

FIFTY-EIGHTH REPORT
ESTIMATES COMMITTEE
(1983-84)

(SEVENTH LOK SABHA)

MINISTRY OF FINANCE—RESTRUCTURING OF
DEMANDS FOR GRANTS NOS. 54 AND 55
OF THE MINISTRY OF HOME AFFAIRS



(Presented to Lok Sabha on 21 December, 1983)

LOK SABHA SECRETARIAT
NEW DELHI

December, 1983/Agrahayana, 1905 (Saka)

Price: Rs. 0.45

CORRIGENDA TO THE 58TH REPORT OF
 ESTIMATES COMMITTEE ON THE MINISTRY
 OF FINANCE - RESTRUCTURING OF DEMANDS
 FOR GRANTS NOS.54 AND 55 OF THE
 MINISTRY OF HOME AFFAIRS.

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(1983-84)

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(iii)

INTRODUCTION

1. The Chairman of Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Fifty-Eighth Report on the Ministry of Finance—Restructuring of Demands for Grants Nos. 54 and 55 of the Ministry of Home Affairs.

2. The Ministry of Finance furnished a Note to the Committee on the aforesaid subject on 29 October, 1983. The Committee considered that Note on 5 November, 1983 and called for further information from the Ministry of Finance. The requisite information was received from the Ministry of Finance on 8 December 1983. The Committee wish to express their thanks to the Ministry for placing before them the information which they desired in connection with the examination of the subject.

3. The report was considered and adopted by the Committee on 16 December 1983.

NEW DELHI ;

December 19, 1983

Agrahayana 28,1905 (S)

BANSI LAL,

Chairman,

Estimates Committee.

REPORT

In a Note furnished to the Estimates Committee the Ministry of Finance (Department of Economic Affairs) intimated *inter alia* that :—

(i) The Demands for Grants with which the Ministry of Home Affairs is directly concerned are :—

- Demand No. 50—Ministry of Home Affairs
- 53—Police
- 54—Census
- 55—Other expenditure of the
Ministry of Home Affairs.

(ii) The Demand 'Other Expenditure of the Ministry of Home Affairs' covers provisions for residuary and Miscellaneous items of expenditure of that Ministry, both developmental and non-developmental, which cannot be included in the other demands. These items broadly are :—

(a) *Plan* :

- (i) Welfare of Scheduled Castes/Tribes and other backward classes.
- (ii) Special Central additive for Scheduled Castes component plans.
- (iii) Tribal sub-plans.
- (iv) North Eastern Council Plan Schemes.
- (v) Block assistance for plans of UT Govts.
- (vi) Grants to States for schemes under article 275(1) of the Constitution.

(b) *Non-Plan (major items)* :

- (i) Civil Defence
- (ii) Home Guards
- (iii) Pension to freedom fighters
- (iv) Intelligence Bureau.
- (v) Registration and surveillance of foreigners.
- (vi) Revenue gap grants and loans to cover gap in resources to UT Governments.

(iii) With the growth of expenditure and expansion in the plan programmes, this Demand has grown in size enormously over the last decade—from a total provision of Rs. 98 crores in 1973-74 to Rs. 743 crores in 1983-84. The items of expenditure included in it pertain to diverse functions and programmes. As a result, it has become too unwieldy to facilitate an effective control. Compared with it, the Demand No. '54-Census' has remained almost static over the years (BE 1983-84 is Rs. 15.44 crores only). As Census cannot be regarded as a major function of Government and the provision is also relatively small, it is felt that it is not necessary to retain a separate and a small Demand exclusively for Census.

2. The Expenditure on Census is brought to account under Sector 'General Services': The Ministry of Finance (Department of Economic Affairs), in consultation with the Ministry of Home Affairs have accordingly, in their aforesaid Note, proposed that items of expenditure relating to the Sector 'General Services' and Non-Plan block grants and loans to Union Territory Governments which are at present included under the Demand 'Other Expenditure of Ministry of Home Affairs' may be taken out therefrom and formed into a separate Demand, along with Census, to be called 'Other Administrative and General Services'. Thus 'Census' as a separate Demand will cease to exist.

3. Items relating to General Services at present included under Demand 'Other Expenditure of Ministry of Home Affairs' are :—

Major Head 256:

Committee on Jail Reforms

Major Head 260 :

National Fire Service College

Major Head 265 :

Zonal Councils

Other Commissions of Enquiry

Civil Defence

Bureau of Immigration

Training

International Cooperation (Contribution to ICPO Interpol)

Other Expenditure

Major Head 268 :

Pensions in lieu of resumed Jagirs, etc.

Pensions and awards in consideration of distinguished services

Other expenditure

Major Head 360 :

Registration and surveillance of foreigners

Other Acts, Rules and Regulations
 Administration of Citizenship Act
 Elections
 Payments for Civil Defence
 Payments for Home Guards

Major Head 361 :

Grants to Union Territory Governments to meet non-Plan deficit

Major Head 761 :

Loans to Union Territory Governments to cover gap in resources

4. The two revised Demands would be known as "Demand No. 54-Other Administrative and General Services" and "Demand No. 55-Other Expenditure of the Ministry of Home Affairs" after incorporating the changes as proposed by the Ministry. According to the Ministry of Finance the proposed change "will facilitate better control over expenditure both by Parliament and the Executive."

5. The Ministry of Finance propose to introduce these changes from the Budget for 1984-85.

6. The Committee wanted to know in what way the present arrangement was standing in the way of proper control of Parliament and the Executive over the expenditure. In reply, the Ministry of Finance explained, in a note, that :—

"Due to the inclusion of residuary activities under Demand No. 55 it has become unwieldy to manage. Moreover these items are not interconnected. The Demand now includes provision of Rs. 743 crores. It is felt that Parliamentary control increases to the extent that Demands are smaller. It will also enable the Parliament to restrict executive's power to re-appropriate funds from developmental to non-developmental heads."

7. Asked what precise difficulties had been faced in this regard by the Ministry of Home Affairs, the Ministry of Finance have intimated :—

"the present Demand 55—Other expenditure of Ministry of Home Affairs consists of budget provision regarding large number of organisations of MHA which are not homogenous. Due to the unwieldy nature of the Demand it has become difficult on the part of MHA to keep proper track of expenditure under different developmental/non-development heads/sub-heads."

8. The Committee enquired how would the change, if effected, lead to better control by Parliament/Executive. In reply, the Ministry of Finance have explained :

"As the Demand 'Other expenditure' includes both developmental and non-developmental activities it will be better if the developmental expenditure is provided under one Grant and non-developmental expenditure under a separate demand. This will facilitate better control of expenditure by the Parliament as the size of the Demand will be relatively smaller."

9. Asked as to what extent the new arrangement would facilitate re-appropriation of funds within a Grant, the Ministry of Finance stated that :

"By providing developmental and non-developmental expenditure under two separate Grants the executive powers to re-appropriate funds from developmental to non-developmental heads is restricted and there will be no opportunity for utilising funds earmarked for developmental activities for non-developmental purposes."

10. As regards budget provision under 'Demand No. 54-Census', the Ministry have intimated that ;--

"It is observed from the budget provision during the last twelve years that the total Grant of Rs. 11.27 crores in 1971-72 has gone down to Rs 3.46 crores in 1974-75 and then gradually has gone up to Rs 32.20 crores in 1981-82. This happens mainly due to the fact that the Census work takes place only after an interval of 10 years. Budget provision was maximum in 1971 and 1981 due to Census operations."

11. The Committee desired to know whether Government had any permanent establishment for conducting Census, and how many times had Grant No. 54 relating to Census recorded excess expenditure. In reply, the Ministry have intimated that :--

"the Government has a permanent establishment which is headed by the Registrar General of India. It has been observed that the expenditure on the permanent establishment of Census organisation has shown a marginal increase over the years. The Census Grant has not recorded any excess expenditure during the last 10 years."

12. At present (i) 'Block assistance for planes of UT Governments' and (ii) Revenue gap Grants and loans to cover gap in resources' to UT Governments' under Non-Plan are including under a single Demand viz. "Demand No. 55 Other Expenditure of the Ministry of Home Affairs."

However, as per the proposal now received, while item (i) will continue under Demand No. 55 item (ii) will come under proposed new Demand No. 54 to be called 'Other Administrative and General Services.' The Committee, asked about the rationale of keeping these items of expenditure both of which related to Union Territories in separate Demands. In reply, the Ministry have explained that ;--

"It may be pointed out that the expenditure for Union Territory Governments is even now dispersed under various Grants. For instance, all central and centrally sponsored/schemes relating to UTs with Legislature are provided in the Grants of various administrative Ministries. The rationale of keeping these items (i) Block assistance for plans for UT Governments and (ii) Revenue gap grants and loans to cover gap in resources to UT Governments under two separate Demands is to distinguish plan/developmental expenditure from other expenditure. For these reasons it will not be practicable to include both under a single Demand."

13. Asked if the reconstructed Demands viz. Demand Nos. 54 and 55 help in better control on expenditure (Plan and non-Plan) on Union Territories and if so, in what manner, the Ministry have assured that :—

"At present the figures of assistance for UT Plan and assistance for meeting non-plan gap are calculated on the basis of different exercises. The proposed bifurcation of Demand would not affect the existing arrangement of control and supervision of expenditure of the Union Territory Governments."

14. The Committee have carefully considered the proposal of the Ministry of Finance (Department of Economic Affairs) made in consultation with the Ministry of Home Affairs to restructure the Demands No. 54—'Census', and Demand No.55—'Other Expenditure of the Ministry of Home Affairs' as Demand No.54 'Other Administrative and General Services' and Demand No.55—'Other Expenditure of the Ministry of Home Affairs, by taking out the items relating to the General Services sector and non-plan block grants and loans to Union Territories Governments from existing Demand No.55 and including them under Demand No.54. The Committee have been convincingly assured that the restructuring of these Demands would facilitate better control over expenditure both by Parliament and the Executive. The Committee accordingly agree to the proposal of the ministry of Finance to introduce the changes from the budget for 1984-85.

NEW DELHI ;
December 19, 1983

Agrahayana 28, 1905(S)

BANSI LAL,
Chairman,
Estimates Committee.

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