

Article 206

The Honourable Dr. B. R. Ambedkar : Sir, I move that this article be deleted.

Mr. President : The question is :

“That article 206 form part of the Constitution.”

The motion was negatived.

Article 206 was deleted from the Constitution.

Article 90—(Contd.)

The Honourable Dr. B. R. Ambedkar : Sir, I would request you now to take the financial article. We may go back to article 90 which was under discussion.

Mr. President : We had a number of amendments to this article which were moved that day before we adjourned discussion. They are amendments Nos. 3, 4, and 6 standing in the name of Dr. Ambedkar.

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

“That for sub-clauses (c) and (d) of clause (1) of article 90, the following sub-clauses be substituted :

- ‘(c) the custody of the Consolidated Fund or the Contingency Fund of India, the payment of moneys into or the withdrawal of moneys from any such fund;
- (d) the appropriation of moneys out of the Consolidated Fund of India;”

Sir, Amendment No. 4 is covered by amendment No. 3 and so I am not moving it.

Sir, I also move :

“That in sub-clauses (e) and (f) of clause (1) of article 90, for the words ‘revenues of India’, the words ‘Consolidated Fund of India’ be substituted.”

Sir, Amendment No. 5 standing in the name of Pandit Kunzru is also covered and therefore, it is necessary.

Sir, with your permission, I would like at this stage to make a short introductory speech in order to give the House an idea of some of the changes which are not covered by the specific amendments which I have moved just now, but which relate to the changes that have been made in the financial procedure to be observed with regard to financial matters.

The changes that we have made by the various amendments that I have proposed to move in connection with this matter are these. The first change that has been made is that there shall be no taxation without law. If any levy is to be made upon the people, the sanction must be that of law. That is provided for in article 248 which will come at a later stage. In order to give the House a complete idea of what we are doing, I mention the matter now. There was no such provision in the existing Draft Constitution. The second thing which is proposed to be done is to introduce the idea of what is called a Consolidated Fund. That will be done by the new article 248-A which will come at a later stage. We also wish to provide for the establishment of a Contingency Fund which Parliament may want to establish. That will be done by the new article 248-B.

[The Honourable Dr. B. R. Ambedkar]

I do not think that any explanation is necessary for the first provision, namely, that there should be no tax except by law. It is a very salutary provision and the executive should not have any power of levy upon the people unless they obtain the sanction of Parliament. With regard to the Consolidated Fund, it is really in a sense not a new idea at all; it is merely a new wording. The existing wording is "Public Account of the Governor-General of India". If honourable Members will refer to a volume called the Compilation of Treasury Rules, Volume I, they will find that the Public Account is also referred to as the Consolidated Fund. I shall read the definition. "Public Account of the Central Government means the Consolidated Fund into which moneys received on account of the revenues of the Governor-General as defined in section 136 of the Act are paid and credited and from which all disbursements by or on behalf of Government are made."

Therefore, the use of the word "Consolidated Fund" is merely a change in nomenclature because that word is already used as an equivalent of the Public Account of the Central Government.

There is also an important idea behind this notion of a Consolidated Fund. This notion of a Consolidated Fund, as Members might know, arose in England some time about 1777. The object why the Consolidated Fund was created in England was this. Originally Parliament voted taxes to the King, leaving the King to collect and spend it on such purposes as he liked. Often times, the King spent the money for purposes quite different from the purposes for which he had asked it. Parliament could have no control after having voted the taxes. At a later stage, Parliament followed another procedure, namely, to levy a tax and to appropriate the proceeds of that tax for a certain purpose, with the result that when they came to passing the budget, there was practically no money left, all the taxes having been appropriated to specific purposes. Nothing was left for the general purposes of the budget. In order to avoid this squandering of money, so to say, by appropriation of individual taxes for particular purposes, it was necessary to see that all revenues raised by taxes or received in other ways were, without being appropriated to any particular purpose, collected together into the one fund so that Parliament when it comes to decide upon the budget has with it a fund which it could disburse. In other words, a Consolidated Fund is a necessary thing in order to prevent the proceeds of taxes being frittered away by laws made by Parliament in individual purposes without regard to the general necessity of the people at all. I therefore submit that the House will have no difficulty in accepting the provision for a Consolidated Fund because it is a very necessary thing. If I may say so, there is no Constitution which does not provide for a Consolidated Fund. If you compare the Constitution of Australia, Canada, South Africa or Ireland, or any Constitution, you will find that they all have a provision which says that all funds raised by taxes or otherwise shall be pooled together in a Consolidated Fund. We are therefore not making any departure at all.

Then, the other provision which we seek to make is to provide for an Appropriation Act in the place of a certified Schedule by the President. Honourable Members, if they refer to article 94 of the Draft Constitution, will see what the present procedure is. First of all, what happens is this : the President, that is to say, the Government of the day is required by article 92 to present a Financial Statement to Parliament in a certain form, which form is laid down in sub-clause (2) of article 94 dividing the expenditure into two categories, one category containing the expenditure charged upon the revenues of India and the other category of expenditure not charged upon the revenues of India, that is to say, upon the Consolidated Fund. After that is presented, then comes the next stage which is provided for in article 93. Under article 93

what happens is this : Parliament proceeds to discuss the Financial Statement submitted to it, head by head, sub-head by sub-head, item by item and either agrees with the provisions made as to the amount by the executive or reduces it. This thing is done by resolutions passed by the House on any cut motion. After that is done, under the present procedure, the provisions of article 94 apply, namely, that the President then certifies what the Assembly has done in the matter of making provision for the various heads of expenditure placed before it by Parliament. The new provision is that the procedure regarding certification by the President should be replaced by a proper Appropriation Act, passed by the legislature.

The argument in favour of substituting the procedure for an Appropriation Bill for the provisions contained in article 94 of the Draft Constitution is this. The legislature votes the supplies. It is, therefore, proper that the legislature should pass what it has done in the form of an Act. Why should the work done by the legislature in the matter of voting supplies be left to the President to be certified by an executive act, so to say? That is the principal point that we have to consider. In the matter of Finance, Parliament is supreme, because, no expenditure can be incurred unless it has been sanctioned by Parliament under the provisions of article 93. If Parliament has sanctioned any particular expenditure on any particular head then the proper authority to certify what it has done with regard to expenditure on any particular head is the Parliament and not the President. Therefore, the procedure of an Appropriation Act is substituted for the procedure contained in article 94 of this Draft Constitution.

I may also mention that article 94 was appropriate under the Government of India Act of 1935 for the simple reason that the Governor-General had a right to certify what expenditure was necessary for him for discharging his functions which were in his discretion and in his individual judgment. The expenditure which the Governor-General wanted to incur in respect of functions which were in his discretion and in his judgment were outside the purview and outside the power of Parliament. He was entitled to change the amount, to alter that, to add to them. It was consequently necessary that the Governor-General should be the ultimate authority for certification because he had independent power of making such budget provision as he wanted to make in order to discharge his special functions. Under our new Constitution the President has no functions at all either in his discretion or in his individual judgment. He has therefore no part to play in the assignment of sums for expenditure for certain services. That being so, the certification procedure is entirely out of place under the new Constitution. I might also say that the appropriation procedure is a procedure which is employed in all Parliamentary Governments in Canada, Australia, South Africa and in Great Britain. I might also mention that, when this matter was discussed in 1935 when the Government of India Act was on the anvil, the proposal was made by the Secretary of State himself that the authentication of the expenditure sanctioned by the Assembly would be done by an Appropriation Act and not by certification, but the Government of India of the day did not like the idea of an Appropriation Bill for the reason that the Governor-General had power to fix certain amounts in the budget in order to provide for the discharge of his own functions. Otherwise the Secretary of State himself, as I said, was in favour of this proposal but his proposal was turned down by the Government of India in 1935. But my submission is this, that there is no necessity now for retaining this function which really gives the executive the authority to fix the amount and also to spend the money. I think it would be desirable to bring our procedure in line with the procedure that is prevailing in all countries where Parliament is supreme in the matter of sanctioning money for expenditure.

[The Honourable Dr. B. R. Ambedkar]

The other provision which is new which we have inserted is what is called vote on account. Now, it is necessary perhaps to explain why we have introduced it. For that purpose I should again like the House to refer to article 93 as it stands. Under article 93 no money can be issued or spent for any services unless the whole of the detailed budget is passed by Parliament. If you read article 93, that is the effect of it. The budget has to be presented under heads, sub-heads and items. Parliament has to pass the budget with regard to heads, sub-heads and items. That is what is called passing the budget. Now, as you all know the budget is an enormous thing involving expenditure of something like 250 crores distributed on various items. If the provision of article 93 is to remain intact *viz.*, no money is to be spent unless all the details are passed by Parliament and if you also have the provision that the budget must be passed before the end of the official year is over, then you must have a very limited time fixed for the discussion of the budget because under the provisions of article 93 you cannot spend any money unless the budget had been passed in all its details. Either, as I said, you give up your right to discuss the budget in full or you make a change in article 93 or you may make another provision making an exception to article 93. The vote on account procedure which we propose to introduce by an amendment provides for Parliament allowing a lump sum grant to the executive to be spent upon the services of the year for say about two months or so, so that the two months time will be available to Parliament to discuss in a much greater length—I don't say fully—the budget provisions and the financial provisions of the Government. Unless, therefore, you have a provision for a vote on account *i.e.*, lump sum grant given to executive to cover an expenditure for about two or three months, that may be decided by some agreement between the Government and the Leader of the Opposition—unless you make a provision for a vote on account you will not get time to discuss the budget at any greater length than what you have now. The House will remember that the last time there was a great deal of feeling in the House that the Budget was rushed through, people had not more than seven or eight days given to them for the discussion of the different items and that the guillotine was applied. If the House therefore desires that it should have more time to discuss the details of the budget to discuss the details of the financial provision, then some provision has got to be made in the Constitution whereby it will be open to the House to allow the executive to have a lump sum out of the Consolidated Fund, covering an expenditure of two months if the House wants two months for discussion. Since the provisions of article 93 are very stringent in the sense that no money can be spent unless the whole of the budget in all its details is passed we have got to make an exception to the provisions contained in article 93. Those exceptions are made by a provision which is called 'Provision for Votes on account'. These are, if I may say so, the three main changes that we have made in the Draft Constitution. Sir, with these words I move the amendments I have tabled.

Mr. President : Does anyone wish to speak now?

Dr. P. S. Deshmukh (C. P. & Berar : General) : Sir, the speech that has just been made, explains in some details the new nomenclatures we are going to adopt as well as make certain provisions which were not thought of upto this moment. Sir, the whole structure which was embodied in the Draft articles as we have before us was really based wholly on what is provided for in the Act of 1935. Now the Honourable Dr. Ambedkar wants certain alterations and modifications so that the procedure in financial matters approximates greatly to the procedure which obtains not only in the British Parliament but which has been copied by the various Dominions. Therefore, we are required to have phraseologies and terms which are altogether unfamiliar to the

House. The learned Doctor has undoubtedly given a very brief and exquisite commentary on the various proposals he has to make and if many Members of this House find it difficult to comprehend all that they signify, I do not think the intelligence of any Member can be blamed for it. (*Laughter*). For the first time we are having—instead of the well-understood and well-explained familiar terminology of the revenues of India (that was one phrase which was used, probably for various purposes and a phrase which is well understood by all of us)—what is termed as the Consolidated Fund. It is impossible, Sir, from the speech that has been made to understand exactly why it is necessary to change the name. The purpose has been explained but I do not feel convinced. I do not see why it is not possible to continue to call it “the revenues of India” and then make provision for the solution of certain difficulties which have been encountered in our financial procedure. And for this purpose I am not absolutely certain that the nomenclature need be changed. Undoubtedly, one difficulty which the Honourable Dr. Ambedkar wants to overcome is that there should not be any restriction on passing the budget by a certain date. There should be some amount of elasticity about it. The Parliament of India could go on discussing the budget and the expenditure for months if they like, even after the first of April, by which time, according to the present procedure the budget must be approved. But if that is the only difficulty which it is sought to overcome, I do not think the whole structure of all these articles need be altered. The provision for allowing the executive to carry on the day to day administration, irrespective of the fact whether the whole budget has been discussed and passed or not, does not, I think, make the alteration of so many articles necessary. But if our anxiety is to bring ourselves into line with the British House of Commons and the various Dominions, then of course the changes that have been suggested ought to be accepted.

In the change of nomenclature and the introduction of the words ‘the Consolidated Fund of India’, a common man’s interpretation would be that this would be a certain fund which is over and above or something different from the revenues of India : otherwise there would be no sense in substituting or incorporating this new phraseology called the Consolidated Fund of India. Then the various new terms such as “Vote on Account”, “Vote on Credit” etc.—the Honourable Dr. Ambedkar will have to incorporate sooner or later because these are the things which follow in the wake of the whole structure of the financial business and financial transactions of a State. I am referring to the procedure in the House of Commons where besides the Consolidated Fund, there are a variety of things, and I am sure that sooner or later all will have to be incorporated. The Honourable Dr. Ambedkar has explained that Vote on Account is a grant in advance for the estimated departmental expenditure for the year before complete and detailed sanction has been given to that expenditure. Then there will be Votes on Credit, of which we have not heard so far but probably at a later stage it will have to come in. It has been defined by the British Parliament as “an unexpected demand upon the resources of the United Kingdom for example for the defence of the Empire or for a military service”. It is on account of the magnitude or in definite character of the service that the demand cannot be stated with the details given as in an ordinary estimate to be laid before “Parliament on an application based on the demand of the total sum required etc.”

Then, Sir, we will be incorporating more or less the whole procedure that is current in the British Parliament. I am so far not fully convinced that we should alter the structure of our financial transactions that has stood the test of time, and excepting the difficulty of finishing discussions by the 1st April, no other grave difficulty has arisen so far. But if the learned Doctor can say that unless we alter this we will have insurmountable difficulties and for an independent Parliament of India it would not be possible or feasible to

[Dr. P. S. Deshmukh]

work, then of course we will have to accede to his request and accept the motion that he has made. I feel, Sir, not at all convinced that without having the Consolidated Fund, without providing for a Vote on Credit, without providing for a Vote on Account, it is not possible to manage the finances of India. The terms which are current are very well-known phraseologies and the procedure is well established here and I would much rather keep to the old phraseology and other provisions rather than embark upon a whole set of altogether new terms and phrases. My ground for saying so is that in spite of my carefully listening to the speech, I have not been able to follow that it is absolutely necessary to alter the whole structure of these provisions. I have already said that excepting one practical difficulty, no other difficulty is such as, under the existing of the Draft provisions which are before us, cannot be solved. So, Sir, I for one feel that if it is possible to keep to the well-understood terminology and procedure, it would be far better. After all the whole thing is not very complicated. The main fundamental principle is that there should be no appropriation of any revenues of a State unless Parliament's sanction is there. With regard to this provision my Friend Mr. Sidhwa also stressed that even the Auditor-General must not pass a single transaction unless it finds a specific place and has been approved by Parliament. All these things, namely, that without the sanction of Parliament no expenditure shall be voted, no expenditure shall be incurred, is a thing which is not jeopardized by the provisions as we have, and therefore I suggest that if it is possible we should not have these new phrases, which probably are very appropriate for the Parliament of England but for which we have no very specific use. Even under the foreign Government we have managed our finances fairly well. There has never been an instance like the one the Independent Parliament of India had to face of the appropriation of crores of rupees without their ever having been mentioned in Parliament or having been specified at any time. That is a contingency which did not arise even under the British regime and these were the exact provisions under which the whole financial administration of the country was going on. Therefore, I feel that if it is possible to keep to the old phraseology and restrict ourselves to it, it would be far better than incorporating provisions which are not familiar to us. The explanations and interpretations by the various lawyers in the Parliament will also involve us in a considerable amount of trouble and that is my fear. If there is no other difficulty except the one I have mentioned I am not convinced that this alteration of the whole structure is necessary.

Shri R. K. Sidhwa : Sir, with my parliamentary experience of three decades I can safely say without exaggeration that the present procedure and system of discussion of money Bills and budgets in the various legislatures is nothing but a farce and a waste of public time. I am yet to know any legislature where a budget is discussed, where the members had any occasion to curtail or reduce the amount of expenditure under any head. The entire power under the 1935 Act or even before was vested in the executive as far as the finances of the State were concerned. It was merely to show to the world that the demands and income were brought before the legislature and after a few days' discussion the legislature had to accept all the items both on the expenditure and income side.

After independence we have adopted the same procedure in regard to the two budget that came before our Parliament. Barring the fact that a few more days were allowed during the last session, after a great deal of complaint, for the discussion, we were able to do no more substantial work or contribute any suggestion towards the expenditure or income side of the budget. I therefore welcome now the amendment moved by Dr. Ambedkar. It is a

very healthy amendment and I am rather surprised to hear my friend Dr. Deshmukh saying that there is no necessity to change the present system or nomenclature. Crores or rupees could be raised and crores spent without the legislature in the true sense having any voice in it. Even under the article as originally drafted I can safely say that the members would have had no opportunity to judge the money Bills or the budget. Therefore, this amendment has come at the right moment.

It was argued by Dr. Deshmukh that it should be left to the Parliament. Matters like this should not be left to the Parliament but should be embodied in the Constitution. After Dr. Ambedkar's amendment a minister had to state openly that the present procedure is perfect and there is no necessity, as Dr. Deshmukh stated, to make any amendment. I know ministers will object to any latitude or privileges given to members, because I know from my experience of two sessions that so far as the ministers are concerned they feel the sooner the budget discussion closes the better it is for them, because they come under criticism. If it is left to Parliament I am positive that the ministers will combine or the government of the day will combine and will not allow any kind of law to be passed for such a purpose. Therefore it is in the fitness of things that such a provision should be made in the Constitution. There should be no loophole left for any future government as far as the State's finances are concerned.

What happens during the budget discussion? Only five or ten minutes are allowed to a member to discuss an important financial item. He could not place properly and explicitly his viewpoint before the House. A number of members have to speak and within the seven days allotted for the Demands nothing material ultimately turns out. After the clamour of the members during the last session, three more days were allowed but I must say straight away that even those extra three days were merely given to the members to ventilate their views and nothing substantial was done. We want that the members should have a stronghold on each item spent by the executive. Unfortunately few members take interest in the budget. Perhaps they do not understand it. Finance is a complicated item and obviously members are at sea at times. The executive, under Contingencies and other headings, provide lakhs of rupees without any details and the House has to pass them. Do you want to give that kind of power to the executive still? How are we going to influence the Government unless and until sufficient time is given to the members to place their views before the House? It is one of the fundamental duties of a member to voice his views and those of his electorate, otherwise he is not worth being returned by the people to this House. Our people want to know what kind of taxes are being imposed, what is the necessity for them and how the Government propose to spend the money. If members have no opportunity to ventilate their views and those of the people who returned them, there will be no value in their being members of the legislature. We could understand the executive not wanting to give power to the legislature. Today we are ourselves the masters and yet Dr. Deshmukh has the audacity effrontery to come and say "I do not want this. The present procedure is very good and there is no necessity to change the nomenclature. Parliament will do its duty." It was very surprising. I thought every member of the House would welcome the proposal of exercising his rights properly. I am sorry for the opposing to this. I wholeheartedly welcome the proposition and I repeat that if you leave it to Parliament, the Ministers will combine and never allow you to go into the details of the Budget. Therefore, the provision in the Constitution suggested by Dr. Ambedkar is very necessary. I am sure the House will give credit to the Drafting Committee that, even at this late stage, from our experience of the last two Sessions of Parliament, they have come to the right decision that while the Auditor-

[Shri R. K. Sidhwa]

General alone should be a watch-dog, members also should be watch-dogs of finances of the State. We could give on credit certain amount for salaries of the staff etc. before 31st March. The House can then have ample time to go item by item and reduce or increase the demand. The executive will then have no alternative but to accept it.

Dr. P. S. Deshmukh : Is that your object?

Shri R. K. Sidhwa : I have much more in view than this but all could not be incorporated in the Constitution. Fundamentally you are opposed to this provision. From your speech, I felt that you wanted the *status quo* to remain I object strongly to it.

Dr. P. S. Deshmukh : That was not my idea.

Shri R. K. Sidhwa : If you cannot express your mind clearly I cannot help it. If that was not your idea, I am glad.

This is the part of the important question which was held over last time. The House should unanimously pass the amendment moved by Dr. Ambedkar. I welcome the amendment.

Prof. K. T. Shah (Bihar : General) : Mr. President, the amendment proposed by Dr. Ambedkar makes certain innovations in the practice and procedure in dealing with the Budget, to which we have been accustomed all these years. This is what I may call the mechanics of getting the Budget passed through Parliament; and as such a matter of procedure rather than of principle.

Before I speak on the specific changes made, may I draw the attention of the House to certain basic principles of the Constitution, which are implied in this amendment, and which seem to be liable to misunderstanding if they are not properly clarified?

I think it is a perfectly sound principle to urge that there shall be no taxation without a law imposing it. The Constitution should lay down an equally sound proposition that there should be no tax levied except with the authority of the legislature. It is one of the basic principles of our Constitution. It is a very sound principle to incorporate in the Constitution.

Secondly, there shall be no expenditure without also the authority of Parliament by an Act and not merely by resolution of the Legislature. That is to say, there would be two Acts, a Finance Act, and an Appropriation Act, both separately, one sanctioning and authorising the raising of revenues for the year, and the other permitting expenditure by authority of an Act of the Legislature.

These are sound principles implicit in this amendment. The other parts of the motion, that is to say, the introduction of Votes on Account and Votes on Credit appear to me to be matters, more of procedure, or practical detail, or parliamentary time-table, to get the Budget passed through Parliament in due time. This may, I think, be more conveniently left to Parliament to look to, and not included as intrinsic parts of the Constitution itself.

I am afraid there is a tendency, inconvenient at times, to burden the Constitution with too many details, which, in a changing world and under changing conditions, may become very difficult always strictly to apply.

The question moreover that the Vote on Account or Vote on Credit or Estimates may be introduced as and when and where may be convenient is in no way undermining the sovereignty of Parliament as a watch-dog of the financial administration of the country. That all of us accept. But the actual experience has been that members more often talk rather than watch.

There is no provision except for talking. To scrutinise or watch the finances of the country is, under the present time-table, almost impossible to provide. The Constitution, however, which is an act of the sovereign people, in the exercise of their absolute sovereignty need not, in my opinion, go into the details of the various votes and procedures by which the several items may be provided for.

An Act of Parliament, however, the Legislature's authority given in the most solemn form of an Act, is indispensable and absolutely necessary. But it may also be provided for by the rules made by Parliament, so that the various stages of the Budget, and the various results of the Budget, presented to the House, in the shape of the Finance Act or Appropriation Act can be regulated so as to keep pace with the requirements of the country and also maintain the supremacy of Parliament in enacting such legislation.

I am afraid some members seem to have misunderstood the nature and purpose of this amendment when they declared that, by such provision as we are now considering the power of the executive would be reduced and the power of the legislature would be increased. There is no such suggestion in this amendment. The executive power will not be increased or diminished whether or not you accept this proposition. Parliament's power to superintend, to scrutinise, regulate and determine the financial administration as indicated in this amendment must be an essential safeguard for the sound administration of the national finances. But I repeat that it is not necessary to burden the Constitution with these things. And that too from a somewhat different angle than is customary in the British model from which we seem to be copying these things as pointed out by Dr. Ambedkar. But even the copying also is not complete and exhaustive, inasmuch as the "Votes on Credit" and Estimates for instance have been omitted. They may become necessary not only in hour of emergency, but even in any ordinary commercial or economic crisis—and consequently the practice of presenting the Estimates in order to allow the House to consider the policy of the various spending departments is also not mentioned in this mechanical stage of Budget passing through the legislature hereafter.

The nature, moreover, of the two funds mentioned specifically in the amendment—Consolidated Fund and Contingency Fund—leaves, in my opinion, some room for clarification and proper understanding. A Consolidated Fund has become necessary from the standpoint of certain items or expenditure, which are not open to annual voting by the express desire of Parliament itself, such as the Civil List, the judges' salaries, interest on the National Debt, and so on. Now, the idea that the Consolidated Fund is, as suggested in this amendment, a mere collection of the revenues collected may be all well in its place; but the origin and nature of the Consolidated Fund must also not be lost sight of.

As regards the Contingency Fund, I am afraid I must plead ignorance of that Fund. I do not remember if in the British practice there is any corresponding Fund. Even if it is, I feel it is liable very much to be abused under circumstances that we can all imagine. I see therefore no reason why we should make provision for such a Fund in the Constitution itself. If and when it becomes necessary for Parliament, in the event of there being special requirements or special emergency to establish such a Fund. I take it that Parliament is supreme and sovereign enough in these matters to be able to do so. There is no necessity for us to provide a constitutional authority in the basic law of the land, to enable Parliament to do so, because Parliament would have supreme financial authority. All the various, necessary stages of the procedure and the time table would and should be regulated by Parliament whether it is the necessity for a Contingency Fund or any special

[Prof. K. T. Shah]

provision that any emergency may require for the moment. I do not think it, would be wise to tie down the future Parliament by constitutional provisions, even if they were to have the appearance of a special facility. I am afraid this is likely to be abused and so I feel inclined to propose it.

On the whole, therefore, the changes made, while improving the procedural side, appear to me to burden the Constitution too much with details, which are liable to detract attention from the basic principles that are perfectly sound and liable also to create occasions for future abuse against which we cannot be warned too much.

Shri Jagat Narain Lal (Bihar : General) : Sir, I have been trying to follow the arguments of Dr. Ambedkar in support of the amendment and also the vehement eloquence spent upon it by Mr. Sidhva. I feel that Dr. Ambedkar has given us the history and the origin of the Consolidated Fund as it came into existence in the United Kingdom. I do not know if that history has any relevancy to the method of expenditure, the budget expenditure, which is followed in our country and which has been followed for years past. I do not think there has been felt any such difficulty or inconvenience which was felt in the United Kingdom when that Consolidated Fund was brought into existence and he has given the reason for the origin of that fund, viz., the misuse by the Crown and so on. I was surprised to hear Mr. Sidhva arguing so eloquently in favour of this change on the ground that it would create watch-dogs for the budget. If he were really to understand what a Consolidated Fund or a Contingency Fund is, I think he will be arguing just in the reverse way. I will read from a House of Commons publication called "Manual of Procedure for the Public Business", page 164 :

"The object of a consolidated fund is to empower the Treasury to receive out of the Consolidated Fund for the service of the departments for whose use money has been granted such sums as may be required in anticipation of the final sanction given by the Appropriation Act."

This is just the reverse of what he thinks. What the amendment seeks to do is only to substitute the words "Consolidated Fund or the Contingency Fund" for the words "revenues of India" in clause (1) of article 90. Instead of the revenues of India out of which expenditure could be met only according to the sanctioned budget, a Consolidated Fund or a Contingency Fund would be created, and the purpose is that the Government could go on spending out of the Consolidated Fund or the Contingency Fund without any difficulty. I wonder and I would like Dr. Ambedkar to think over it, whether it is at all necessary. Firstly, as Dr. Deshmukh has said, the term "Consolidated Fund" will be very much misunderstood. The term "revenues of India" is very simple and has certain implications. The budget procedure as followed in the Central Legislature and in the Provincial Legislatures has been understood by all. The term "Consolidated Fund" is apt to be misunderstood, and especially when this construction is going to be put on it that out of this you will have the right to spend as you like even when the Appropriation Act has not been passed, it is liable to be misinterpreted and will lead to a good deal of hostile criticism. I would therefore like Dr. Ambedkar to consider whether it is at all necessary to have it here and whether we could not retain the article as it stands. I do not like to say much more on this amendment, and I think that what I have said will be taken into consideration.

Prof. Shibban Lal Saksena : Mr. President, Sir, I have been surprised to hear the speeches of the two friends who have raised some doubts about the proposal of Dr. Ambedkar. I have very carefully read all the amendments of which he has given notice and also studied and practice which obtains in the

British Parliament. Sir, I have been in the U.P. Provincial Assembly for about ten years and in this Assembly for the last three years and I have seen so many budgets passed, but I do not remember one single item of any “single estimate” in the budget proposals either in the provinces or in the Centre ever changed. What actually happens is that the Finance Ministry brings out a printed book containing all the detailed estimates. When the budget is presented before the Provincial Legislature or the Central Legislature, copies of the printed estimates are distributed to the members and we are allowed only to ventilate our grievances, to say something about each item and then to pass the whole budget by a certain fixed date. I ask the House whether we, who are sent here by the country to act as the watch-dogs of their money, are merely here to put our seal of approval on what the Finance Ministry puts in that booklet known as the “estimates”? I feel, Sir, that Dr. Ambedkar has done a very great service by bringing in even at this late stage these amendments which will put the procedure in our Parliament on a par with the position in Great Britain. Probably we have been so much accustomed to the procedure adopted here that we have almost fallen in love with it. We still cannot get out of the habits of slavery of the past so many years and we think what has happened is what should continue to happen. If only we tried to review how the British Parliament is enabled to examine each single item in the estimates, then I think we shall realize that Dr. Ambedkar’s amendments are very sound and the House must give him wholehearted approval. Sir, after the King’s speech in the British Parliament at the commencement of the year, the House of Commons fixes a date for resolving itself into a Committee of Supply and so consider the estimates which are presented to it. The estimates are presented in our parts, the estimates for the Navy, estimates for the Army, estimates for the Air and Civil estimates, so that the House can examine them separately. The procedure they follow is this. The House resolves itself into a Committee of Supply and a motion is made : “Mr. Speaker do now leave the Chair”. On that motion a general debate follows on each estimate for one or two days and then all the estimates are discussed in a general manner by the House. After that when that motion is carried the whole House resolves itself into a Committee of Supply.

Dr. P. S. Deshmukh : Has my honourable Friend seen any such amendments in the proposed amendments?

Prof. Shibban Lal Saksena : I will tell you that this Constitution need only provide those amendments which are necessary to enable the Parliament to adopt the British Parliamentary practice. It is not necessary that every single thing which is done in Britain should be brought into the Constitution. These procedural matters will be provided for under the rules of Parliament, but those portions of the procedure which are necessary to be incorporated in the Act of the Constitution are being provided for in these amendments. Therefore, Sir, this amendment is essential if we want to adopt the system which prevails in Great Britain.

Then in the Committee of Supply the period for consideration is fixed as 20 days, and the estimates are closely examined and discussed. In the Committee stage every member has got the right to speak as many times as he deems necessary. At present while the Budget is presented, we cannot speak more than once and if we really want to change the estimates, we must be able to speak a number of times. Thus, when the House resolves into the Committee of Supply, the whole thing is discussed threadbare. It must be remembered the House of Commons meets for about nine or ten hours a day and for twenty days in all, so that almost every single estimate is closely

[Prof. Shibban Lal Saksena]

scrutinised and examined and thereafter on the twentieth day, the whole thing is passed and then a report is submitted to the Speaker and the House again meets to consider the report and there may again be a debate. Thus for each estimate there is a debate for one or two days at the beginning, then there is the detailed consideration of the estimates by the Committee and there may again be a debate at the report stage, so that in this manner the whole thing is discussed threadbare and thus the necessary changes are brought about in the estimates. The members of Parliament do not accept everything that the Treasury place before them, but they alter them according to the needs of the country. After the Committee of Supply there is the committee of ways and means. The Committee of Supply votes the expenditure and the Committee of Ways and Means discovers the methods to provide for that expenditure by changing the Income-tax laws, etc.; that also has got a limited time of ten days and in that time the proposals for new taxation are examined carefully and after the Committee of Supply has reported, the Committee of Ways and Means meets and they also pass those estimates. Thus, Sir, the whole thing is properly scrutinised and then passed. As I said there are four estimates and there are thus about twelve debates in all in the open House, besides detailed scrutiny in the Committee of Supply and the Committee of Ways and Means, so that you can understand that the Parliament does not spend a single pie which has not been carefully considered and voted upon by the Members of Parliament. Every one knows that here in India at present we finish the whole general discussion and the discussion of cut motions in seven days and the entire budget is then passed finally and we never have again an opportunity to go through the estimates and ultimately the guillotine is applied and the whole thing is passed. This really means that the Assembly does not get the opportunity to perform its duties and whatever the Ministry of Finance says is carried. I am therefore extremely grateful to Dr. Ambedkar and I hope posterity will be grateful to him for these amendments through which he has provided in the Constitution for real power to the Parliament over the Exchequer. The Parliament will henceforth be able to scrutinize the estimates and even to alter them by their votes. Now, Sir, this elaborate procedure takes time and therefore, there must be a Vote on Account, so that during the time that Parliament scrutinizes the expenditure, Government may carry on its work. For that the Vote on Account is passed. I do not think that the Vote on Account should be rigid and this is provided for in the amendment which Dr. Ambedkar has moved. It is an important thing and it is essential to the Constitution, and I do not agree with Prof. Shah that it is one of detail. Therefore I fully support that portion of the amendment.

Then, Sir, when the House of Commons meets there are also supplementary estimates for the previous year which are discussed along with the Votes on Account. By the 31st of March, the House of Commons passes the Consolidated Fund Act, with the result that this Act gives the Government authority to carry on the Government until the Appropriation Act is passed. It must be remembered that at present we are only about a hundred and fifty members in the Parliament, I mean those who attend it. In the new House of the People there will be five hundred members and if only seven or eight days are allowed for discussion of the budget in Parliament, nobody will be able to say anything about it. I therefore think that by adopting the provisions we are here making, we shall bring our procedure exactly in line with that of the British Parliament and in that way we shall be able to examine every portion of the Budget in detail and then give our consent.

Then, Sir, as I have said, there is the Consolidated Fund Act, and then there is the Appropriation Act. The Appropriation Act, in fact, is the docu-

ment in which the amounts to be spent from the Consolidated Fund are included, so that the Appropriation Act is really the authority of the Parliament under which Government can spend any money.

That is the scheme of things which, as I understand it, Dr. Ambedkar has placed before the House. I hope the House will be grateful to him for the labour which he has taken over the matter and for the wonderful manner in which he has incorporated this Scheme into our Constitution. Although we were copying our democracy from the British model. We had so far left out the kernel of that system, for the perfect control of popular representatives over the finances is the essential feature of British democracy. This scheme of Dr. Ambedkar will now enable us to model our Parliamentary procedure on the British lines.

In this connection. I wish to mention that in Britain the financial year commences in April. I wish to state that the months of May and June are very hot here. We may also change the financial year from the 1st of November to 31st October, so that we can finish our Appropriation Act by the beginning of March or April and we can have more time to discuss all matter in detail. I therefore propose to bring this suggestion before the House when the proper time comes, by an amendment. I think in our country it has been the practice from times immemorial to commence the financial year from the Dipawali which falls about the first of November.

I heartily support the proposals of Dr. Ambedkar and I hope the House would be grateful to him for these proposals.

Shri B. Das : Mr. President, Sir, I join in the plethora of congratulations which have been showered on Dr. Ambedkar. Sir, the House is indebted and we are all indebted to Dr. Ambedkar, my honourable Friend Mr. T.T. Krishnamachari and other members of the Drafting Committee for evolving a new draft to suit the tempo of Parliament during the last two years. We were very unhappy at the way in which budgets were introduced and passed. We were very unhappy at the close imitation of former budgets that were being presented by alien rulers to the former Assembly. I am grateful to Dr. Ambedkar for nothing how 118 crores of Rupees were passed as supplementary estimates on the last day of the year 1948-49.

That there should be a certain amount of money “charged” to the Consolidated Fund of India is essential to maintain the credit of India and soundness of our India national finances. The several items have been detailed in article 92 and there is no use the Parliament trying to vote down. Parliament ought not to reduce those charged items that will be placed by the President or the Finance Minister before it. Some of those charged items have been bequeathed to us by those alien rulers. They did commit us to an enormous debt and we are paying the interest charges on that debt. The Parliament will be justified in condemning the past Rulers for their extravagance and for their large public debt. But, as those debts are now national debts, interest charges on those must be paid. Similarly, the establishment charges of the President, the Supreme Court, the High Courts, the Auditor-General, and one or two other items should be charged to the Consolidated Fund. The future Parliament will be justified in criticising any extravagance in any of the charged heads of expenditure; but it will be improper for us to reduce them, or to treat them as voted items of expenditure. Therefore, I think, in the present juncture of our national finance, such a system of financial control should operate.

I could not follow why my honourable Friends Professor Shah or Shri Jagat Narain Lal fought shy over the word Consolidated Fund or the Contingency Fund. In the past we were committed to large capital expenditure. Money

[Shri B. Das]

is voted; but the money is never spent during the year. If there is a system of creating this Contingency Fund of India, the moneys voted on these particular items of capitals expenditure, whether they are multi-purpose projects or heavy industries, may be consolidated and spent in the next year or years to come. I believe that is the idea of creating this Contingency Fund which is a carry forward fund apart from the Consolidated Fund for the year under review before Parliament.

Sir, we have to evolve our own traditions. If I have revolted previously against the mention of British Parliament or Canadian Parliament or any Dominion Parliament on the floor of this House, I do not fight shy today to follow the British system of financial control in India. We have followed, and we were forced to follow it, under the foreign rulers. Today, we are just trying to modify it to suit our new status and at the same time to exercise full financial control. Dr. Ambedkar has already referred to the point that Parliament is given power to extend the time for discussion of the budget. Mr. Sidhva also criticised on the point. But, it is not the discussion in the Parliament, talking about small things, forgetting that we are discussing the financial estimates presented by the Finance Minister, the important part of the Parliament's duty. It is better that when a Budget is introduced in Parliament, the House resolves itself into an Estimates Committee to which my honourable Friend Prof. Shibban Lal Saksena has already referred. In the Estimates Committee, without discussing the principles of finance and expenditure, we may go into the items of expenditure of every Ministry so that we may control their extravagance of budgeting or their Utopian ideas of planning over which large sums have been spent in the past. I hope in the future no expenditure on Utopian planning will be allowed to the various Ministries. In the Estimate Committee, where the whole House has resolved itself into a Committee—I again apologise if I quote the British practice—the President will have to retire and a Chairman like my honourable Friend Pandit Thakur Das Bhargava will have to preside. In that Committee we may discuss every item of expenditure and not leave it to the Departments to appropriate or reappropriate as they have been doing in the past. If that Estimates Committee comes into functioning soon after the declaration of the Republic of India early next year, much money will be saved. It is not a surprise, but I wish to repeat today that the Government is a bankrupt Government which borrows money, some 26 to 28 crores of Rupees to run its normal expenditure for the year 1949-50. That means every year a crore of Rupees is being added to the interest charges which under this article are going to be a charge on the Consolidated Fund of India. The House will be chary to permit its future Finance Minister or the present Finance Minister who will be naturally functioning in the next year to incur loans to meet the normal expenditure. We know in the last two years the budgetary affairs of the Government of India are running at a loss of 150 to 200 crores if we include the capital expenditure also. If capital expenditure is properly designed, it will pay its own way. But today there is a huge staff under the Government and extravagant ideas of expenditure in the various Ministries and they function not as one Government but each Ministry is functioning as an autonomous Ministry defying the Finance Ministry or the Auditor-General. I am glad that the Auditor-General's position has been assured by the Constitution, but it is for the cabinet of the Government of India to see that the Finance Ministry also exercises proper financial control over the various Ministries. It is not done today properly and therefore every year the unproductive debt of India is going up by 20 or 30 crores—it was 288 crores in 1938-39 and it is 900 crores today—and it is disgraceful to us if we borrow money and live on it and show our grandeur of administration under independent

India throughout the world or inside the country. Sir, I again feel happy being always interested in the national finances and in proper financial control of expenditure of the Government of India—I again feel happy that these article, as now going to be amended, will be fool-proof and the Ministers will not play truant and will not be extravagant in expenditure. I again congratulate Dr. Ambedkar over it.

The Honourable Rev. J. J. M. Nichols-Roy (Assam: General): Sir, before I speak, I would like to ask Dr. Ambedkar some clarification of certain points. Does this amendment force the Government of India to have a fund which is to be called a Consolidated Fund? Or is it an enabling amendment?

The Honourable Dr. B. R. Ambedkar : It is already there. It is only a change of name.

The Honourable Rev. J.J.M. Nichols-Roy : Then there must be an Appropriation Act passed in a Legislature and that must be passed in the same session?

The Honourable Dr. B. R. Ambedkar : Yes.

The Honourable Rev. J.J.M. Nichols-Roy : That will take time no doubt. Sir, in view of this I would make a few remarks. There has been a good deal of criticism regarding the expenditure of money and waste of money by the Ministers of the Government of India or it might be by the Governments of the provinces. I suppose the principles in this article 90 will apply to the provincial Governments also—the same principles are in article 174.

The Honourable Dr. B. R. Ambedkar : Yes.

The Honourable Rev. J. J. M. Nichols-Roy : A complaint has been made here in this House that in the Legislatures no time has been allowed for the discussion of the cut motions or the demands for grants. That may be a very just complaint but that may also be avoided by giving more time to the Legislature. Why can't the Legislatures have more time for discussion of cut motions? The rules of legislatures can be changed in order to allow more time for discussions re. cut motions and demands. Why should there be any other method different from what we have had all these years in this country in order to give more time to members to discuss demands for grants? The Appropriation Act to be passed will take some time and it may be inconvenient for provincial legislatures to do that. Some provinces will find it very difficult to pass the Act in the same session, but it is provided by the Votes on Account that a lump sum amount may be provided by the Legislature for meeting the expenditure for some time. But that also will be inconvenient to some provinces. In Assam sometimes we have had to shorten the days fixed for the budget session. Many members wanted to go back to their work. In our last budget session we had to curtail a few days by the agreement of the members of legislature.

Shri L. Krishnaswami Bharathi (Madras: General): If they are unwilling, they have no business to be members of the House.

The Honourable Rev. J. J. M. Nichols-Roy : In Assam we have had some times to curtail the days which have been provided for the work of legislature. There are different conditions in different provinces. Therefore to say that there must be another method of allowing the legislature to extend to days for discussion of the cut motions and demands for grants—seems to be unnecessary. This should not be a reason for any change at all. Then there has been also some criticism about the waste of money by the Ministries. I do not believe that such an accusation is based on facts. This accusation cannot be made of the Ministry of our province at least, and I believe of other provinces also. There is a demand from the Legislature to spend more

[The Honourable Rev. J.J.M. Nichols-Roy]

money for the good of the people of the province and we are not able even to meet the demands of the Legislature on account of the lack of money in the province, and to say that the Ministry is wasting money is rather unreasonable; and to base any action of ours here on that supposition is, to my mind, wrong altogether. I think that this system which we have had so far for the Governor of a province of the President to certify will not in any way affect badly the administration of revenues of the country, but if this Appropriation Act is not forced upon a province but it is only an enabling Act in order to allow a province if it wants to pass such an Act or if it wants to continue the present condition, to do so, then there would be no objection at all. I want to ask Dr. Ambedkar whether that is the position or whether every province will be forced to pass an Appropriation Act in order to appropriate money for expenditure.

The Honourable Dr. B. R. Ambedkar : The Appropriation Act will be compulsory, but the Vote on Account is optional for each Ministry. If any Ministry wants money on Vote on Account it may ask the Legislature.

The Honourable Rev. J.J.M. Nichols-Roy : Suppose the Ministry in Assam or in any province wants to follow the same procedure that we are having now, with the certificate of the Governor, will it be open to it to do so?

The Honourable Dr. B. R. Ambedkar : There is no certificate at all of the Governor now.

Shri L. Krishnaswami Bharathi : There will be no difference in the procedure.

The Honourable Rev. J.J.M. Nichols-Roy : There will be difference inasmuch as it means so much time. In my opinion I think this will not be necessary at all. It will mean time and will be a waste of public money for the Legislature to continue when it is not necessary for it to continue. It may be necessary at the Centre but I do not think it will be necessary in all the provinces to have this. For the provinces there must be permission to continue the present system or to adopt the system which you have proposed for the Centre.

Shri T. T. Krishnamachari : Mr. President, Sir, I am glad that the House has taken a cue from Dr. Ambedkar, and taking advantage of his lucid explanation of the changes that the Drafting Committee have made in the financial provisions both at the Centre and in the provinces they have discussed the whole scheme threadbare. Though we have not yet reached the provision in which the major changes have been made, I take it that when discussion of the various clauses take place these arguments will not be repeated since the House has fully discussed the whole scheme in all its aspects. I am also happy to see that this new scheme, if it could be called, has had the enthusiastic support of my honourable Friend Mr. Sidhva and my honourable friend Prof. Shibban Lal Saksena I do feel that they have understood the scope of these new amendments correctly and they find in them the essentials of those elements which can be developed if Parliament so wills so as to provide effective control by the representatives of the people over expenditure by the executive. I would at once say that that was the intention of the Drafting Committee in making these changes.

I also listened with considerable respect and attention to the speeches made by my honourable Friend Dr. Deshmukh as also the short speech made by Pandit Jagat Narain Lal. So far as Dr. Deshmukh's criticism is concerned it seems to revolve rather on an affection for the *status quo* than on a positive objection to the new provisions that have now been suggested by Dr. Ambedkar. He sees no harm in the *status quo* continuing and the revenues of the Government of India being called the public revenues of India; and he sees no particular in the new provisions. On the other hand he see

a lot of trouble in the introduction of the words 'Consolidated fund' and 'Contingency Fund'. I am afraid if he holds those views even after the explanation given by Dr. Ambedkar, I will have to leave it at that rather than attempt to convert him. If he had understood Dr. Ambedkar aright he would have realised that the introduction of the words Consolidated Fund is merely a change in name but is nevertheless a change that is appropriate at a time when we are framing a Constitution for ourselves. Dr. Ambedkar has very rightly called the attention of the House to an analogous provision in other constitutions, to the Canadian Constitution where article 102 refers to the Consolidated Revenue Fund, as it is so called there, and to article 81 of the Australian Constitution where a similar reference is to be found to a Consolidated Revenue Fund. There is also a similar reference, though in a different way, in the South African Constitution. But if anybody goes into the history of the Consolidated Revenue Fund as it began in England I would at once say that we have no idea of following the implications of that history because the Consolidated Fund of Great Britain came into being some time in 1787 and the only change it made was a departure from the practice obtaining before that time, namely, that particular taxes were appropriated to particular heads of expenditure. At that time the whole of the public account was brought under one scheme under the head the Consolidated Fund and it was decided that particular taxes should not be appointed to particular heads of expenditure but that the whole expenditure should come out of the Consolidated Fund and be appropriated to different heads, of expenditure. Therefore, it has a historical background which has no validity so far as we are concerned.

Dr. Ambedkar has very rightly pointed out that there have been occasions when our rulers in the past had thought of making a change in the accounting procedure and also in the financial provisions so far as the Legislature was concerned, and it was met by serious opposition from the executive of the day. I have gone through the discussions at various stages before the passing of the 1935 Act and at every time when a change in the procedure was suggested it was merely met by an argument similar to that put forward by my honourable Friend Dr. Deshmukh, namely, that the existing provisions were all right in practice and no change need be made. But I would at once say this with my experience both of the Central budgeting and also Provincial budgeting: I have always felt that the procedure followed was one of the most lax in the world. In fact, so far as the Centre is concerned, the demands are passed by the Legislature—at any rate some of them are discussed and so far as the others are concerned the guillotine is applied—and a consolidation of those Demands is done by means of the Authenticated Schedule presented to the House under the signature of the Governor-General. As Dr. Ambedkar has very rightly pointed out, in the New Constitution the responsibility will be taken over by the Parliament itself by providing for an Appropriation Bill in which Parliament will give its *imprimatur* to a summary or a consolidation of its decisions while passing the various Demands. In the Province also there is a similar procedure of placing before the Legislature an Authenticated Schedule. But while at the Centre some discussion on the financial administration and on the general administration is made during the time of the discussion of the Finance Bill, because we have provision for an annual Finance Bill for the reason that the Income-tax proposals should necessarily be brought up every year and the Schedule of rates must be sanctioned by the Legislature every year—we have no such provision in the provincial Legislatures. In this connection I was happy to see a Provincial Minister taking interest in these new proposals. So far as the Provinces are concerned there is no provision for discussion of the general policy of the Government similar to what takes place in the Finance Bill discussion at the Centre. There might be a taxation legislation if a new tax is to be levied—often times there is. But it is not a consolidated statement of providing the ways and means for a particular year for the provincial

[Shri T. T. Krishnamachari]

administration, and therefore it does not provide for a general discussion of the financial set-up or the financial administration of the Province concerned. If, as Mr. Nichols-Roy wants, these provisions should, if necessary, apply only to the Centre and not to the Provinces, then the lacuna which I think is more serious in the Provinces will continue to exist, which is very undesirable. What is now sought to be done, as Dr. Ambedkar has explained, is that we shall have an Appropriation Bill. We have not made provision for a Finance Bill in the Provinces—it all depends on the Province to make an appropriate change if it so desires.

But in regard to one particular objection made Mr. Jagat Narain Lal where in he objected to a difference in the wording of the amendments—No. 5 in List No. 1 in the name of Pandit Kunzru and the amendment moved by Dr. Ambedkar—I would ask him to study the amendment in its context. Though we have discussed the entire scheme that is now sought to be introduced, the field covered by the scheme that is that subject of discussion is very limited. It is in regard to terms of sub-clause 1(c) and 1(d) of article 90 where there is an enlargement of the definition of a Money Bill and in defining a Money Bill it is perfectly right to say that it includes the custody of the expenditure out of the Consolidated Fund or the Contingency Fund, because various other items are also enumerated and certainly the word “or” is perfectly correct in the context and there is no place for the word “and”.

There is only the point I would like to stress at this stage and it is this. There is no compulsion in this scheme, excepting in two matters; one is in the change of the name of the public revenues of India—if it is made in the Centre it has to be made in the provinces as well so far as the public revenues are concerned. The second thing is that instead of the authenticated schedule presented to the Legislature by either the Governor-General or the President, or by the Governor in a province we shall have an Appropriation Bill which will be passed by Parliament or the appropriate legislature as the case may be. So far as the other provisions are concerned, they are purely optional. If it is the intention of a particular Provincial Government to maintain the target date of 31st March for the passing of their budget provisions which has the concurrence of the legislature concerned there is nothing in this particular series of amendments to prevent a province from doing so. If Mr. Nichols-Roy wants his province to stick to the present system, they may do so. There is absolutely no obligation for them to change the system. If they find that the Legislature is tractable enough to say that they will not take advantage of these enabling provisions that they will discuss the entire budget scheme but the 31st March and expect the Government of the day to put in an Appropriation Bill which will also be passed on the 31st March, there is nothing to prevent them. But what we have sought to do by the amendment in article 95 by introducing the Vote on Account is merely that the inexorable necessity of passing a budget on a particular day will not be there if the Parliament or the legislature of a State so wills it.

The House might ask for how many days do you want to extend the budget discussions. That is a point that might be raised. But we wish to leave it entirely to Parliament or the legislature concerned to fix the number of days that the budget discussions can go on after the beginning of the financial year; and for the purpose we have sought to introduce an enabling provision in 98(A) of which Dr. Ambedkar had already made mention, which provides that the Parliament can make any law relating to the financial procedure and it may be that the Parliament will follow the same system as in England by fixing a day in August by which the budget must be passed, or it may be that Parliament might consider one month's extension adequate. It is left to the Parliament of the future, either to make that change or to make no change, and leave it entirely as it is. The same thing applies to the provinces. Therefore this provision of a Vote

on Account is an enabling provision and it is not a compelling provision. It gives Parliament room for escaping the rigidity of a target date. Members of this House might have been aware that a similar rigidity exists in regard to budget procedure in the French Parliament, and last year owing to the political difficulties which they had, made them stop the clock in Parliament House just before it reached the dead line. The clock was stopped just a few minutes before 12 o'clock at midnight on the last day of the year though it does look absurd that merely for the reason that the clock stopped it can be taken for granted that movement in the whole world had stopped! Such devices will not be necessary and the new scheme will be flexible enough for Parliament to make suitable arrangements. The procedure to be followed for a Vote on Account will be very much the same as for an Appropriation Bill. Parliament might make the necessary legislation undertaking that such and such shall be the procedure to be followed in such matters. It can lay down that the executive must present the demand for a Vote on Account, or call it a Consolidated Bill No. 1, to cover expenditure for two months. All the heads represented in the budget demand must be represented there and the demand must be *pro rata* for the period covered. It might say that no new expenditure must be incurred during this period. All these conditions can be imposed by Parliament, or the Parliament might decide that it does not propose to take advantage of the new scheme but would prefer to follow the existing practice. At any rate the next Parliament may not and the budget discussion will go on as it is at present.

With regard to the other objections, I would say at once that most of us responsible for this new scheme were chary of making any change which was a change having far-reaching consequences. We feel therefore that we have not made any serious departure. At any rate there will be no obligation for the Parliament at the Centre or the Legislatures in the Provinces to make any serious departure and they could continue the existing scheme, if they wish to do so. If Parliament wants to exercise full control, as it ought to—and so should the State Legislatures—there is room for them to take advantage of the powers given to both the State Legislatures and Parliament by means of these amendments to exercise that type of control which goes along with any decent democratic system of Government. I think that the various points raised by the Speakers I have tried to meet, at any rate in part, and the rest will be probably met by Dr. Ambedkar in his final reply. After that there should be no need of further discussion so far as the general principles of the scheme are concerned. Sir, I support the amendment of Dr. Ambedkar.

The Honourable Dr. B. R. Ambedkar : I do not think I can add anything usefully to what Mr. T.T. Krishnamachari has said. I should reserve my observations for the various amendments which will come up as I have no doubt the same arguments will be put forth.

Mr. President : The question is:

“That in clause (1) of article 90, the word ‘only’ be deleted.”

The amendment was negatived.

Mr. President : The question is:

“That at the end of sub-clause (a) of clause (1) of article 90, the words ‘duty, charge rate, levy or any other form of revenue, income, or receipt by Governments or of expenditure by Government’ be inserted.”

The amendment was negatived.

Mr. President : The question is:

“That in sub-clause (e) of clause 1 of article 90, for the words ‘the increasing of the amount’, the words ‘varying the amount of, or abolishing’ be substituted.”

The amendment was negatived.

Mr. President : The question is:

“That for sub-clauses (c) and (d) of clause (1) of article 90, the following sub-clauses be substituted:—

- ‘(c) the custody of the Consolidated Fund of the Contingency Fund of India, the payment of moneys into or the withdrawal of moneys from any such fund;
- (d) the appropriation of moneys out of the Consolidated Fund of India;’ ”

The amendment was adopted.

Mr. President : Now I will put amendment No. 6 to vote.

The question is:

“That in sub-clauses (e) and (f) of clause (1) of article 90, for the words ‘revenues of India’ the words ‘Consolidated Fund of India’ be substituted.”

The amendment was adopted.

Mr. President : Now I will put article 90, as amended, to vote.

The question is:

“That article 90, as amended, stand part of the Constitution.”

The amendment was adopted.

Article 90, as amended, was added to the Constitution.

Mr. President : Article 91 was passed the other day.

Therefore the House will take article 92 into consideration.

Article 92

Prof. K. T. Shah : Sir, I move:

“That in clause (1) of article 92, after the word ‘President’, the following be added:—

‘or the Finance Minister acting under the authority of the President, specifically given for the purpose’; and for the words ‘both the Houses’ the words ‘the People’s House’ be substituted and after the words ‘estimated receipts’ the following be inserted:—

‘On revenue account as well as from borrowed moneys, or transfer of sums from other accounts to Revenue Account.’ ”

Sir, there are two points in this amendment which I would like to place before the House. In the first place the clause as it stands makes the Budget Presented by the President only, as it were, or caused to be presented to Parliament by the President. The House has accepted the principle that all executive action of the Government of India shall be always in the name of the President. Accepting that, it does not still seem to be appropriate that, in this matter, the President should be made to figure as the authority for getting the Budget presented to Parliament. The obvious person who could and should act in relation to this would be naturally the Minister in charge of the finances of the country. He is in the House and is in direct touch with it and with the financial administration of the country. The room that this article provides for any alternative or other Minister for the matter, to come before Parliament seems to me improper and ought not to be permitted.

Retaining the sense of the principle previously accepted in the article whereby the Government of the country is to be carried on in the name of the President, I have nevertheless tried to improve it by making the Finance Minister specially, though acting with authority given for that purpose to be in charge of the Budget. Speaking for myself I would have liked the President to be wholly excluded from acts of this kind. Complete and exclusive supremacy and authority of Parliament over matters financial should be left unquestioned. As it is, however, I would try to meet the principle of the previous article or the sense of it by requiring