

(b) Kerala is one of the several States that have offered all facilities.

(c) A final selection will be made after examining all aspects.

#### H.R.A. to Central Government Employees at Simla

\*406. SHRI GULAM NABI AZAD : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that 15 per cent H.R.A. is being granted to the Central Government employees stationed at Shillong which is a 'C' class city ;

(b) if so, the reasons why Simla-based Central Government employees are granted only 7½% per cent H.R.A. ; and

(c) whether Government of India have received any representation from the Central Government employees of Simla for raising H.R.A. from 7½ per cent to 15 per cent ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) and (b). A Statement is laid on the Table of the House.

(c) Yes, Sir.

#### Statement

According to 1971 Census, Simla was classified as a 'C' class City. The rate of House Rent Allowance to the employees posted in 'C' Class Cities is 7½% of pay subject to a maximum of Rs. 200/- p.m. On the basis of its population according to 1971 Census Shillong would also be classified as a 'C' Class City. However, the rate of House Rent Allowance at Shillong which was fixed on the basis of a specific agreement in the National Council (JCM) in 1971 was a mixture of 'B-2' and 'C' Class rates. The Third Pay Commis-

sion had recommended that payment of H.R.A. at Hill Stations paid under special orders should continue to be paid and the Government should decide on the appropriate rates. Considering the rates at which H.R.A. was already being paid in Shillong before the recommendations of the Third Pay Commission, Government decided to adopt a mixture of revised 'B-2' and 'C' Class rates for the payment of H.R.A. in Shillong with reference to the revised pay scales.

#### Special Treatment to North Eastern States and Union Territories

\*407. SHRI SAMAR MUKHERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Chief Ministers of the North Eastern States and Union Territories have in a meeting with the Union Finance Minister at Gauhati made a strong plea for special treatment to these areas in view of their backwardness and difficulties faced by them ;

(b) if so, the details thereof ;

(c) the reaction of Government thereto ; and

(d) how Government are going to help these States ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) and (b). The Union Finance Minister held a meeting of the Chief Ministers of the North Eastern region to discuss their financial problems. The major problems raised by the Chief Ministers were the clearance of their overdrafts with the Reserve Bank of India (of the State only); the difficulties faced by the North Eastern States in raising loans from the L. I. C.; and the need for the Centre to meet or at least share the burden of expenditure on law and order.