

**Economy Measures**

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\*742. Shri Radha Raman:  
 Shri Harish Chandra  
 Mathur:  
 Shri P. K. Deo:  
 Shri Rup Narain:  
 Shri Bibhuti Mishra:  
 Shrimati Tarkeshwari Sinha:  
 Dr. Ram Subhag Singh:  
 Shrimati Ila Palchoudhuri:  
 Shri Ram Krishan:  
 Shri M. C. Jain:  
 Shri Surendranath  
 Dwivedy:  
 Shrimati Parvathi Krishnan:  
 Shri Morarka:  
 Pandit D. N. Tiwary:  
 Shri Warrior:  
 Shri Yajnik:  
 Shri Raghunath Singh:  
 Shri Panigrahi:  
 Shri Supakar:

Will the Prime Minister be pleased to state

(a) whether Government have decided to take suitable economy measures to cut down its expenditure in certain respects.

(b) if, so, the steps taken in this direction,

(c) whether it has been decided to set up economy units in all ministries

(d) if so, with what specific instructions, and

(e) the amount of money that would be saved as a result of economy drive?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) to (d) With a view to ensure that the Government's financial and other resources are utilised to the best possible advantage, it was recently decided that each Minister and Secretary should give urgent and continuous attention to the maintenance of efficiency, integrity and economy in the administration. To this end, they have been called upon to review the nature, volume and quality of the work at all levels and to take practical steps to remove deficiencies and to effect economies. In this task, they will be advised and assisted by the

**Economy Unit of the Ministry of Finance and Organisation and Methods Division of the Cabinet Secretariat**

In pursuance of this decision, all the Ministries and Departments have set up internal machinery in the form of Economy Committees. These Committees are engaged in the scrutiny of the present and projected activities to see whether some of them can be reduced, postponed or abandoned. The Committees are also reviewing the levels of expenditure on staff and contingencies, so that revised and more austere standards may be adopted and enforced.

Orders have already been issued in all Ministries, directing that no new posts should be created and no existing vacancies filled without the personal approval of the Secretary, and calling upon all concerned to observe the utmost economy in the expenditure on travelling allowances and on items such as furniture, stationery, electricity, telegrams, telephones and the like.

(e) It is not possible, at this stage, to give a full estimate of the savings which may be effected as a result of these measures, which are still in progress. A statement is, however, placed on the Table of the House to indicate the decisions which have so far been taken in the different Ministries and Departments, and the approximate savings expected [See Appendix II, annexure No 110].

**Shri Radha Raman:** May I know whether the Government has any proposal in which the employers drawing Rs 1000 are required to have a voluntary cut of 10 per cent?

**Shri Jawaharlal Nehru:** Employers?

**Shri Radha Raman:** Government servants

**Shri Jawaharlal Nehru:** A number of them may have done so. It is left to them to do so. We cannot impose cuts on anybody.

**Dr. Ram Subhag Singh:** How far has this voluntary cut in ministerial salaries impressed upon the department to render efficient service to the

people and pay individual attention in minimising governmental expenditure in construction programmes?

**Shri Jawaharlal Nehru:** Such good advice is always given

**Dr. Ram Subhag Singh:** I am not speaking of advice

**Shri Jawaharlal Nehru:** I could not understand hon Member's question. Telling them to be good, to behave, etc

**Shrimati Tarkeshwari Sinha:** Is it a fact that in the debates on the Budget, it has been pointed out by so many Members that over budgeting is taking place, that is, an amount that is allotted in a particular budget is not spent and again the same amount is brought forward for the next year's budget? May I know what action the Government has taken or proposes to take to see that this over-budgeting does take place and suitable ways and means are found to see that an amount that has not been spent is not brought forward in the next year's budget in toto?

**Shri Jawaharlal Nehru:** It is a question with which the Finance Minister could deal with more profitably. But, I will say this about what is called over-budgeting. Let us take the External Affairs Ministry. We want a number of new Missions opened. They agree and they are provided for. Yet, we do not open them under pressure of circumstances. Or on the other hand, take defence. We just cannot get the things which we want to get. They are not available. We want them the next year. It is not that we do not want them. We just cannot get because of difficulties. That kind of over-budgeting is inevitable. That type of over-budgeting, to put in more money than is really necessary is of a different type which should, of course, be avoided. That is a matter of finance.

So far as this question of economy is concerned, under stress of circumstances, we do not get something which we want. A great measure of economy has been achieved by abandoning projects. Big economy by abandon-

ing a project or postponing it will better days. For instance, the Ministry of Mines and Fuel and the Department of Iron and Steel have abandoned some projects and thereby, for the moment, saved about Rs 2 crores, Rs 1,87,00,000. This is a kind of economy in the sense that we do not do what we intended to do, because we thought we could postpone.

**Shri Hem Barua:** Is it drilling operation?

**Shri Jawaharlal Nehru:** I believe it includes some drilling somewhere.

The other type of economy, the normal type, of course, is seeing that there is no waste, etc. That is right approach to this question. I do not suppose the House or anybody wants economy to be achieved at the cost of efficiency. That is no economy at all. That is wasteful. Inefficient working is the most wasteful of all. Nowadays, there are what might be called scientific methods of computing work, work study methods which, I believe, started originally in the United States in industrial concerns. Gradually, they were applied to administrative offices. Most countries have adopted them and thereby effected considerable savings with increase of efficiency, just seeing how a particular job can be done more efficiently and with the least energy, if I might say so. You can see that in industrial establishments. You can see that in higher techniques and all that. But it is not so easily visible in administration. But it can be done, and it has been done. Considerable changes have been made.

Even in England, last year, I noticed this in various Departments, I was surprised at the good results of this work-study. The work-study method is being adopted by our Methods and Organisation Department. It takes time, that is, studying the methods of work and little things such as where a file goes to or not and so on. You save time thereby. You save waste.

So, these are the various methods which are being adopted.

**Shrimati Parvathi Krishnan:** The statement laid on the Table refers to economy measures that are being instituted with regard to administration, that is, decrease in the number of posts and so on. But, apart from that, I would like to know what measures are being taken to check the large amount that is being spent on travelling allowances of various officers and officials and committees both inside the country and when they go outside.

**Shri Jawaharlal Nehru:** There can be no precise rule about travelling allowance, except that only unavoidable travelling should be indulged in. Those instructions have been issued. As to the results of this, possibly, it may be estimated partly, but on the whole, it cannot be estimated. For instance, for people going abroad, we apply a much stricter rule now; in the case of people going abroad, unless it is absolutely necessary, we do not encourage them to go abroad.

Internally, each Ministry has to deal with the matter. We have told them that they should avoid travelling unless it is really necessary.

**Shri Mahanty:** May I know whether about 40 peons or attendants have been retrenched as a result of the economy measures of the Government of India, in the Central Secretariat?

**Shri Jawaharlal Nehru:** I could not give the number, but, of course, a number have been cut, as a matter of fact, so far as I know—I speak subject to correction—we do not want normally to retrench people. Certainly, we do not retrench any permanent employees even if they are unwanted, we try to find some other place for them. So, when we talk about retrenchment, that means that one Ministry is giving them up for the moment, and we have to provide for them elsewhere.

**Shri Surendranath Dwivedy:** May I know whether Government have taken into consideration the recommendation of the Taxation Enquiry Commission to appoint a high-powered body to go into the entire question of economy mea-

asures, without taking these piecemeal decisions as they are taken today?

**Shri Jawaharlal Nehru:** I do not see what economic policy has got to do with this matter at all. I do not understand it.

**Shri Surendranath Dwivedy:** The Taxation Enquiry Commission have suggested the appointment of a high-powered body to go into expenditure on non-developmental schemes....

Several Hon. Members rose—

**Mr. Speaker:** I find that there are a number of hon. Members who want to ask supplementaries. If the hon. Prime Minister is willing, each hon. Member can send one question, and I shall just pass it on to the Prime Minister, and a statement may be laid on the Table of the House.

**Shri Jawaharlal Nehru:** But I am unable to understand the question. I cannot reply to it.

**Shri Surendranath Dwivedy:** My question was this. The Taxation Enquiry Commission had suggested that a high-powered body should be appointed to go into the question of expenditure on non-developmental schemes, in order to bring about economy in those schemes. May I know why Government have not appointed such a body and this matter of economy is being examined Ministry by Ministry?

**Shri Jawaharlal Nehru:** The hon. Member did not listen carefully to what I said. We have got, first of all, a department of the Cabinet Secretariat, called the Methods and Organisation Department, whose chief function is to be continuously doing this, and doing it, if I may use the word, rather scientifically, to measure the output of work and see how efficiently and how economically it can be done, and also otherwise trying to economise.

Apart from that, what the hon. Member said has actually been done, that is, each Ministry is dealing with this. I do not remember what the

**Taxation Enquiry Commission** said about a commission. But personally, I do not see how a commission, unless the commission itself is a permanent one sitting year after year, looking into the work, and coming and sitting in an office—can give any useful advice

Several Hon. Members rose—

**Mr. Speaker:** I find that a number of hon Members are rising to ask supplementaries. I have already allowed a sufficient number. I can only suggest this much. Hon Members who have now risen can pass on to the Secretary or to our office one supplementary each, and I shall try to elicit information and place it on the Table. Nothing more can be done.

**Shri Hem Barua:** It is a very important subject.

**Mr. Speaker:** But this is Question Hour, and I have given sufficient time already for this question.

**Shri Jawaharlal Nehru:** May I say that I shall gladly, apart from questions, periodically—I do not know what the period may be, either quarterly or half-yearly, whichever is more convenient—lay a statement on the Table as to what this Organisation and Methods Division in the Cabinet Secretariat and the Ministries are doing in these matters.

**Mr. Speaker:** I can suggest, because this is the first instance now—periodical statements will be made hereafter—I shall allot one hour after the close of a day suitable to the Prime Minister and the House.

**Shri Nagi Reddy:** At the beginning of every Session.

**Mr. Speaker:** to explain to the Members here what exactly the process is, and whatever doubts they have may be cleared. Hereafter, every quarter, a statement may be made. If suitable, I shall find one hour at the end of the day.

**Shri Jawaharlal Nehru:** Every day?

**Mr. Speaker:** No. It is not so.

In this Session, because we are starting this now, let there be not merely a statement, but let there be a discussion in the House, let there be suggestions. What Government are proposing to do may be explained, all doubts may be cleared. Thereafter, at the end of each session, a statement may be made, if it is suitable. I shall suggest one hour on some day suitable to the Prime Minister.

**Shri Jawaharlal Nehru:** I am always happy to meet any suggestion of yours, may be that I am not expert enough to answer all the questions that might be put to me.

**Shri Feroze Gandhi:** I want to ask a question regarding the Lok Sabha Secretariat adopting some measures of economy. I want to ask a question in connection with that, but I do not know whom to ask.

**Mr. Speaker:** He may ask me, but not here, and I shall certainly reply. I can state for the information of the House that when I was in my hometown, as soon as I read about the economy measures and the appeal by the Prime Minister for economising in expenditure, I immediately requested the hon Deputy-Speaker to examine the working of the Lok Sabha Secretariat, and he has been going since then, for nearly a month now, and he is submitting a report. Any hon Member might come to me, or approach the Notice Office. As soon as I finalise what steps have to be adopted, I shall see if any step could be adopted. The hon Deputy Speaker has already applied a cut on his own salary, and a number of hon Members also have done likewise.

**Shri Feroze Gandhi:** This is not with regard to that.

**Mr. Speaker:** I have given this information, but I could not be cross-examined unfortunately.

**Shri Feroze Gandhi:** This has nothing to do with cross-examination. If you just give me half a minute ..

**Mr. Speaker:** Next question.

**Per Capita Income in States**

\*743. **Shri Mahanty:** Will the Prime Minister be pleased to state:

(a) whether any State governments have tried to work out the estimates of per capita income in their respective States; and

(b) if so, the State governments which have compiled the estimates and the results thereof?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) Yes

(b) The Governments of U.P., Bombay, Madhya Pradesh, West Bengal and Assam have compiled the estimates for certain years. The figures are given in the statement placed on the Table of Lok Sabha. [See Appendix II, annexure No 111] These are not strictly comparable among themselves and with the estimates for the country as a whole published by the Central Government, owing to differences in concepts, definitions and methods of estimation.

**Shri Mahanty:** In view of the fact that owing to differences in concepts, definitions and methods of estimation, the figures that have been furnished to us in the statement are not comparable, may I know whether the Central Statistical Bureau have taken any steps to standardise the definitions, concepts and methods of estimation?

**Shri Jawaharlal Nehru:** The Central Statistical Office is very anxious to do what the hon. Member has suggested, because otherwise these statistics are not helpful at all, and they have been pressing the State Governments, and I believe, they have sent them model forms and questionnaires etc. which might be used all over the place.

**Shri Mahanty:** May I know whether it is a fact that the National Development Council had recommended to Government to evolve a set of indicators for a continuous study of the pro-

blem of diminishing regional disparity, and is it not a fact that estimation of such per capita income State-wise is one of the most important indicators for studying that subject?

**Shri Jawaharlal Nehru:** Consideration of regional disparity is a conclusion arrived at after looking at the actual figures. One does not study disparity. One studies the facts, and having got the facts, one comes to the conclusion that there is regional disparity.

**Shri Mahanty:** I would like to know whether it is not a fact that the National Development Council had recommended to the Government of India to evolve a set of suitable indicators to study this question, and if the State-wise estimation of per capita income is not one of the most important indicators for that. If so, in view of the statement which has now been placed on the Table where we find only five States have made calculations, I would like to know how the Government want to proceed about the matter.

**Shri Jawaharlal Nehru:** I do not exactly remember what the National Development Council said, except that they have said—and the Planning Commission have said always—that an attempt should be made to remove as far as possible disparities or to go towards the removal or lessening of it. Our difficulty sometimes is in dealing with the States because this work is done by the States or it can be done by the Central Institute provided the States agree and are prepared to cooperate. But sometimes they are not very forthcoming in this matter.

**Shri V. P. Nayar:** The Prime Minister has said that different standards have been applied in computing the per capita income in different States. I find from the statement that in the case of U.P. the figure of per capita income for 1948-49 was Rs. 249.4, but it dwindled to Rs. 212.7 in 1954-55, that is, in five years the per capita income in U.P. has come down by 15 per cent. What is the reason for this?