

in cash and the rest in bonds and they have done so. Some of the persons have deposited 50 per cent. There are two or three persons who had gone abroad, but they had gone abroad earlier, not after the fine was imposed.

**SHRI ATAL BIHARI VAJPAYEE:** The cases relate to the years 1950 to 1954. May I know why it took such a long time to detect these cases?

**SHRI B. R. BHAGAT:** It is old history. The House was seized of it. It was discussed. It was a very complicated thing. We had to appoint a special officer for this. The matter went again before the court. All this is old history and it is known to everyone of us. Now, it is at this stage when the adjudication is complete and the penalty has been imposed.

**SHRI LOKANATH MISRA:** The Orissa Minerals Development Company is a semi-autonomous corporation set up by the Government and I was told that one of the Government officials is the Managing Director. May I know whether the Government official, who was also fined has already paid it?

**SHRI B. R. BHAGAT:** I have given the names of the persons who have been fined. I do not know which officer. It is not correct.

**MR. CHAIRMAN:** Next question.

#### D.A. REVISION FOR CENTRAL GOVERNMENT EMPLOYEES

\*38 **SHRI D. THENGARI:**  
**SHRI RAM SINGH:**  
**SHRI M. C. SHAH:†**  
**SHRI T. V. ANANDAN:**

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to revise the rates of dearness allow-

†The question was actually asked on the floor of the House by Shri M. C. Shah.

ance admissible to Central Government employees on the basis of the cost of living index for November, 1965; and

(b) if so the date from which the revision will become effective?

**THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI L. N. MISHRA):** (a) and (b) Sir I lay on the Table a copy of the orders dated the 7th February, 1966, revising the rates of dearness allowance from 1st December, 1965.

No. 1(1)-E.II(B)/66

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Expenditure)

New Delhi, the 7th February, 1966.

#### OFFICE MEMORANDUM

**SUBJECT:—Revised rates of dearness allowance.**

The undersigned is directed to refer to this Ministry's Office Memorandum No. 1(13)E.II(B)/65 dated the 26th April 1965, and to say that the President has been pleased to decide that with effect from 1st December, 1965, the rates of dearness allowance will be revised as follows:—

Pay per month	Dearness allowance per month
Rs.	Rs.
Below 110	38
110 and above but below 150	58
150 and above but below 210	76
210 and above but below 400	93
400 and above but below 1000	100
1000 and above	Amount by which pay falls short of 1100.

2. The President has also been pleased to decide that with effect from the same date, viz., the 1st December 1965, the rates of the additional dearness allowance to be allowed to the Central Government employees paid from the civil estimates who draw pay in the pre-revised scales and dearness allowance at the rates in force on 30th June 1959, will be revised as follows:—

Pay per month	Additional dearness allowance per month
Rs.	Rs.
Below 60	28
60 and upto 100	48
101 and above but below 160	56
160 and above but below 245	73
245 and above but below 330	93
330 and above but below 900	100
900 and above	Amount by which the total pay plus dearness allowance falls short of 1100.

No portion of this dearness allowance will be treated as pay for any purpose.

3. These revised rates are also applicable to those Government servants who were in service on the 1st December 1965, but whose services were terminated prior to the issue of these orders, whether for disciplinary reasons or on account of resignation, retirement, death or discharge on termination of sanctioned posts.

4. In so far as the persons serving in the Indian Audit and Accounts Department are concerned, these orders issue in consultation with the Comptroller and Auditor General of India.

HOT CHAND,

*Under Secy. to the Govt. of India.*

SHRI M. C. SHAH: May I know whether in accordance with the re-

commendations of the Pay Commission a revision of the dearness allowance was necessary, after a rise of ten points in the all-India consumers' index? May I know when this ten-point rise was reached after the last revision in March?

SHRI L. N. MISHRA: The last revision was made in March 1965 and the index number was perhaps 155 and in December it was 165. We have given this rise from the 1st of December.

SHRI M. C. SHAH: May I know, Sir, what will be the approximate rise in expenditure as a result of this increase in dearness allowance?

SHRI L. N. MISHRA: About Rs. 25 crores per annum.

SHRI T. V. ANANDAN: Is it not a fact that the Government has accepted the recommendations of the Das Commission appointed last year and after accepting them they have given an enhanced dearness allowance to neutralise ninety per cent of the lowest paid employees? Now, in regard to the latest announcement made by the Government, may I know from the Government to what extent neutralisation has been effected?

SHRI L. N. MISHRA: I may say that the Das Commission recommended it for people receiving up to Rs. 600 and we accepted it *in toto*, so far as that part is concerned. Above Rs. 660/- the Government did not accept it. This increase gives 75 per cent upto the lowest three slabs and above that it is 60 per cent.

SHRI C. D. PANDE: Dearness allowance to persons receiving up to Rs. 1,000 has been increased slightly. At the same time, a pay rise has been given to officers drawing more than Rs. 2,250, i.e., above the rank of Joint Secretary. What is the rationale for denying the same benefit to persons who are drawing between Rs. 1,000 and Rs. 2,250?

SHRI L. N. MISHRA: That question is also under consideration.

SHRI C. D. PANDE: What is the rationale for denying the benefit of dearness allowance to persons receiving between Rs. 1,000 and Rs. 2,250, whereas you have given a rise of Rs. 500 per month to those persons who are drawing more than Rs. 2,250? You have given a rise to persons of the rank of Joint Secretary and you have given a rise to the lower ranks, but you have omitted a large section of people in between.

SHRI SACHINDRA CHAUDHURI: May I answer this, Sir? The position is this. So far as the rise in pay is concerned, the rationale is entirely different to the rationale of dearness allowance and, as the Deputy Minister has informed the House, so far as people who are in the salary bracket of Rs. 1,000 to Rs. 2,250 are concerned, that is being considered now as to what can be done about that. Therefore, the Government is not oblivious to the considerations which may be there connected with the rise of pay of these gentlemen.

SHRI SURESH J. DESAI: May I know, Sir, if, apart from the revision of dearness allowance, the Government have any other formula under consideration to neutralise the rise in the cost of living and, if so, what it is?

SHRI SACHINDRA CHAUDHURI: Actually the Government is always prepared to get suggestions from anywhere it can to find out ways and means of abolishing dearness allowance and compensating the rise in the cost of living otherwise and that is under close consideration at the moment. But I might tell you that there is a Calling Attention Notice in the other House, which I will have to go and answer just now. Actually a statement has been prepared for the purpose and if you like I could put that statement on the Table.

MR. CHAIRMAN: Yes.

SHRI SACHINDRA CHAUDHURI: Yes, Sir, I lay it on the Table.

SHRI ATAL BIHARI VAJPAYEE: The Government's utter failure to hold the price-line has necessitated this increase in dearness allowance and the Central Government employees feel that the increase is hopelessly inadequate. May I know why the Government cannot discard the old formula or formulae and connect the dearness allowance with the rising cost of living index and neutralise cent per cent the increase in prices?

SHRI SACHINDRA CHAUDHURI: The reason is quite simple. The reason is that Government has got to spend money for the purpose of the development of the whole country and not for neutralising only the cost of living so far as Government employees are concerned. That is the reason why we are considering ways and means of neutralising the hardships and difficulties of the employees of the Government to the extent it is possible. It will be realised also that different trends take place because of different circumstances entirely outside our control like these. This year and last year there has been, firstly, drought; secondly, withholding of aid from some foreign countries; thirdly the war with Pakistan; and fourthly the threat from China. All these require money and everyone has got to consider them and consider whether or not in the larger interests of the country we can neutralise everything to everyone without regard to the facts.

SHRI P. K. KUMARAN: The Government while recently announcing the dearness allowance have granted Rs. 5 for the low-paid employees. May I know under what principles, on the basis of what calculations they have arrived at this Rs. 5? Was it according to the First Pay Commission or Second Pay Commission or Das Commission? What is the formula?

SHRI SACHINDRA CHAUDHURI

As I have stated I have laid that paper on the Table. If he will kindly read that, he will get the answer.

SHRI ARJUN ARORA May I know if the Minister realises that his failure to grant the low-paid employees hundred per cent neutralisation of the rise in the cost of living means that the standard of living of the low-paid employees is going down because they are not even enabled to maintain their previous standard of living? Is that his method of development of the whole country of which he mentions?

SHRI SACHINDRA CHAUDHURI

That may be so, but that is not the only consideration. As I have said, it is not only these people who are to a certain extent protected. But the Government has to think of, this House has got to think of, everyone who is concerned not only those who are in employment either in the public sector or in the private sector but those who are self employed, those who are landless labourers, for all of whom this rise in prices has been a very great hardship. It is a question of distribution of hardship and not complete removal of it, because Government is not able with the resources at its command to give complete relief to everybody.

SHRI AKBAR ALI KHAN I fully appreciate, as the Finance Minister has said, that the whole India has to be considered as one. Now what I would like to know is how long we are going to discriminate between the Central Government servants and the State Government servants and what relief you are going to provide to the State Government employees because there is great discrimination and there is heartburning on the part of the State Government employees.

SHRI SACHINDRA CHAUDHURI

There is no question of discrimination so far as we are concerned. We do not employ the State Government employees. We are not discriminating

against the State Government employees, though a certain amount of discrimination is there. If you concede there, then your next question would be "How long are you going to discriminate between people who are Government employees and those who are not Government employees?"

SHRI M M DHARIA Even during the Second World War it was possible for countries like England to maintain the price line. If stern action is taken against blackmarketeers, hoarders and profiteers in this country, it is possible to bring down the prices. What is being done by the Government in this respect?

SHRI SACHINDRA CHAUDHURI

I have always felt that it is not right to refer to those countries. The conditions are entirely different. We are not England. We have got a much larger country to administer and we have got problems in different States. Ours is a federal State. Government is trying all the time to control blackmarketing as much as possible. It is easy enough to legislate but it is another thing altogether to carry the legislation to every town, every village, everywhere. If we are assisted by the people of the country, blackmarketing would come down much quicker than if Government started enacting measures. We are taking measures. The hon Member is aware that measures have been taken to keep down blackmarketing.

SHRI P K KUMARAN The hon Minister has just now stated that the cost of living index is growing in the country because of certain factors, drought, war with Pakistan, and so on. The cost of living index in this country has been growing very steadily since 1955. It was 96 points in 1955. In November it was 173. Today it may be 180 or so. It has been steadily growing without any apparent reason. May I know whether the Finance Minister will examine this question and see that something can be done?

**SHRI SACHINDRA CHAUDHURI:** I certainly will examine this and see if anything can be done. That is my duty.

**PROTEST AGAINST EXCHANGE CONTROL RESTRICTIONS BY FOREIGN BANKS**

**\*39. SHRI ARJUN ARORA:** Will the Minister of FINANCE be pleased to state:

(a) whether any foreign banks operating in the country have protested against the recent exchange control restrictions; and

(b) if so, what are their objections?

**THE MINISTER OF FINANCE (SHRI SACHINDRA CHAUDHURI):**

(a) A representation was received from the Bombay and Calcutta Exchange Banks Associations in October 1965.

(b) The representation was to the effect that one of the conditions on which funds obtained from abroad could be remitted back, namely, that the inter-bank call rate in India should be lower than the treasury bill rate at the time of remittance, was onerous. This condition has since been withdrawn.

**GOLD SUBSCRIBED UNDER THE GOLD BOND SCHEME**

**\*40.** { **SHRI RAM SINGH:**  
**SHRI S. SUPAKAR:†**  
**SHRI N. SRI RAMA REDDY:**  
**SHRIMATI TARA RAM-CHANDRA SATHE;**  
**SHRI RAMGOPAL GUPTA:**

Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of gold subscribed through the Gold

†The question was actually asked on the floor of the House by Shri S. Supakar.

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Bond Scheme so far and the break up of the subscriptions in primary gold ornaments;

(b) what is the amount subscribed by the business houses;

(c) whether the response to the new scheme is more encouraging than the earlier one; and

(d) whether Government have any arrangement to ascertain the purity of gold subscribed?

**THE MINISTER OF FINANCE (SHRI SACHINDRA CHAUDHURI):**

(a) 9917 kilogrammes of which subscriptions in the form of primary gold and gold coins amounted to 6936 kilogrammes and ornaments 2981 kilogrammes approximately, upto the 14th February, 1966.

(b) The details of subscriptions to individual loans by categories of subscribers are treated as secret and, therefore, cannot be divulged.

(c) Yes;

(d) Arrangements exist in the Government Mints to determine the old content of each tender in terms of gold of :995 fineness.

**SHRI S SUPAKAR:** So far as the gold subscribed by business houses is concerned, it may not be possible to divulge the names. But why is it not possible to divulge the amount, the total amount, referring to part (b) of the question?

**SHRI SACHINDRA CHAUDHURI:** What part (b) says is this: "What is the amount subscribed by the business houses?" I take it that an analysis was meant. But the question arises as to which are business houses, what are business houses. "Business houses" has not been defined, and therefore unless you want an analysis of each business house or each person who is supposed to be a business house, it is rather difficult to give a total.

**SHRI S. SUPAKAR:** Is it not possible to collect the total figure?