

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4470
ANSWERED ON:19.05.2006
PUBLIC SUPPORT SERVICES
Reddy Shri Magunta Sreenivasulu

Will the Minister of FINANCE be pleased to state:

(a) whether most of our public resources are now dissipated in payment of salaries or interest on past debt with little or no resources available for expansion of public or publicly supported services in vital sectors; and

(b) if so, the measures taken by the Government to invest on expansion of public or publicly supported services in vital sectors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b) The proportions of interest payments and salaries (pay and allowances) to revenue receipts of the Central Government is given below: Table: Salaries and interest payments of Central Government (As a proportion of revenue receipts) -

	2003-04	2004-05	2005-06 (RE)	2006-07 (BE)
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Interest	47.0	41.5	37.3	34.7
Salaries	12.6	11.9	11.3	10.2
Interest and Salaries	59.7	53.4	48.6	44.9

Pay and allowances excluding Defence.

The declining trend in the proportions indicate that increasingly resources are available for other purposes including public or publicly supported services in vital sectors. Adherence to the targets set under the Fiscal Responsibility and Budget Management Act, 2003 and Rules made thereunder would facilitate the process of enhanced release of resources to these sectors.