

exchange expected to be earned under this contract is and what quality of iron ore is contracted to be exported and from which mines?

SHRI PRANAB MUKHERJEE: So far as the second part of the question is concerned, it would be mainly from the Karnataka area; it is the Bellary-Hospet sector. In regard to the quantum of foreign exchange earned on this particular deal, in reply to this question I have to disclose the prices, but, Sir, you will appreciate that in these commercial dealings we do not disclose the price because sometimes it may go against us, because we have to deal with various other countries. And it would not be in public interest to disclose at what particular price level we enter into agreements and with which particular country.

D. A. instalments to the Central Government Employees

*22. SHRI SAWAISINGH

SISODIA: t

SHRI F. M. KHAN:

SHRI GURUDEV GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have agreed to pay one additional instalment of D. A. to their employees w.e.f. 1st February, 1980;

(b) whether it is also a fact that another instalment of dearness allowance has become due for payment to the Central Government employees following further rise in the price index;

(c) if so, what are the details in this regard; and

(d) by when these instalments are likely to be paid to the employees?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) Yes, Sir.

(b) and (c) On the basis of the index figures for April, 1980 recently

the question was actually asked on the floor of the House by Shri Sawaisingh Sisodia.

received, the index average has reached 360 points and the question of grant of another instalment of dearness allowance to the Central Government employees from 1-5-80 has become due for consideration.

(d) Government have decided to grant D.A. instalment linked to Consumer Price Index Average of 352. Formal orders in this regard will issue shortly.

SHRI SAWAISINGH SISODIA: This rise in prices is a regular phenomenon due to certain unavoidable circumstances. I would like to know from the hon. Minister whether the Government is satisfied that this system of giving additional dearness allowance to the Central Government employees is the proper way of compensating them for the price rise, or is the Government thinking of some alternative arrangement like supplying them essential commodities at subsidies or reasonable rates so that they can meet the situation arising out of price rise? Secondly, I would also like to know from the hon. Minister whether the Government is considering to amalgamate this dearness allowance in their pay-scales or, are they thinking of revising the pay-scale so that this price rise does not hit them hard?

SHRI R. VENKATARAMAN: The Third Pay Commission recommended that for the annual average rise of 8 points, the staff should get one instalment of dearness allowance upto 273 points rise in the cost of living index. The cost of living index has crossed 272 and the Government, in agreement with the staff, are continuing to pay for every 8 points increase one instalment of dearness allowance. To his other question the Government cannot make unilateral changes in this matter. If any proposal comes from the staff, it will be considered in the regular course. They have the Joint Council in which it will have to be considered. So far as amalgamation with pay is concerned, there is no such proposal at present.

SHRI SAWAISINGH SISODIA: I asked whether there is any proposal under the consideration of the Government to give them essential articles at subsidised rates.

SHRI R. VENKATARAMAN: I have already told the hon. Member that the Government cannot make any unilateral changes in this agreement. If any proposal comes from the staff, it will be considered.

SHRI SAWAISINGH SISODIA: Will this formula apply to employees of public sector undertakings? What is the total amount involved in payment of one instalment of dearness allowance to the Central Government employees and employees in public sector units?

SHRI R. VENKATARAMAN: Employees of public sector undertakings are governed by a different formula. They are compensated at the rate of Re. 1/30 for increase of one point in the cost of living index. So far as Government servants are concerned I have already explained that they are governed by the formula given by the Third Pay Commission. Namely, for the annual average of 8 points increase they will get one instalment of dearness allowance. As far as the amount involved is concerned, one instalment of dearness allowance will cost us roughly about Rs. 65 crores. The total dearness allowance paid so far by the Government in respect of Central Government employees alone works out to Rs. 1088 crores. So far as the public sector is concerned, they have different figures which are not available with me.

श्री गुरुदेव गुप्त : माननीय मंत्री जी से मैं यह जानना चाहता हूँ कि तृतीय वेतन आयोग को बने 15 वर्ष हो चुके हैं और वह काफी पुराना हो चुका है और अब तक उस जमाने से हालात काफी बदल चुके हैं। र तो क्या वह चौथा वेतन आयोग बनाने का विचार

कर रहे हैं जिसमें कर्मचारियों के अलावा सार्वजनिक क्षेत्र के तथा निजी क्षेत्र के कर्मचारियों को भी शामिल किया जा सके ताकि उनको भी इससे कुछ राहत मिल सके ?

दूसरे, मैं यह जानना चाहूँगा कि महंगाई जो है वह अमीर-गरीब सभी के लिए बराबर होती है। लेकिन अभी जो महंगाई भत्ता दिया जाता है, उसमें भेदभाव है। यह वेतन के स्टेज के अनुसार दिया जाता है। छोटा जो कर्मचारी है उसको कम मिलता है, बड़े को अधिक मिलता है जब कि महंगाई दोनों के लिए बराबर होती है। तो क्या मंत्री महोदय इस पर विचार करेंगे कि महंगाई भत्ता छोटे-बड़े सभी कर्मचारियों के लिए एक सा कर दिया जाए ?

MR. CHAIRMAN: Yes, Mr. Minister.

SHRI R. VENKATARAMAN: Sir, there is no proposal to set up the Fourth Pay Commission and on this question there is a difference of opinion even among the staff itself. Now, so far as the DA between the lower-paid staff and the higher-paid staff is concerned, my honourable friend's information is incorrect because the lower-paid staff gets 4 per cent of their pay in every instalment and the higher paid staff gets 3 per cent.

MR. CHAIRMAN: Yes, Dr. Zakaria.

DR. RAFIQ ZAKARIA: Sir, is the honourable Minister aware of the repercussion that such an increase in the dearness allowance has on the finances of the exchequers of the various States? I would like to know from him whether, in view of the various representations made by the State Governments in the past, some kind of a machinery is being devised so that any action by the Centre will not create such repercussions on the finances of the various States than as would adversely affect many of their

development programmes? But I am not against giving DA because it is the legitimate demand of the employees. But I think that the Centre must consider some kind of financial assistance to the States who, for no fault of theirs, get drawn into this Orbit of increases in DA and I would like to know whether the Finance Minister, with all the acumen that he possesses, is devising some methods of resolving this longstanding dispute between the Centre and the States.

SHRI R. VENKATARAMAN: Sir, many State Governments follow the Central scale of DA. There are some State Governments which do not follow that but they have their adjustments with their staff. It is true that the increase in the DA given by the Centre is reflected in the finances of the State Governments because they have either to follow suit or to actually implement what the Central Government gives. But the Finance Commission takes into account the administrative expenditure over five years and whatever administrative expenditure is increased on account of this kind of a higher cost is taken care of in the financial allocations and that is how it is met.

DR. RAFIQ ZAKARIA: I am sorry, Sir. I am not satisfied with the answer. I have specifically asked the Finance Minister whether the repercussions on the finances of the States are taken care of. He says that they have agreed. They have no choice but to agree. But it has been found in every case that whenever this happens, the State exchequer suffers so badly that all the development programmes get out of gear. I want to know whether the Finance Minister is thinking of some kind of financial assistance, not in terms of what the Finance Commissions have recommended, but

MR. CHAIRMAN: You want to know whether there is going to be any subsidizing by the Centre, from the Central finances to the State finances?

DR. RAFIQ ZAKARIA: Yes, Sir, some kind of an assistance.

MR. CHAIRMAN: Yes, Mr. Minister.

SHRI R. VENKATARAMAN: Sir, the dearness allowance is non-Plan expenditure, and the non-Plan expenditure is taken care of by allocation by the Finance Commission. Every time the Finance Commission goes into this question, it takes into account the expenditure which was Plan expenditure in the previous Plan, which becomes non-Plan expenditure in the next Plan, the increase in the administrative cost, going into various factors, and then it makes provision for it. In some cases they give even grant-in-aid. So far as the Centre is concerned, they go only by what the Finance Commission has given in respect of administrative expenditure. But they provide for each State their respective allocation for expenditure. There is no proposal to subsidise any increase in administrative expenditure during the Plan Period.

MR. CHAIRMAN: Mr. Raju.

SHRI V. B. RAJU: My question has been taken care of.

SHRI RAMAKRISHNA HEGDE: Sir, may I remind the hon. Finance Minister of those days when he was the Industries Minister in Tamil Nadu? I remember, in those days his views were different. Sir, it is true that the Finance Commission takes care, by way of increased allocations to State Government, of increases in revenue expenditure that take place on account of increase in dearness allowances, etc., over a period of five years. But in the course of one, single year, there are instances where four times dearness allowances have been increased. How can any State Government bear this burden if there is no provision either for compensation or subsidisation of this additional unexpected expenditure that a State Government has to incur, not because of any fault of its own, but just be,-

cause the Central Government, which has huge resources, decides about it. Sir, therefore, will the Finance Minister at least now, appreciating all the difficulties experienced when he was a State Minister, devise some means by which this burden is shared by the Centre as well as by the State Governments?

SHRI R. VENKATARAMAN: Sir this is a policy matter, on which I cannot take a decision now. I can only say that there is no such proposal at present.

DR. RAFIQ ZAKARIA: Are you at least thinking?

MR. CHAIRMAN: Is there any such thinking?

SHRI R. VENKATARAMAN: No. Sir, there is no thinking now on this subject.

SHRI RAMAKRISHNA HEGDE: Does he propose to do it? I do not want an announcement of policy right now.

SHRI KRISHNA CHANDRA PANT: Government refuses to think. (*Interruptions*).

SHRI MANUBHAI PATEL: It is a vicious circle: Increase in dearness allowance, increase in prices. Does the hon. Finance Minister seriously think that there is a case for increase in dearness allowance in view of the fact that the Prime Minister during the last two months for half-a-dozen times said that prices have gone down? (*Interruptions*).

SHRI A. G. KULKARNI: It is a slogan—not for serious thinking.

SHRI R. VENKATARAMAN: Mr. Chairman, when the Prime Minister said that prices have gone down, they did go down. In January, 1980 the cost of living index was 371; in February 1980 it went down to 369. It was at that time that the Prime Minister said that prices have gone down — (*Interruptions*)

SHRI MANUBHAI PATEL: It was in the month of April and May..... (*Interruptions*)

MR. CHAIRMAN: I think we have had enough of it... (*Interruptions*)

SHRI R. VENKATARAMAN: Prices are going down.

SHRI G. C. BHATTACHARYA: You are making a statement which will be laughed at. You may say whatever you like. But you will be judged by the people. You will become a laughing stock. Everybody will laugh at you... (*Interruptions*)

SHRI R. VENKATARAMAN: I do not want to let this go unchallenged. Sir...

MR. CHAIRMAN: We have had enough of it. Question No. 23.

Guidelines for Janata Hotels

•23. SHRI MULKA GOVINDA REDDY: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether any guidelines have been drawn up for starting Janata Hotels;

(b) if so, by when Government is likely to announce the guidelines; and

(c) what facilities would be given to the entrepreneurs who want to establish Janata Hotels?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI CHANDU LAL CHANDRAKAR): (a) to (c) Broad guidelines for setting up Janata Hotels as well as model designs already exist. The whole policy relating to Janata Hotels including facilities to be made available to the entrepreneurs for this purpose is however under consideration of the present Government.