

demands? If not, what is the propriety of exporting them?

[English]

SHRI P.A. SANGMA : I think, I would not be able to answer this question. I think, the administrative Ministry will be able to answer this question.

SHRI K. RAMAMURTHY : Mr. Deputy Speaker, Sir, I would like to mention that in the last Railway Budget discussion also, it was mentioned that the Railways are very badly in need of some wagons. But due to financial stringencies, they could not place orders to our wagon industry as well as coach building industry. I would like to know from the Hon. Minister, what are the steps taken by the Ministry of Commerce to explore the possibilities in other countries where we can export our wagons and coaches and get profit also.

Sometime back, it has been observed in the newspapers that West Bengal is facing a very bad crisis due to non-placement of orders in the wagon building industry. I would like to know from the Hon. Minister what are the steps that he is taking to see that wagons are being exported to other countries and also to see that our industries are not closed in the country.

SHRI P. A. SANGMA : Sir, production is not in my hands. I can export only when there is a surplus after meeting the domestic requirements. As far as the production is concerned, it is not within my jurisdiction. But I am willing to export wagons and coaches to as many countries as possible.

SHRI K. RAMAMURTHY : What about the possibilities to export.

SHRI P. A. SANGMA : Possibilities are there.

[Translation]

SHRI RAM PYARE PANIKA : Mr. Deputy Speaker, Sir, three years back the Government of Burma had invited tenders for the purchase of locomotives. Three

countries, namely, South Korea, Japan and India had presented the tenders. Though Burma is nearer to India, South Korea got the order. What is the reason for the higher cost of the Indian locomotives because of which India could not get the order.

[English]

SHRI P. A. SANGMA : I have no information about this point. I will pass on the information to the Hon. Member.

D.A. To Central Government Employees

*613. SHRI K. MOHANDAS : Will the Minister of FINANCE be pleased to state :

(a) the percentage of increase in the cost of living neutralised by each instalment of dearness allowance paid to the Central Government employees;

(b) the amount required to fully neutralise the increase in the cost of living;

(c) whether Government have thought about any other method of neutralising the increase in the cost of living in place of dearness allowance;

(d) if so, the details thereof; and

(e) if not, whether Government propose to evolve such a method to neutralise increase in the cost of living?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). A Statement is placed on the Table of the House.

Statement

(a) The Government have adopted, on the recommendations of Third Pay Commission, a scheme of paying Dearness Allowance to neutralise the effect of the rise in prices on the pay of Central Government employees. Under this scheme, there is 100% neutralisation of the rise in average price index in the case of employees drawing pay upto Rs. 400/- and 75% in the case of employees drawing pay more than Rs. 400/- up to Rs. 1000/-. However, the percentage of neutralisation is

less in respect of employees drawing pay above Rs. 1000/-.

(b) The last instalment of dearness allowance has been paid w.e.f. 1-11-1984 (average CPI 568) covering employees upto the basic pay ranges of Rs. 1000 p.m. Employees

on higher pay range have not been sanctioned dearness allowance on this date according to the existing scheme of dearness allowance. At the average CPI of 568, the percentage neutralisation of rise in cost of living and the amount of D.A. required for 100% neutralisation at selected pay points are as follows :

Pay point (Rs.)	DA/ADA Adhoc DA	Percentage neutralisation	Actual amount required for 100% neutralisation
196	357	98.99	361
200	363	98.64	363
400	666	90.49	736
600	813	73.64	1104
1000	1300	70.65	1840
1200	1270	57.51	2208
1500	1270	46.01	2760
1800	1476	44.56	3312
2000	1640	44.56	3680
2500	2050	44.56	4600
3000	2250	40.76	5520
3500	2250	34.93	6440

(c), (d) and (e). Since the Fourth Pay Commission is already going into the entire amount of pay and allowances and other conditions of service of Central Government employees, such issue would be examined by them.

SHRI K. MOHANDAS : Sir, the Minister has stated in his statement that the percentage of neutralisation is less in respect of employees drawing pay above Rs. 1,000. I would like to know what exactly is the percentage neutralisation in respect of this category of employees.

At present, when two instalments of D.A. are announced, the employees drawing pay above Rs. 1,000 get only one instalment.

Price-rise hits everyone badly. It is therefore wrong and unfair to presume that this category of employees is rich enough to absorb the rise in prices. Therefore, I would like to know from the Hon. Minister whether the Government would remove this restriction and pay all D.A. instalments to all categories whenever these are announced.

SHRI JANARDHANA POOJARY : Sir, the Hon. Member has said about the neutralisation point. The last instalment of DA has been announced when the average price index stood at 568. For the information of the Hon. Member, I may be permitted to say that so far as pay upto Rs. 400 is concerned, the neutralisation upto 100 per cent will be there. So far as pay above Rs. 400

upto Rs. 1,000 is concerned, the neutralisation is to the extent of 75 per cent.

The Hon. Member has brought before us certain difficulties. That is why the Fourth Pay Commission has been appointed. The Fourth Pay Commission will certainly go into the pay structure as well as the dearness allowance structure. The Government will definitely take all this into consideration when the Report of the Fourth Pay Commission is placed before us.

SHRI K. MOHANDAS : The D.A. is paid to lessen the impact of price rise. This cannot be treated as income. At present, it is taxed. I would like to know whether the Government would consider exempting D.A. from income-tax and, if not, what is the reason for not doing so.

SHRI JANARDHANA POOJARY : The Government is not saying anything, at this point, till the Report of the Fourth Pay Commission is placed before us. The Hon. Member can pass on the suggestion to us and, in turn, we will pass it on to the Pay Commission. He can also directly approach the Pay Commission and place his suggestion before the Pay Commission. After the Report of the Pay Commission is placed before us, all this will be taken into consideration. Generally, the Government will improve upon the recommendations of the Pay Commission.

[Translation]

SHRI K. N. PRADHAN : Although Government have set up the Pay Commission to examine the pay and allowances of the Central Government Employees, yet no time limit has been fixed for the Commission to submit its report. After the Commission submits its recommendations to Government, Government will consider them and take a decision. On the other hand, as we know, the cost of living is rising continuously and when under the leadership of our Prime Minister, we are taking all good steps without any delay, does the Hon. Minister not feel that he should accomplish the noble task of granting interim relief also to the Central Government Employees right now ?

[English]

SHRI JANARDHANA POOJARY : As I said earlier, the Fourth Pay Commission is going into every aspect, price rise, inflation, etc. When the Pay Commission's Report is placed before us, definitely, we will take all that into consideration and while giving our decision, we will consult the employees also.

SHRI SATYAGOPAL MISRA : The dearness allowance is linked with the rise in prices. I do not know why the Government is blocking the increase in dearness allowance by setting up the Pay Commission. The employees are not responsible for the rise in prices. After the Budget, the consumers' price index and the wholesale price index have gone up. In this context, may I ask the Hon. Minister whether they are going to hold a meeting of the JCM and settle the question of increase in dearness allowance there ?

SHRI JANARDHANA POOJARY : For the information of the Hon. Member, I may point out that the Government has not blocked the payment of instalment of dearness allowance. On the contrary, the Hon. Member knows the fact that last year nine instalments were paid and only one instalment is due, according to the employees, as on 1.1.85. The Government is actually considering the payment of the instalment and it is under the active consideration of the Government.

SHRI DHARAM PAL SINGH MALIK : The Fourth Class employees or the peons of the Central Government who are posted in the States are getting more pay than the Section Officers of the State Governments. Is there any proposal of the Government to remove the disparity in the salary of employees who are getting more pay than the employees of the State Governments who are posted at the same places ?

SHRI JANARDHANA POOJARY : So far as the payment of the emoluments by the State Government is concerned, we do not have a hand in it. Our jurisdiction is limited to the Central Government employees. If the State Government employees are aggrieved, they can approach the State

Government for the redressal of their grievances.

Export of Yarn

*616. SHRI SUBHASH YADAV : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether attention of Government has been drawn to the news-item appeared in the "Jan Satta" of 10 February, 1985 wherein it has been stated that the President of the Indian Spinners Association has urged the Union Government to export yarn instead of cotton;

(b) whether there will be a saving of Rs. 90 crores yearly thereby; and

(c) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) :
(a) Yes, Sir.

(b) and (c). Limited export of yarn above 40s and unrestricted above 60's counts is permitted to promote utilisation of long and extra long staple cotton. However, there is only limited performance in export of yarn of higher counts and hence surplus of such varieties of cotton is exported.

[Translation]

SHRI SUBHASH YADAV : My submission to the Hon. Minister was that last year about 16 lakh cotton bales were carried over and this year the production is expected to be in the range of 106 lakh bales, whereas our requirement is about 84 lakh cotton bales. Therefore, there is a likelihood of a carry-over of 22 lakh bales. If it happens, naturally, our cotton growers will get a low price, the price of cotton will fall and we shall suffer. Will the Hon. Minister make arrangements for the export of long staple cotton yarn and help our farmers to get a remunerative price for their cotton ?

SHRI CHANDRA SHEKHAR SINGH :

The Hon. Member has expressed his apprehension about long staple cotton yarn. So far as the export of yarn is concerned, there is no policy constraint in it. There is no constraint as per the policy of the Government.

The fact is that the surplus cotton which we have, is of the long and extra long varieties. The demand in foreign countries is for medium and short staple cotton from which cloth can be manufactured. Therefore, due to mis-matching of these two, it is not possible to convert the decision of export of 2 lakh bales of cotton into export of yarn.

There is no demand for yarn of long staple and extra long staple cotton which is being exported. As I have made clear, there is no constraint on export from the Government side except that priority has been given to meet the requirements of the hand-loom sector and due to this, there is difficulty in the export of yarn up to 40 counts because it can result in difficulties to the weavers on a large scale. Therefore, it is not possible to export 2 lakh cotton bales by converting them into yarn, as asked by the Hon. Member in his question.

At the same time, I would also like to make it clear that unlike what Hon. Member has indicated, the difference in export earnings will not be Rs. 90 crores but only Rs. 30 crores because we get 28.16 million kgs. of yarn by converting 2 lakh cotton bales into yarn and the realisation of foreign exchange earnings will be Rs. 90 crores, whereas the direct export of 2 lakh cotton bales will fetch a foreign exchange realisation of Rs. 60 crores.

[English]

SHRI UTTAM RATHOD : It has been seen that, even while exporting bales, Government has always been partial. What are the reasons ? What are the criteria on which you allow export of bales ?

SHRI CHANDRA SHEKHAR SINGH : What is exported is just what is surplus to our domestic requirements. We assess the total production and the consumption needs of the mills and of the non-mill sector. What is surplus is exported. We make a