

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 BHAU 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

provision for payment of salaries would be suitably adjusted for inflation in accordance with the DA formula accepted by the Govt; and

- (iii) The recommendations of the Vth Pay Commission when they are accepted by the Government will be fully provided for.

[Translation]

Central Assistance to Bihar

368. SHRI RAM KRIPAL YADAV :
SHRI KASHI RAM RANA :
SHRI MOHAMMAD ALI ASHRAF FATMI :
SHRI MAHESH KUMAR M. KANODIA :

Will the Minister of FINANCE be pleased to state :

(a) the total additional Central financial assistance sought by various States during the last three years, State-wise, with special reference to Bihar and Gujarat;

(b) the details of the funds actually allocated by the Union Government during the above period, State-wise, year-wise and project-wise;

(c) the reasons for not allocating the full assistance sought by the States;

(d) whether the additional assistance sought during the current financial year has since been released;

(e) If so, the details thereof, State-wise; and

(f) If not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (f). The annual plans of States are finalised by the Planning Commission to be funded by States' own resources, Centrally allocated resources like market borrowings, negotiated loans and by Central assistance. The annual plans are fully funded. The central plan assistance consists of normal Central assistance, additional Central assistance for externally aided projects, Central assistance for Centrally sponsored schemes transferred to States and special Central assistance for Area Programmes. The States are given funds under above items as per their entitlement/allocation. The States do approach the Central Government for additional assistance due to special circumstances. The Central Government, keeping in view its resource constraints and financial implications, provide additional assistance in very special cases. Based on the information available in the Ministry of Finance, a *Statement* showing details of requests received from the State Governments and the amount provided is enclosed. We have, however, asked for information on this subject from the Governments of Bihar and Gujarat. Any information received from these States shall be laid on the Table of the House subsequently. The requests seeking preponed releases of future entitlements, memorandum seeking Central assistance in the wake of natural calamities and deferment of repayment obligations/ways and means advance are not included in above Statement.

STATEMENT

Additional Central Financial Assistance Sought by States and Amount Provided by the Ministry of Finance During 1993-94 to 1996-97 (upto 08.7.1996)

| S. No. | State | Amount (Rs. in crores) | Purpose | Amount provided (Rs. in crores) |
|-------------------|-------------------|------------------------|--|-----------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| A. 1993-94 | | | | |
| 1. | Arunachal Pradesh | 200.00 | For proper development of roads | Nil |
| 2. | Haryana | 200.00 | To Liquidate the outstanding of NTPC | Nil |
| 3. | Himachal Pradesh | 270.00 | For conversion of APA of Rs. 270.00 crores into outright grant or long term soft loan as also additional Central assistance of Rs. 200 crores for 1993-94 and Rs. 600 crores during 1994-95. | 268.74 as advance plan assistance |
| 4. | J and K | (1) 178.00 | Reimbursement of balance claim of security related expenditure of Rs. 178.00 crores. | |