

MR. SPEAKER: He is all right.

SHRI S. KRISHAN KUMAR: I will generally say that because of the harsh climatic conditions, the hostile terrain and the sub-zero temperatures under which our troops operate, the casualties are on the heavier side. But our assessment is that the casualties on the other side, the Pak side are heavier, even though we are not able to prove it by figures. So, that is our assessment. In order to reduce the number of casualties, our troops have been given special snow clothing, rations, equipment, special type of tents, snow-mobles, etc. and our effort is to see that, in the circumstances, we look after our troops to the very best possible extent.

#### ECONOMY IN MINISTRIES/DEPARTMENTS

\*276. SHRI RAM KAPSE :

SHRI V. N. SHARMA :

Will the Minister of FINANCE be pleased to state :

(a) whether there is a pressing need to adopt severe economy measures by the Ministries and Departments of the Union Government;

(b) if so, the efforts being made to encourage them to come forward with their own schemes under which economy in public expenditure can be attempted; and

(c) whether the Government propose to appoint a study team Ministry-wise, to go into the question of economy in expenditure as a continuous and on-going process ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) and (b): Yes Sir. The Ministries/Departments have been advised to prioritise their activities and schemes both on the Plan and non-Plan side; and identify those schemes and activities which can be eliminated or reduced in size.

(c) Keeping expenditure under control is a continuing exercise. Instructions are issued from time to time regarding specific measures required to be taken to effect economy in expenditure or to avoid waste-

ful or unnecessary expenditure. There is no specific proposal to appoint a Study Team to go into the question of economy in expenditure.

SHRI RAM KAPSE: Sir, the hon. Minister has said that instructions were already issued. I would like to know this from him: Did those instructions about minimising the use of diesel and on foreign tours, which were given only last year produce any results? You might be knowing that there is a movement going on in Maharashtra against....

MR. SPEAKER: No, you do not mention that. You leave it.

SHRI RAM KAPSE: I will not mention the specific movement. But, that movement is going on in Maharashtra asking them to curtail the expenditure on foreign tours by the dignitaries, led by the Editor of *Lok Satta*. You might be knowing it. So, there is a movement—a people's movement—saying that the Government should minimise expenditure on foreign tours or on diesel and you have been giving instructions. Last year also you have given those instructions. So, I would like to know whether they were adhered to.

SHRI SHANTARAM POTDUKHE: Instructions have been issued by hon. Prime Minister and hon. Finance Minister also. There was a meeting called by the Secretary (Expenditure). He called all the Secretaries and issued the instructions. There is also a restriction for going abroad. The restriction is that only those persons are allowed to go abroad who have to get some foreign aid or if some foreign transactions are to be done. So instructions have been issued accordingly.

SHRI RAM KAPSE: I had put a specific question about diesel last year. I had put the question to Shri George Fernandes when he was the Railway Minister. At that time, I had specifically asked this question about the Railways. But he did not give any information on that. Have you got any information as to how the departments reacted to your instructions about minimising diesel expenditure?

SHRI SHANTARAM POTDUKHE : About petrol and diesel, instructions have been issued to have 20 per cent cut.

SHRI RAM KAPSE : Have those instructions been followed or not ?

SHRI SHANTARAM POTDUKHE : I do not have the information with me.

SHRI RAM KAPSE : My second question is asked in 'b' part of the question. If so, what are the efforts being made to encourage them to come forward with their own schemes ? What were the schemes suggested by different Ministries on their own ? We can understand that they do not follow your instructions. But have they come forward with some new schemes for minimising their expenditure ? Have they done it ?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Mr. Speaker Sir, soon after our Government took over, I had issued instructions that all Ministries should prioritise their activities in order of their importance or the functioning of our economy and for the functioning of our Government. It is my hope that by the end of August, all this information would be available to the Ministry of Finance. And I do propose to act firmly and strongly on our Government's commitment to eliminate wasteful expenditure. Some Ministries have already done it. In fact, Ministry of External Affairs have already come forward with proposals as to where economy can be effected. Some other Ministries are already in touch with me. I assure you, Sir, that we will act firmly to reduce wasteful expenditure.

SHRI RAM KAPSE : But shall we get the information ? Will you supply us whatever information you will be collecting by the end of August on cost, diesel, priorities and the new schemes, etc. ?

SHRI MANMOHAN SINGH : I would like to say that we have received only a part of the information. After I have completed the action, I will be very happy to share the information collected with you. We have got nothing to hide from this House.

[Translation]

SHRI V. N. SHARMA : Mr. Speaker, Sir, there is difference in the practice and profession of the hon. Minister.

MR. SPEAKER : As in the case of speech and question.

[English]

SHRI V. N. SHARMA : I want him to explain the anomaly in which he presented himself in the Budget.

[Translation]

This is the expenditure shown by the hon. Minister, please go through it. A provision of Rs. 99,000 crore had been made in the Budget of 1990-91 and in the revised estimate is Rs. 106717 crore. In the new budget presented by the hon. Minister of Finance, the amount allocated is Rs. 113422 crore. It was being said that the allocation for non-plan expenditure will be curtailed, but on the contrary it has been increased. How do you explain this ?

[English]

SHRI SHANTARAM POTDUKHE : You may be aware that there was the Census and to carry out the work relating to the Census, we had to involve certain State Governments. There has also been increase in expenditure relating to Police, Railways, Posts & Communications, All India Radio, TV, Home Ministry and the Union Territories. In addition, there is the increase in DA and expenditure on other activities. Therefore, there is an increase in the Budget.

SHRI DIGVIJAYA SINGH : Earlier also, all the Finance Ministers had been making promises of a cut in the non-plan expenditure over the years. But as the year comes to a close, they had been flouting those instructions to a great extent. Especially, this was true of the last Government headed by Shri Chandra Shekhar. If you see the expenditure by his Government during its last days, you will find that they had been spending quite exorbitantly. Would the hon. Minister set up a Committee to examine all those

cases in which specific Ministries have flouted the rules as well as the directions of the Finance Ministry to cut down non-plan expenditure?

**SHRI SHANTARAM POTDUKHE :** There is no necessity to set up a Committee.

[Translation]

**SHRI RABI RAY :** Mr. Speaker, Sir, before putting the question, it appears to me from the question put by my hon. friend from the BJP and the reply given by the hon. Minister that cut in the expenditure would be a mirage. Will the hon. Minister be pleased to state as to what has been the savings, Ministry-wise, so far, as a result of issuing circulars to all Ministries for effecting a cut in Government expenditure?

[English]

**SHRI SHANTARAM POTDUKHE :** We shall pass on the information to the hon. Member.

[Translation]

**SHRI ATAL BIHARI VAJPAYEE :** Mr. Speaker, Sir, if the assurance to effect a cut in government expenditure is not implemented, it will be difficult to create a psychological atmosphere in the country. I am extremely disappointed by the reply given by the hon. Minister. Is there any target for the cut in expenditure? Please give the specific amount, say Rs. 1000 or Rs. 2000 by which the cut in expenditure will be effected? If there is no definite target, how can it be implemented. Please make it clear to the House.

[English]

**SHRI SHANTARAM POTDUKHE :** The Finance Minister has presented the Budget wherein he has stated that we have to bring down the fiscal deficit to 6.5 per cent. We are looking into the matter and we will take all the measures to curtail the expenditure.

**SHRI MANMOHAN SINGH :** Mr. Speaker Sir, our Government is firmly

committed to reducing non-plan expenditure by 10 per cent.

When we came to office, we looked at the trend of expenditure as it would have been, if no corrective measures had been taken. Last year, the fiscal deficit was 8.5 per cent of the G.D.P. Now, if we have not done any corrective, this fiscal deficit would have risen to over Rs. 52,000 crores. The difference between this Rs. 52,000 crores and the figure of Rs. 37,000 crores that I mentioned when I presented the Budget is the measure of the impact of strict expenditure control plus resource mobilisation that we have effected.

But this is not the end of the matter. I assured the House that we have been in office only for a month and that we are in the process of reviewing the non-plan expenditure and the administrative expenditure proper of all Ministries. When we will complete this task in a period of one month, we will come back to the House with the result.

**SHRI MUKUL BALKRISHNA WASHNIK :** Sir, a few days back it was reported in the Press that as part of the economy measures, the Government is planning to impose a ban on fresh recruitment and creation of new posts in various ministries and departments. The Congress Party in its election manifesto has promised to create 10 lakh jobs every year and to give employment opportunities to the millions of unemployed people of the country.

I would like to know from the hon. Minister whether there are any plans to impose such ban on fresh recruitments and creation of new posts.

**SHRI SHANTARAM POTDUKHE :** Sir, in the manifesto I think it is not mentioned that the Government jobs are to be provided. (Interruptions)

**SHRI SHANTARAM POTDUKHE :** But we will take steps to provide jobs to unemployed people.

**SHRI MANMOHAN SINGH :** Mr. Speaker, Sir, I think hon. Members cannot have it both ways. On the one hand they say that we must cut Government

**Question**

**Question**

expenditure and on the other hand they say that we should go on employing people even when there is no work. . . . (Interruptions)

**SHRI MANMOHAN SINGH** : I would like to say that the additions to the Government's work force increase must be related to the functional requirements of the Government. We are not going to increase the work force in Government if it is not warranted by the functional necessity of the Government.

And the second thing that I do want to say is that all emphasis in the future must be on not the creation of jobs which are in the nature of digging the holes and filling them up but productive jobs. Therefore, whether in Government or outside Government, the emphasis has to be on the creation of productive jobs.

**WRITTEN ANSWERS TO QUESTIONS**  
[English]

**EXPORT OF GRANITE**

\*266. **DR. V. RAJESHWARAN** : Will the Minister of COMMERCE be pleased to state :

- (a) whether there is any proposal to declare granite stones as a major mineral;
- (b) the value of raw granite exported during the last three years, year-wise;
- (c) whether the Government propose to adopt a uniform policy to streamline the export of granite; and
- (d) if so, the details thereof ?

**THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM)** : (a) Department of Mines is considering such a proposal.

(b) The value of raw granite blocks exported during the last three years was as under :—

(Value in Rs. Crores)

1988-89	1989-90	1990-91
103.30	106.00	172.00

(c) and (d) A uniform policy, particularly in regard to terms and conditions for the grant and renewal of leases is expected to be of help in the export of granites.

**NRI DEPOSITS**

\*271. **PROF. K. V. THOMAS** : Will the Minister of FINANCE be pleased to state :

- (a) the amount of deposits by the Non-resident Indians in the Indian Banks as on July 1, 1991; and
- (b) the incentives being given or proposed to be given by the Government to increase the NRI deposits ?

**THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR)** : (a) The amount of deposits by Non-Resident Indians (NRIs) in Indian Banks under FCNR/NRE Accounts as on 30-6-91 was Rs. 19,614 crores.

(b) To increase the NRI deposits the Government have proposed many incentives as part of Budget proposals for 1991-92 including review of policies and procedures bearing on Non-resident Indians investment and further relaxations to be made in order to remove all procedural difficulties and impediments to the setting up of industrial and other ventures by NRIs. Government also propose to set up an office of Chief Commissioner for Non-Resident Indians for facilitating interaction with Central Government and to serve as a focal point for NRIs.

Two new schemes have been announced in the Finance Minister's Budget Speech for 1991-92, for which legislation would shortly be introduced.

These are :

- (i) Upto 30th November 1991, remittances in foreign exchange can be made to any person in India without disclosing the source and if it is gifted, it will be free from gift tax. Such remittances would also not be sub-