

(c) The delay in the instant case in the cancellation of the policy was due to the defective practice adopted by the Singapore office of awaiting return of the policy documents before issuing cancellation letters/endorsements. The aforesaid practice was discontinued in November, 1978. Cancellation letters/endorsements are now issued immediately without waiting for return of original policy documents.

Creation of Dumps for Commodities

1063. SHRI B. V. DESAI: Will the Minister of FINANCE be pleased to state :

(a) whether Government have decided to create dumps for vital commodities, like coal, fertilizers, steel, cement, etc.

(b) If so, whether this decision has been taken to optimise capacity utilisation of the railways and reduce road movements in long-distance haulage;

(c) whether it is also a fact that an inter-Ministerial high-level committee has been set up to work out the cost of setting up of these dumps by the administrative Ministries;

(d) if so, whether the inter-Ministerial high level committee has already submitted its report to Government;

(e) if so, the schemes that have been recommended by the Committee; and

(f) to what extent this will help to curtail rise in prices ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) and (b) In order to promote better rail road coordination, optimise capacity utilisation of railways and ensure smooth supplies of vital commodities like coal, cement, steel, etc. it is the Government's policy to operate stockyards or storage points particularly in deficit and remotely connected areas. Cement factories have been permitted to operate

stock-yards at major terminal points. Coal India Ltd. also has opened stock-yards in major consuming centres in different parts of the country.

(c) No, Sir.

(d) to (f) Do not arise.

Reaction of State Governments about Payment of Bonus to Central Government Employees

1064. SHRI M. RAMANNA RAI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that payment of bonus by the Central Government to its workers and staff caused difficulties to the State Governments;

(b) whether any State Government have written to the Central Government in this regard; and

(c) whether Government consulted the State Governments prior to taking the decision to pay bonus ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) to (c) The pattern of pay, allowances and conditions of service of the employees of the Central Government are different from that of the employees of the State Governments. Productivity Linked Bonus Schemes have been introduced since 1979 in the commercial and production-oriented sectors of the Central Government, e.g., Railways, Posts & Telegraphs, Defence Production units etc. The other Central Government employees not covered earlier under the Productivity Linked Bonus Schemes have been given 15 days emoluments as ad hoc bonus for the year 1982-83 pending evolution of a formula governing payment of such bonus. State Governments were not consulted prior to this decision as it is not the practice of the Central Government to consult State Governments in the matter of pay, allowances and conditions of service of its employees. Though