printed in the II Volume of the printed amendments on page 313.

(Amendment Nos. 2971 and 2972 were not moved.)

Then we shall take up amendment No. 107 by Dr. Ambedkar.

The Honourable Dr. B. R. Ambedkar : Sir, I move:

“That in clause (1) of article 269, the Words and figures ‘for the time being specified in Part I of the First Schedule, be omitted.”

“That in clause (1) of article 269, for the words ‘revenues of the State’ the words ‘Consolidated Fund of the State’ be substituted.”

“That with reference to amendment No. 2972 of the List of Amendments for clause (2) of article 269, the following clause be substituted :—

- ‘(2) The Government of India may, subject to such conditions as may be laid down by or under any law made by Parliament, make loans to any State or, so long as any limits fixed under article 268 of this Constitution are not exceeded, give guarantees in respect of loans raised by any State, and any sums required for the purpose of making such loans shall be charged on the Consolidated Fund of India.’ ”

The important change by my amendment No. 107 is that originally the Government of India was given a free hand in this matter; now the action of the Government of India is subject to such conditions as may be laid down by or under any law made by Parliament.

Sir, I move :

“That in clause (3) of article 269, the words and figures ‘for the time being specified in Part I or Part III of the First Schedule’ be omitted.”

Shri Brajeshwar Prasad: I am not moving amendment No. 108.

Shri H. V. Kamath : No. 146, I believe, is a verbal amendment and I leave it to the wisdom of the Drafting Committee.

Shri B. Das : (Orissa: General) : Sir, article 268 empowers, Parliament to fix by law the amount that could be borrowed by Provincial Governments. Article 269 was originally drafted differently. Now, the amendments that have been moved by Dr. Ambedkar shows that article 269, as sought to be amended by him, imposes further burden on the Finance Minister of Union Government. It also imposes additional burden on the Auditor-General of the Government of India without whose advice the Parliament will not be able to decide.

Today the Union Government is charged with additional responsibility of the borrowings of the States. Of course, it is qualified that such loans, such borrowings will be within the territory of India and also will be upon the

security of the revenues of the State. Sir, if we examine the finances of the various Provincial Governments we will find that except a few crores of loans that were raised when the Congress assumed responsibility for the administration of provinces in 1936, all loans have been borrowed on the credit of the Government of India, which task in future devolves on the Union Government. We have recently heard a controversy that certain provinces thought that they have the power to borrow any money. Certain provinces revolted and they thought that they can float any loans and issue any bonds or securities whether negotiable or non-negotiable. Those of us who think that all borrowings should be done through the Union Government felt at that time at the national credit of the Union Government would suffer if provinces were given the freedom in the matter of borrowing. I do not understand what is the security of the revenues of the Provincial Governments. Who is to fix them ? Will the Auditor-General fix at the time of the promulgation of this Constitution that such and such States and such and such provinces will have so much power of borrowing ?

Unfortunately, I do not like the wording of article 268. How will Parliament fix by law the amount of borrowing every year for the Union and for the different provinces. Sir, as my memory goes over the past twenty-five years, I do not remember a single occasion when the alien Government which ruled over us, consulted Parliament over their borrowing policy. It always came in through the backdoor of explanatory memorandum. Never has the Government of India introduced the practice of raising a debate on their borrowing policy. The borrowing is sanctioned when the Budget is passed, Then we have article 269 under which the finance ministers of the States can claim sums of money for the development of their States. Whatever money they claim, article 269 is going to provide. It will be a charge on the revenues of the State. But who will be the judge as to whether a certain province has got the paying capacity? Already the Government of India is committed to large development schemes on behalf of the provinces. We have the Bhakra Dam in East Punjab, the Hirakund Dam in Orissa, the Damodar Valley Corporation in Bengal and the Kosi Dam in Bihar about which my friends from Bihar are so very anxious. Who is to judge that these development projects will stand the national credit of the particular provinces for which the money is borrowed? I wish there is someone to do this. I think, Sir, whatever be enacted in articles 268 and 269, we must not throw this responsibility on Parliament alone. Parliament, as I know it for the last twenty-five years, pays very little attention to the question of borrowing. If I remember aright, there have been only half a dozen debates in all during the last twenty-five years on the policy of borrowing. Will we improve our financial knowledge, in the next few years when we will be discussing the national credit of the Union and of the provinces and who, will say boldly that such and such provinces will only have so many crores of loan and nothing more? Unfortunately when provincial feelings come into play in the discussion over such matters, members simply fight for the benefit of their own provinces. I think articles 268 and 269 envisage giving more powers to the Auditor-General. The Auditor-General must review and submit the papers to the Members of Parliament every year about the credit of each province, apart from the Union Government. The Auditor-General is not now doing that. I am discussing the handicaps that surrounds us in considering questions of this kind. Unfortunately the Finance Department of the Government of India is still following the old tradition and treating the Auditor-General as a mere auditor of a company, where the directors tell him to overlook certain errors and malpractices. But if the House accepts article 269 as it is, the House should somehow incorporate some provision whereby the Auditor-General must report to Parliament the credit conditions of the Provinces. Most of us are laymen and politicians. Very few members of Parliament will be financiers. Financiers do not belong to the class of democracy from which we

[Shri B. Das]

come. The future legislatures will not contain businessmen or men who understand stock exchanges or the financial credit of our country. Therefore, there is a double duty imposed by article 269 and I would ask my honourable Friend Dr. Ambedkar to explain how he thinks that Parliament will understand and appreciate the national credit of each of the States and of the Union and how it will limit the amount of borrowing of the Union Government and the States. The Parliament is empowered under article 268 and is going to be further empowered by article 269 to maintain the national credit of India. But then how will the national credit of India be maintained? I view with grave concern article 269. If any province rebels against the Centre and against the unification of the national economy of India, the national credit will not be a settled fact. Some other method must be thought of.

The Honourable Shri K. Santhanam (Madras: General): Sir, I wish to say a few words with reference to one point which struck me when Prof. Shah was speaking on article 268. Prof. Shah suggested that the Government of India and even Parliament should not be entitled to pledge the primary resources of the country in order to borrow. I entirely agree. But according to my reading of articles 268 and 269, there is no question of either the Government of India or any State pledging any particular resources for any particular borrowing. They give power to borrow only on the security of the Consolidated Fund of India or of the States. It will not be open to the Government of India to say that they pledge the railways for a particular loan, say from America. Only the entire Consolidated Fund of India will be the security. It means that it will only be a general security of the credit of the people of India. There can be no question of particular general resources or the railways being pledged for any loan either from abroad or internally. The same will be the case with every State. Therefore there should be no apprehensions on the point. I think the plain meaning of articles 268 and 269 makes it certain in this respect. I would, however, like to suggest to Dr. Ambedkar that, if there, is the slightest doubt in the wording, the Drafting Committee should look into it and remove the doubt. It should be made clear that the only security should be the general credit of the whole of India or of a State and not particular resources.

The Honourable Dr. B. R. Ambedkar : I do not think, Sir, any reply is called for.

Mr. President : I will now put the amendments to the vote.

The question is :

“That in clause (3) of article 269, the words and figures ‘for the time being specified in Part I of the First Schedule’ be omitted.”

The amendment was adopted.

Mr. President : The question is:

“That in clause (1) of article 269, for the words ‘revenues of the State’ the words ‘Consolidated Fund of the State’ be substituted.”

The amendment was adopted.

Mr. President : The question is :

“That with reference to amendment No. 2972 of the List of Amendments, for clause (2) of article 269, the following clause be substituted : —

- (2) The Government of India may, subject to such conditions as may be laid down by or under any law made by Parliament, make loans to any State or so long as any limits fixed under article 268 of this Constitution are not exceeded, give guarantees in respect of loans raised by any State, and any sums required for the purpose of making such loans shall be charged on the Consolidated Fund of India.”

The amendment was adopted.

Mr. President : The question is:

“That in clause (3) of article 269, the words and figures ‘for the time being specified in Part I or Part III of the First Schedule’ be omitted.”

The amendment was adopted.

Mr. President : The question is:

“That article 269, as amended, stand part of the Constitution.”

The motion was adopted.

Article 269, as amended, was added to the Constitution.

Articles 5 and 6

Mr. President : We have now to take up articles 5 and 6 of the original draft. I find there is a veritable jungle, of amendments, something like 130 or 140 amendments, to these two articles. I suggest that the best course will be for Dr. Ambedkar to move the articles in the form in which he has finally framed them and I shall then take up the amendments to this amended draft. Both 5 and 6 go together I think. Dr. Ambedkar.

Prof. K. T. Shah : May I know what happens to the amendments in the Printed List? They have all been tabled as amendments to the original draft. I do not quite understand your suggestion as to the process in which the amendments would now be taken up.

Mr. President : If there is any amendment which is of a substantial nature, which touches any of the amended drafts as proposed by the Drafting Committee, I shall certainly take it up, but I leave it to the Members to point out to me which particular amendment they wish to move.

Dr. P. S. Deshmukh : If the original draft is not moved, all the amendments tabled to that draft go by the wind.

Mr. President : We do not move the original draft, but it will be taken as moved and then the other amendments come in.

Members will find that Dr. Ambedkar has given notice of certain amendments which have been circulated to Members. The first is No. 1 in List I.

The Honourable Dr. B. R. Ambedkar : Sir, May I give the references? The amendments of which notice has been given about the citizenship clause are spread over various lists, and I propose to give in the beginning to Members the references to the various lists. The first amendment is No. 1 of List I. Then come amendments Nos. 128, 129, 130, 131, 132 and 133 of List IV. These are the various proposals of the Drafting Committee with regard to this article. I feel that the House may not be in a position to get a clear and complete idea if these amendments were moved bit by bit, separately. Therefore what I propose to do is this that I will move a consolidated amendment, so to say, which I have prepared, consisting of amendments Nos. 1, 128, 129, 130 and 133. My Friend, Mr. T. T. Krishnamachari, will subsequently move the other two amendments which are Nos. 131 and 132 in List IV. In amendment No. 129, it should read “of the proposed article 5A” instead of “of the proposed article 5”. It is a printing error. With these preliminary observations, so to say, I move my amendment:

“That for articles 5 and 6, the following articles be substituted:—

- “5. At the date of commencement of this Constitution, every person who has his domicile in the territory in India and—
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| Citizenship at the date of Commencement of this Constitution. | <p>(a) who was born in the territory of India : or</p> <p>(b) either of whose parents was born in the territory of India; or</p> <p>(c) who has been ordinarily resident in the territory of India for not less than five years immediately preceding the date of such commencement,</p> |
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