

Sir, some of the replies given by the Hon. Minister earlier are very contradictory and all of them follow because of their new Textile Policy. Formerly, in the Textile Policy, powerloom, handloom and organized mills were considered not separate sectors. Now, we are considering them in manufacturing stages and as a result of that, the handloom sector is neglected. While giving the earlier reply, the Hon. Minister said : we have reservation of new items for the handlooms. That is correct. There is also reservation of Janata cloth. But that is the very reason, as Prof. Ranga pointed out that, you give more items to handlooms, you give the responsibility of Janata cloth also to the handlooms, but to produce all that, they require more yarn. And that yarn is not available at cheap cost. The result is that 50 per cent of the handloom mills are already closed down and a number of them are likely to be closed down. Therefore, in view of the fact that a number of State Governments especially those States where large number of handlooms are there—Tamil Nadu, Maharashtra, Bihar, U.P.—have already recommended that the subsidy on the yarn should be increased so that for handloom weavers cheaper yarn will be available and then only they will be able to take up the responsibility of new items that you have reserved for them—otherwise, if you give them reservation and don't give them yarn, then the reservation has no meaning—will you change the policy? I fully support what Prof. Ranga said. I hope you will give us a satisfactory reply to solve the problem of the weavers.

SHRI RAM NIWAS MIRDHA : We are reserving not only new items but the existing items also for the handloom sector which is quite substantial. I said in the beginning that this year the prices of yarn have gone up because the prices of cotton have gone up. There is no control on the prices of yarns. We have had consultation with the weavers' representatives. They don't want control on yarn. They tried it many years back and they did not find it useful to them. I have also spelt out the steps that we have taken to meet the situation. For example, we have stopped the export of yarn below certain counts which are mostly used by the

weavers. We have stopped the export of cotton so that the availability of cotton in the country might increase. To give direct subsidy for yarn is a very difficult thing to administer.

PROF. MADHU DANDAVATE :
What is your objection to give subsidy?

SHRI RAM NIWAS MIRDHA :
There is a very great administrative difficulty in reaching millions of weavers and give them subsidised yarn because there is a possibility of diversion. So, the idea is to make availability of cotton to such an extent that the price of yarn becomes reasonable. Here again, the price increase in yarn has been much less than the increase in the cotton prices. So, the situation is being tackled by a lot of administrative measures and the prices of yarn have already started coming down.

Classification of Cities

*990 **SHRI V. SOBHANADREESWARA RAO :** Will the Minister of FINANCE be pleased to state :

(a) whether problems of the classification of cities on the basis of their costliness have been taken in the National Council of Joint Consultative Machinery meeting for Central Government employees in August 1987;

(b) whether Government have examined the case and taken a final decision on this issue; and

(c) If so, details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c) A Statement is given below.

Statement

(a) The Staff side had raised a demand in the National Council (JCM) for upgradation of cities for the purpose of Compensatory (City) Allowance. The Staff side demand was that those special localities which had been upgraded for the purpose

of CCA as B-2/B-1 towns should be granted CCA at the rates of B-1 and 'A' towns respectively in case they have in the meantime been upgraded as B-2 and B-1 towns on the basis of population figures of 1981 Census. The demand was discussed in the National Council meeting held in August, 1987 and the Official side agreed to examine the Staff side request.

(b) Yes, Sir.

(c) In view of the specific observations of the Fourth Pay Commission and also the difficulties experienced by the Government in carrying out the study of the comparative costliness of the cities in the past, it has not been found possible to accede to the demands of the Staff side.

SHRI V. SOBHANADREESWARA RAO : It is a very important matter. The City Compensatory Allowance is introduced with the precise objective to take care of the increased cost of living in some cities. The Government in its reply has agreed to examine the staff side demand. It expressed its helplessness and stated that it has not been found possible to accede to the demand of the staff side.

One of the reasons that has been mentioned is the difficulty experienced by the Government in carrying out the study of the comparative costliness of the cities. It may be true in the olden days; but today with the introduction of computerisation in several sectors and setting up of national information centres in different parts of the country, it should not be so difficult to arrive at this figure of the comparative costliness of the cities.

The 4th Pay Commission also has categorically stated that it had recognised the need for rationalisation and simplification of the existing payment of CCA and also it said that :

“We must add that even in this exercise there were a few B-1, B-2 or C class cities which perhaps for several reasons were inordinately expensive”.

So, this practice is already recognised

by the 4th Pay Commission. The cities like Vijayawada, Rajkot and 12 other cities are upgraded as B-2 cities for the purpose of payment of CCA. But the staff are requesting for payment of higher CCA by treating them as B-1 cities because of either population basis or its costliness.

I ask the Government as to what steps it has taken now precisely to find out the real comparative costliness of the different cities in view of the latest technology that is available with it. I demand a specific answer from the Hon. Minister.

SHRI B. K. GADHVI : This question of comparative costliness of the cities and CCA was examined by the 4th Pay Commission and their observations are :

“Classifying cities on the basis of their comparative costliness is complicated and time-consuming process.” Even the limited study which was done in the past took considerable time and was possible in respect of a few cities only for which more data was already available. It may be difficult to carry out a special study in respect of all cities and towns in the country to determine their relative costliness. Moreover, costliness of places is likely to vary from time to time depending upon the growth of industries and availability of various goods and services. It has also been pointed out that many of the bigger cities which have well-established marketing and transport system may not really be costlier than smaller cities which are not properly developed or are isolated. The suggestion that CCA should be paid at all places is difficult to accept as increases in the general cost of living are compensated by the scheme of payment of Dearness Allowance from time to time. We have separately recommended regular scheme for compensation for price-rise and have also suggested improvements in the rates of house rent

allowance and its payment at all places."

Having regard to all these factors the Commission observed that there is little justification for modification of existing schemes of CCA and suggested fixed rates of CCA on different pay ranges in A, B1 and B2 cities classified on the basis of their population. So the Commission also went in depth into this question. After the new pay scales have been fixed up there is 100 per cent neutralisation. It is impracticable and as such Government did not accept it.

SHRI V. SOBHANADREESWARA RAO : It is not impracticable. Where there is a will there is a way. With the latest means available with us we can certainly arrive at and it will be a scientific basis for paying CCA instead of *ad hoc* arrangement. So I urge upon the Government to re-consider. Secondly nearly 2500 employees are working in the Wagon Repair Workshop at Rayalpadu within 8 km in the periphery of the city of Vijayawada who are eligible to get CCA. They were paid CCA for one year but later discontinued whereas the employees who are working in the Central warehousing Corporation, which is beside this concern, are still getting CCA. Will the Government re-examine it ? I will supply all the necessary data to the hon. Minister. I urge upon the Government to look into it and take immediate steps for sanction of CCA to the employees who are working in the wagon Repair workshop at Rayalpadu.

SHRI B. K. GADHVI : This is a specific question with regard to a particular town. Certainly our policy is that when there is urban agglomeration then we do take it into consideration. As the hon. Member has suggested he is most welcome to write to me and I will have it examined.

SHRI VIJAY N. PATIL : Sir, the Minister has said it is difficult to classify because various factors have to be considered but then how does the BBC know that some of the cities here are growing very fast ? From where do they get this

information ? I come from Jalgaon. There was a news item on the BBC that Jalgaon is the fastest growing city in Asia. So I would like to know whether you are going to expedite the classification of such cities into A, B, C, B1, etc.

SHRI B.K. GADHVI : We have classified the cities on the basis of 1961 census. Again when the new census will come up, we will certainly take up the matter in 1991.

LIC scheme for flats

*991. SHRI BANWARI LAL PUROHIT :
 PROF. RAM KRISHNA MORE :

Will the Minister of FINANCE be pleased to state :

(a) whether the Life Insurance Corporation propose to launch shortly a special scheme to help the Bombay dwellers to buy flats;

(b) the details of the proposed scheme and the extent to which the Bombay dwellers will be benefited; and

(c) whether the LIC propose to launch similar scheme for other metropolitan cities also ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):

(a) to (c) Yes, Sir. The Scheme will cover grant of loans for purchase/construction of flats by policyholders at a number of centres including Bombay. The details of the scheme have not yet been finalised by the LIC.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Speaker, Sir, It is clear from the reply of the hon. Minister that a scheme is being formulated but it has not yet been finalised. I would like to know from the