

## LOK SABHA DEBATES

### LOK SABHA

Friday, April 3, 1992/ Chaitra 14, 1914  
(Saka)

The Lok Sabha met at  
Eleven of the Clock

[MR. SPEAKER in the Chair]

[Translation]

SHRI GEORGE FERNANDES (Muzzafarpur): Mr. Speaker, Sir, I am not asking you to suspend the Question Hour, but the developments in Nagaland have not been reported by any of our newspapers. The Nagaland Government has been dismissed and the State has come under President's rule. I have given you notice for Adjournment Motion. I request you to allow me to raise it immediately after the Question Hour.

[English]

SHRI BASU DEB ACHARIA (Bankura): Sir, I am also of the same view. When the House is in session, this announcement should have been made on the floor of the House first. We will raise it during the Zero Hour.

1.01 hrs.

### ORAL ANSWERS TO QUESTIONS

[Translation]

#### Government Expenditure

532. SHRI MRUTYUNJAYA NAYAK:  
Will the Minister of FINANCE be pleased to  
state:

(a) whether all the Ministries have been asked to review their expenditure control system;

(b) if so, whether all the Ministries have done so and submitted their reports; -

(c) if so, the broad details thereof; and

(d) the steps being taken by the Government on the basis of these reports to further curtail the Government expenditure?

[English]

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) to (d). There is a well established system for expenditure control in Government of India. Under this the expenditure of each Ministry is controlled and reviewed by the concerned Financial adviser on a regular basis. The overall budgetary position is reviewed by the Ministry of Finance on the basis of data received from Reserve Bank and the monthly accounts rendered by the Controller General of Accounts. Apart from close monitoring of expenditure by the Financial advisers, Government have issued a number of economy instructions to curtail expenditure. Ministries have also been advised to review all their schemes and priorities them so that schemes of low priority can be eliminated. This will be a continuous process.

SHRI MRUTYUNJAYA NAYAK: Sir, I congratulate the Government for having initiated such expenditure out of on different items under the budget provisions of 1991-92. It is also prominently seen from certain State items like statutory grants to State Governments, programmes and loans for states' plan schemes, interest payments, pension payments where the expenditure cuts have not been proposed or suggested.

I went to know from the hon. Minister whether prior to the proportion of budget by various state Governments, the Union Government has taken the initiative to ensure restriction and control over the expenditure budget of the State Governments.

If so, what steps has the Government taken in this regard?

**SHRI SHANTARAM POTDUKHE:** Sir, the hon. Member has asked about the expenditure budget of the State Governments. Ours is a federal Government. The State Governments are having the autonomy. The Central Government comes into the picture as far as centrally-assisted schemes or centrally-sponsored schemes are concerned. Necessary directives to cut their expenditure have already been given to the State Governments.

**SHRI MRUTYUNJAYA NAYAK:** In view of the initiative, has the Union Government taken such measures to constitute some supervisory committees or some tribunals which will go into the details of the expenditure made by the various ministries and departments? Will the this tribunal or committee comply with certain provisions of law and procedure; and if so, it will be binding on the part of those who will be involved in the process?

Besides that, my next supplementary is whether, for the strict observation of this objective of the Government, the Government will propose any incentive on reward and impose certain punitive and administrative measures for breach or deviation or departure of this objective also

**SHRI SHANTARAM POTDUKHE:** As I have already said, monitoring expenditure is an on-going process. There is one Financial Advisor who advises all the Ministries regarding expenditure. Then, there is a committee under the Secretary of Finance. The Cabinet secretary also monitors various excess expenditure. So, it is an on-going process.

**SHRI NIRMAL KANTI CHATTERJEE:** Every Government expenditure is expressed

as an income of somebody. Now, the instructions are for the economy of expenditure. I want to know the income generation on an average which every rupee of expenditure results thereby. What are the desegregated ratios?

**SHRI SHANTARAM POTDUKHE:** Income generation is a different exercise all together, Sir.

**SHRI NIRMAL KANTI CHATTERJEE:** Every rupee you spend is itself an income some where. When one rupee is cut in expenditure, what is the average income generation which will get affected? What is that ratio on an average? Is there a disaggregated estimate? The Finance Minister who is here can answer this question.

**THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH):** Sir, I think there is no meaningful way of computing such a ratio. It all depends upon which item of Government expenditure you are going to cut. I would also say that when we are talking of a cut in Government expenditure, what we are talking is essentially in terms of cutting nonproductive expenditure so that more of Government resources can be deviated for productive purposes. so, there is no danger that the types of cuts which are being asked or imposed in the Government would have adverse effect on employment generation. In fact, they will have a beneficiary effect in controlling inflation and will improve productivity of Government expenditure.

**SHRI PETER G. MARBANIANG:** I would like to know from the Minister the economic instructions to curtail expenditure briefly.

**SHRI SHANTARAM POTDUKHE:** Sir, the hon. Member has asked about the instructions regarding curtailment of expenditure. Instructions have been issued to contain expenditure in respect of travel, office expenses like fixtures and furnishings, telephones, staff cars, casual labour, official lunches and dinners, publicity, publications, festivals, fairs and exhibitions, training, seminars and conferences, international conferences, maintenance, creation of posts and revision of pay scales, releases to State

Governments, public enterprises, autonomous bodies, etc., Grant-in-aid institutions, re-appropriations, prioritisation of programmes and activities, scientific departments, public enterprises and autonomous bodies.

**SHRI ANNAJOSHI:** Mr. Speaker Sir, in the answer, the hon. Minister has narrated there regular system of the Department of Finance with regard to controlling and curtailment expenditure. But what we want to know is this. In the changed financial scenario, what are the special instructions issued? We want to know as to what special care is being taken by the Government to curtail even the regular expenditure. For example, let me ask a very specific question. Have they instructed the State Governments not to expand their Ministries where it is not required?

**MR. SPEAKER:** Can it be done under the Constitution? Anyway, you may reply if you want to.

**SHRI SHANTARAM POTDUKHE:** Sir, all the State Governments have been informed to cut their wasteful expenditure.

**SHRI ANNA JOSHI:** Can we not request the State Governments not to expand their ministries?

**MR. SPEAKER:** It is not allowed under the Constitution. I am not allowing your question. Mr. Nitish Kumar please.

[*Translation*]

**SHRI NITISH KUMAR:** The Government has issued instructions to various Ministries and State Governments regarding curbing wasteful expenditure and effecting economy in their expenditures. The hon. Minister has just now enumerated the measures suggested for economy and the fields in which economy can be brought. In this context, I would like to know from the hon. Minister as to whether there has been increase in the Ministers' traveling allowance, furnishing and other expenditure despite the said instructions. According to a press re-

port, the expenditure has increased from Rs.5 crores to Rs. 8 crores. Therefore, I would like to know from the hon. Minister, as to whether there has been any impact of these instructions on the Ministers' Secretariats. If not, the action proposed to be taken in this regard.

**SHRI SHANTARAM POTDUKHE:** Mr. Speaker, Sir, action has been taken in all the Ministries and expenditure has been reduced on many items. There has been cuts in telephone, petrol and other expenses.

[*English*]

**SHRI INDRAJIT GUPTA:** I think the Government would like to convince the people of this country also that reduction of unproductive expenditure is essential in the interest of the economy. All over Delhi, there are big hoardings which say that fuel is precious, oil is precious, energy must be conserved and so on. I asked this question last year and I am repeating it now. When our oil and petroleum resources are so scarce, why does the Government permit the so called vintage car rallies to be held every year, even now? A large number of cars, perhaps belonging to private individuals, are allowed to make long drives from various places to various places, thereby spending a lot of petrol. I think the Government should try to show some little measure of introducing some discipline. Why should people listen to what the Government is saying when they see all these things happening? They are laughing at the whole thing. I hope some step is being taken about the unnecessary going and coming of our Ministers to airports to see people off and to receive them. I do not know whether it is a fact and I would like it to be confirmed.

I think at least for the duration of this crisis period, such things as these vintage car rallies should be stopped. You may be a bit unpopular with some sections of the people who are interested in vintage cars. But some discipline must be shown that some discipline is being introduced. Last year, I was informed by the Minister that he would look into it. But this year, I again see

a big vintage car rally, with which Government personages are associated with regard to participation in the function, prize giving and so on. They go on encouraging it.

SHRI SHANTARAM POTDUKHE: I agree with the suggestion given by a very senior Member of this House. Sir, I may mention here that this rally is being conducted as a sports event and private organisations are involved in it. The suggestion of the hon. Member is very well taken.

#### Assistance by N.H. D.C.

\*533 SHRI CETTAN P.S.  
CHAUHAN:  
SHRIMATI RITA VERMA:

Will the Minister of TEXTILE be pleased to state:

(a) the amount of assistance given by the National Handloom development Corporation for the upliftment of handloom weavers during 1990-91 and 1991-92, state-wise;

(b) the number of weavers benefited therefrom, year-wise and State-wise; and

(c) the amount of assistance proposed to be given by NHDC during 1992-93; state-wise?

[Translation]

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) to (c). A statement is laid on the Table of the House.

#### STATEMENT

(a) national Handloom Development Corporation (NHDC) does not provide financial assistance to Weavers/States directly. However, the Corporation undertakes supply of yarn, supply of dyes and chemicals, promotion of marketing of handloom goods and organisation of workshops, appropriate technology exhibition and training

programmes for weavers. NHDC has also set up marketing complexes to facilitate the sale of handlooms by various State Agencies. NHDC achieved a turnover of Rs. 7337.44 lakhs in all these operations during 1990-91. During the current year upto February, 92 NHDC has reached a turnover of Rs. 3489.84 lakhs.

(b) The activities of NHDC have benefited a large number of weavers throughout the country while the exact number of weavers benefited by these operations cannot be quantified.

(c) Operations of National Handloom Development Corporation for 1992-93 will depend on specific identification/proposals received from the state Government.

SHRI CHETAN. P.C. CHAUHAN: Mr. Speaker, Sir, the condition of the handloom weavers is miserable. This is the oldest industry of our country. Today the condition of these weavers is extremely pitiable. Sometime back, the Government had launched a scheme for supply of one lakh bales of yarn of the handloom weavers. the scheme was launched through National Handloom Development corporation. It was extended for one more year. Will this scheme continue or be closed?

SHRI ASHOK GEHLOT: Mr. Speaker, Sir, this scheme was closed in 1991. But keeping in view the miserable condition of the weavers, we are reviewing the situation and we are making efforts to start this scheme once again in a modified form.

SHRI CHETAN P.S. CHAUHAN: Mr. Speaker, Sir, the turnover of National handloom Corporation was Rs.73 crore 37 lakhs during 1991, but this has come down to Rs. 34 crore 90 lakh this year. Will the hon. Minister state the reason there for ?

SHRI ASHOK GEHLOT: Mr. Speaker, Sir, the reason is the closure of subsidised yarn scheme which has brought down the turnover. the resumption of the said scheme will once again increase the turnover.