

permanent Bench of the Allahabad High Court at Agra and two circuit Benches thereof at Nainital and Dehradun. The then Chief Minister of Uttar Pradesh proposed, in his letter dated 7.11.94, that recommendations of the Commission be implemented. He inter-alia informed that the Chief Justice of Allahabad High Court did not agree to the proposal. The next Chief Minister stated in her letter dated 5.9.95 that the issue of establishment of a High Court Bench was sensitive and a decision in the matter had to be taken by the Central Government. The State Government were advised in December, 1995 that in the absence of a definite proposal from the State Government and a consensus amongst the constituents affected by the decision, it was not possible for the Central Government to take a decision in the matter.

[Translation]

Special Funds for Roads

366. SHRI RADHA MOHAN SINGH :
DR. RAMESH CHAND TOMAR :
SHRI ANANTH KUMAR :
SHRI DEVI BUX SINGH :

Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) whether the Union Government propose to set-up special funds for the maintenance and repairs of roads;

(b) if so, the details thereof?

(c) whether there is any proposal under consideration of the Government to issue Tax Free Road Bonds on the lines of Railway Bonds.

(d) if so, the details thereof and if not, the reasons therefor; and

(e) the other steps being taken to make the National Highway projects financially more attractive and cost effective?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN) : (a) No, Sir.

(b) Does not arise.

(c) Yes, Sir.

(d) Issue of tax free bonds amounting about Rs. 40 crores by National Highways Authority of India has been recently approved

(e) Certain concessions like tax holiday, reduction in import duty on equipments, generating revenue from way-side amenities and transport nagars finally have been announced to make the National Highway projects financially more attractive and cost effective under Build, Operate and Transfer (BOT) Scheme

[English]

Expenditure Policy

367. SHRIMATI GEETA MUKHERJEE :
DR. MURLI MANOHAR JOSHI :
SHRI SRIBALLAV PANIGRAHI :
SHRI KACHARU BHAI RAUT :
SHRI DATTA MEGHE :

Will the Minister of FINANCE be pleased to state :

(a) whether a comprehensive expenditure policy has since been announced by the Government;

(b) if so, the salient features thereof;

(c) whether some trade Unions and other organisations have opposed the austerity measures proposed to be implemented by the Government; and

(d) if so, the details thereof and reaction of the Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). The Government have issued guidelines on 17.6.96 on expenditure management - fiscal prudence and austerity, which intend to achieve, through control of growth of expenditure and enhancement of return on Government equity in Public Sector Enterprises, an annual attrition of Rs. 3000 crores in the expenditure budget of the Central Government. The salient features of the guidelines include : (i) review and evaluation of on-going programmes and schemes to determine their continued relevance; (ii) strict curbing of deviations from the prescribed budgetary ceilings; (iii) declaration of a minimum dividend of 20% on equity by Public Sector enterprises if distributable profits permit or minimum dividend pay out of 20% of post-tax profits (30% in respect of Oil, Petroleum, Chemical and other infrastructure sectors) ; (iv) time and cost over-runs of schemes to be strictly avoided; and (v) manpower to be reduced to the extent possible.

Certain apprehensions were expressed in some quarters in so far as the guidelines relate to wages and manpower. The Government have since clarified that :

(i) There would be no retrenchment of any employee in any Central Government Ministry, Organisation or Public Sector Undertaking. The proposed reduction in manpower would be achieved through non-filling up of vacancies which arise due to retirement, death or through manpower rationalisation measures.

(ii) There will be no reduction in the wages of Government employees because the