

LOK SABHA DEBATES

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LOK SABHA

Thursday, November 10, 1966/Kartika,
19, 1888 (Saka).

The Lok Sabha met at
Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Economy in Government Expenditure

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*211. Shri S. M. Banerjee:

Shri J. B. S. Bist:

Shri P. E. Chakraverti:

Shri H. C. Linga Reddy:

Shri Daji:

Dr. L. M. Singhvi:

Shri Yashpal Singh:

Shri Kishen Pattnayak:

Shri Madhu Limaye:

Will the Minister of Finance be
pleased to state:

(a) whether the Committee of Secretaries set up under the chairmanship of the Cabinet Secretary has submitted any report for reduction of expenditure in the various Departments of Government; and

(b) if so, the likely economy to be effected as a result of implementation of the proposals and the directions in which this economy will take place?

The Deputy Minister in the Ministry of Finance (Shri L. N. Mishra):

(a) and (b). Yes, Sir. The Committee of Secretaries after a review of the budgets of the Ministries for 1966-67 have recommended a likely economy of Rs. 91 crores. In addition, a sum of Rs. 10 crores which had been agreed to as additional assistance to the Railways in 1966-67 will not now be required by them. A statement of the figures Ministry-wise is laid on

the Table of the House. [Placed in Library. See No. LT-7288/66]. A cut of 3 per cent in Revenue expenditure and 5 per cent in Capital expenditure, which was the target, has also been made wherever possible. Economies have been located by a realistic reappraisal of the progress made under various projects/schemes and the funds likely to be required during the year, and also by dropping or postponing certain less essential activities.

Shri S. M. Banerjee: From the statement it is found that the likely savings decided by the Economy Committee in 1966-67 the maximum figure pertains to defence, that is, Rs. 15 crores. I would like to know whether this economy is sought to be achieved at the cost of some of the defence projects which were to come up in the fourth Five Year Plan and which are being reduced and, if not, what is the actual expenditure which is being reduced?

Shri L. N. Mishra: We are trying to achieve this economy not at the cost of any of the essential or important projects.

Shri S. M. Banerjee: May I know whether, apart from this, in the interests of economy, Government have taken a decision despite the growing discontent among the Central Government employees not to raise their salary for another two years and, if so, whether it is true and whether the Government is aware that the Central Government employees are really groaning under discontent because of the decision of the Government?

Shri L. N. Mishra: Yes, it is a fact that sometime back the Cabinet took

a decision especially after devaluation that the pay-structure of the Central Government employees should not be revised or raised for some period which, I think, is two years or so.

Shri S. M. Banerjee: He has not replied to my other point: whether he is aware that there is a growing discontent among the Central Government employees because of this heartless and tactless decision of the Government and, if so, the reaction of the Government.

Shri L. N. Mishra: The prices are high and naturally the employees in the fixed income-group are hard hit; there cannot be two opinions on this point. But the overall economy of the country has also to be taken into account. The economy of the country does not permit any increase in salaries.

Shri P. E. Chakraverti: May I know whether this proposed economy in expenditure has been transferred to general revenue or has been allocated to special items of expenditure under the different Ministries?

Shri L. N. Mishra: It has been taken item-wise, and as I said, the economy is about Rs. 24 crores in revenue expenditure and about Rs. 67 crores in capital expenditure with effect from 1966-67.

श्री यशपाल सिंह : क्या सरकार ने इस बात पर गौर किया है कि गवर्नर का प्रोहदा इस वक़्त ब्राऊट ग्राफ डेट हो चुका है और वह जनतंत्र में फिट नहीं करता है और इस मुल्क का करोड़ों और अरबों रुपया खर्च होता है और अगर इस गवर्नर के पद को समाप्त कर दिया जाय तो इस तरह से देश का अरबों और करोड़ों रुपया बच सकता है ?

श्री ल० ना० मिश्र : गवर्नर के प्रोहदे को हटा देने से अरबों और करोड़ों रुपया तो नहीं बच सकता है और उस का प्रोहदा ब्राऊट ग्राफ डेट भी नहीं है क्योंकि माननीय

सदस्य का मालूम होगा कि कभी कभी राज-नैतिक परिस्थिति ऐसी पैदा हो जाती हो जाती है कि गवर्नर का रहना बड़ा लाजिमी हो जाता है ।

Shri Priya Gupta: In the context of the economy drive, may I know whether the Ministry of Railways are, on the one hand making Class IV posts of Ayahs and other Class III lower posts as surplus and in accordance with the statutory book which lays down the upgrading percentage by the tribunal the higher grade posts have not been asked to be filled in, on the other hand, the railway administration of the Government of India has set up the ninth railway zone at this time of economy drive with a capital expenditure of so many crores. May I know how far Government is justified in doing this and cutting down lower posts?

Mr. Speaker: During Question Hour it is not the justification which is to be asked; only information can be elicited.

Shri L. N. Mishra: I am not aware of the details of ayahs and Class IV employees; the hon. member might know better. Regarding the setting up of the additional zone, it has been done in the interests of efficiency and better administration.

Shri A. P. Sharma: From the statement it is observed that as a result of the decision of the economy committee, the railway is likely to save Rs. 5 crores and another Rs. 10 crores have been promised in 1966-67. The total comes to Rs. 15 crores. May I know how this promise of Rs. 10 crores has been made by the Railway Ministry? Are Government aware that on account of this economy drive in the railways, large-scale retrenchment is being ordered?

Shri L. N. Mishra: I do not think this amount of Rs. 10 crores saving is by retrenchment. There might be

retrenchment otherwise. But this saving is only on account of postponing of non-essential projects.

Shri A. P. Sharma: Is the Government aware that in the name of economy, large-scale retrenchment is ordered?

Mr. Speaker: He has said it is not on this account. Retrenchment may be on account of other reasons.

Shri Priya Gupta: Retrenchment is being done. It is killing us.

Mr. Speaker: I can only get an answer from the Minister; I cannot contradict him, whether it is right or wrong answer.

Shri A. P. Sharma: Will Government assure us that on account of economy there would be no retrenchment?

Mr. Speaker: I cannot get assurances.

Shri Ranga: Do we take it that as a result of the exhortations given by the Prime Minister that the various departments of Government should not go on increasing their staff, this economy is being effected by cutting down unproductive or other schemes outside the plan and if so, are Government keeping in mind their own assurance that they would try their best to achieve a 10 per cent cut in expenditure?

Shri L. N. Mishra: That has been our attempt and endeavour to achieve a 10 per cent economy. It covers both plan sector and non-plan sector. We are trying to postpone non-essential items and such items which can be postponed for sometime in the interests of economy.

श्री विभूति मिश्र : क्या यह सही है कि ब्रिटिश डेज में यह रेवेन्यू एक्सपेंडीचर सरकारी इस्टैब्लिशमेंट पर 5 पर सेंट खर्च होता था लेकिन जब से हम ने स्वाधीनता पाई है तब से वह खर्चा बढ़ कर 15 पर सेंट हो गया है जबकि हमारे यहां गरीबों

की प्रति व्यक्ति ग्रामदानी 5, 6 या 7 गांघे है तो क्या सरकार इस देश के ग्राम गरीबों की इतनी कम ग्रामदानी को देखते हुए अपने प्रशासनिक व्यय को कम करने और उस को नियंत्रण में रखने की कोई नियम प्रयत्न या व्यवस्था करने जा रही है ?

श्री ल० ना० मिश्र : यह बात सत्य है कि सरकारी खर्चा बहुत बढ़ गया है और गरीबों की ग्रामदानी भी बहुत कम है । इस बारे में दो राय नहीं हैं । प्रयास यही है कि उसको नियंत्रित किया जाय और कम किया जाय लेकिन उस चीज में पूरी सफलता अभी तक नहीं मिली है ।

Shri Harish Chandra Mathur: Sir, my question is in the context of the letter which I had addressed to the Prime Minister and which, I was told, has been circulated to all the ministries including the Ministry of Finance, pointing out that a similar committee was appointed in the wake of Chinese aggression in 1962 and a similar statement was submitted about the cut in the list of expenditure, but the result was that since 1962 to this day the governmental expenditure has gone up from Rs. 258 crores to over Rs. 500 crores and in the first year of this economic drive in the wake of Chinese aggression in the Central Government alone 10,000 more employees were added. I pointed out in my letter that a similar committee of the Secretaries was appointed at that time and it proved absolutely infructuous and that there was a reason for strengthening the economic drive. May I know whether the factual position stated by me is correct and what is the Government's answer not to strengthen this sort of a committee and to have really effective measures?

Shri L. N. Mishra: I am not aware....

Shri Harish Chandra Mathur: If he is not aware, Sir, let the Finance Minister, who is aware of it, answer the question. If they are not aware

in a week's time to let the House know as to what are the concrete results of that. I can tell you that we have worked out, and speaking from memory I can say that Rs. 91 crores is supposed to be saved or can be saved by observing the cut in different expenditure we are thinking of. But some items of expenditure become unavoidable even when we want to achieve economy. For instance, we have sudden and unexpected drought in different parts of the country. So, we have got to send teams to look after this and recruit other people to help these people. These are items of expenditure which are unavoidable. Therefore, although the general framework is there as to how the expenditure is to be reduced, sometimes circumstances get beyond our control. But, in spite of that, I entirely agree with this House that every effort should be made to try to control government expenditure.

Shri Priya Gupta: Including Ministers' expenditure.

Shri Sahindra Chaudhuri: Yes, including Ministers' expenditure. I am absolutely in agreement with Shri Gupta that Ministers' expenditure should also be controlled.

Reserve Bank Credit Policy

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- *212. **Shri M. L. Dwivedi:**
Shri P. C. Borooah:
Shri Bhagwat Jha Azad:
Shri S. C. Samanta:
Shri Subodh Hansda:

Will the Minister of Finance be pleased to state:

(a) Whether Government's attention has been drawn to the reports that while the Reserve Bank of India has recently liberalised its credit policy with respect to selected small industries, the banks in the North Eastern region particularly in Assam are pursuing a contrary policy; and

(b) if so, whether Government has taken any steps through the Assam Government or otherwise to

bring the credit policy of the Books in that region in conformity with the National Industrial Credit Policy?

The Minister in the Ministry of Finance (Shri B. R. Bhagat): (a) Government have not received any representations that credit facilities are being denied to small scale industries in Assam. The benefits of the recent liberalisation will be available to them as well.

(b) Does not arise.

श्री म० ला० द्विवेदी : क्या यह बात सत्य है कि बैंकों को, विशेषकर स्टेट बैंक को, स्माल स्केल इंडस्ट्री वालों को क्रेडिट फेसिलिटी प्रोवाइड करने में बहुत मंजूरन पड़ती है। या तो उन को लोन मिल ही नहीं सका या इतनी देर से द्रय हुआ कि काम नहीं हो पाया। यदि हां, तो इस दिशा में सुधार करने के लिये सरकार क्या कर रही है।

श्री ब० रा० भगत : लघु उद्योगों को जो सुविधायें दी गई हैं वह कई सालों से चल रही हैं। आंकड़ों को देखने से पता चलता है कि हरसाल जितनी रकम दी जाती है, जितनी मदद दी जाती है, वह बढ़ती जाती है। इस के अलावा जिन शर्तों पर मदद दी जाती है उन में भी सुधार हो रहा है और उदारता दिखाई जा रही है। ऐसे उदाहरण हो सकते हैं जिन में कुछ अधिक देर हुई हो या कोई और दिक्कत हो रही हो, लेकिन उन्हें दूर करने की कोशिश की जा रही है, और अब तक लगभग 91 करोड़ रु० का बर्ज चार पांच सालों में सरकार उन को दे चुकी है।

श्री म० ला० द्विवेदी : मैं जानना चाहता हूँ कि उदार नीति अपनाने के फलस्वरूप और रिजर्व बैंक द्वारा जो उदारता बरती गई है सुविधायों के देने में, उस के फलस्वरूप क्या क्रेडिट फेसिलिटी देने में कोई वृद्धि हुई है। अधिक उदारता दिखलाने के लिये कौन से सुझाव सरकार के विचाराधीन हैं जिन से और अधिक सुविधा हो सके।

let the question be postponed, particularly on this particular issue. I addressed two letters to the Prime Minister and got an answer that those letters had been circulated to all the ministries.

Mr. Speaker: Does the Minister of Finance want to answer it?

Shri Harish Chandra Mathur: Let somebody answer it. I would request you, Sir, to postpone this question to be answered at 3.00 or 4.00 in the evening. This is a very vital matter affecting the economy of the country.

The Minister of Finance (Shri Sachindra Chaudhuri): I certainly recognise the vital nature of the question that the hon. Member, Shri Mathur, has put. But this is not quite related to the main question before the House. Before I make an answer I will go into the matter and I will write a letter to him on that.

Shri Harish Chandra Mathur: I have received a letter from the Prime Minister. I do not raise any question until and unless I am satisfied that it is necessary and until and unless I find that it is in the great interest of the country. Therefore, I raised this point. I am not satisfied with any letter from anybody on such a vital matter in the interest of the nation.

Shri Sachindra Chaudhuri: Very well, so far as that is concerned, certain points have been raised in Shri Mathur's letter to the Prime Minister of which a copy has come to me. I will look into each one of those points and when making a reply see that each one of those points is answered. If Shri Mathur wants postponement of the question, let it be postponed, I do not mind.

Shri U. M. Trivedi: The little narration which has been given of facts by Shri Mathur has raised a very important issue. We have been seeing and noting for the last fifteen years effort after effort being made by Government on paper to reduce the expenditure. But that has remained

on paper. The net result has always been that there has been an increase in the expenditure of the Government from time to time. Right from the beginning, if you look at the budget records from 1952 onwards up-to-date, it has gone on increasing. The administrative expenditure, expenditure on all heads of the Government, has been increasing. One day, when discussing this matter with the ex-Finance Minister, Shri Krishnamachari, he agreed with me and said that he has impressed upon every department that this expenditure must be brought down to the level of 15 per cent. That has been an old story. Now, nearly after nine or ten months this matter has again cropped up. I would like to know whether really efforts are being made or still something is on paper only?

Shri Sachindra Chaudhuri: The answer is this. So far as Shri Trivedi is concerned, while I do not...

Shri Basappa: Why should it be for Shri Trivedi and Shri Mathur only the whole House is interested.

Shri Sachindra Chaudhuri: Let me finish my sentence. What I say is, so far as Shri Trivedi is concerned, he has made certain statements which I cannot say have been made by other Members of this House and that is why I said that Shri Trivedi has made a statement. I am not in a position to challenge or otherwise contradict what he has said, and I am not doing that. Therefore, granting that there has been an increase to the tune as suggested by him in government expenditure over the last fifteen years, Government revenues have also increased. Therefore, a proportion has got to be considered. The activities of Government have increased and different departments had to be started. So far as the narrower question is concerned, every effort is made to try and contain the expenditure in every ministry of government. So far as my ministry is concerned it is making that effort and I will be in a position, as I said,