

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

hon. Minister the broad features of this scheme since the Government intends to launch it in Bombay and in other metropolitan cities and is silent about its details. Will the hon. Minister therefore, be pleased to state the broad outlines of the scheme? I also want to know the amount of loan to be granted and the cities other than Bombay where the scheme is likely to be implemented as well as the number of the people to be benefited thereby. Also indicate the amount to be provided for the purpose in the Budget. I would further like to know whether the scheme will be extended to old constructions also which are comparatively cheaper in cost?

[English]

SHRI EDUARDO FALEIRO : The main purpose of the new scheme is to simplify the procedures. It is not a question of increasing beneficiaries or increasing the amount. The beneficiaries will benefit more and more amount will be available for the construction and purchase of flats if the formalities are simplified. The purpose of the new scheme is to simplify the formalities.

The main difficulty that comes on the way of purchase of a flat is the requirement under LIC policy that there should be a first mortgage of the property. Unless there is money, the flat cannot be purchased and unless the flat is purchased, it can not be mortgaged. So, there seems to be sometimes a vicious circle as far as purchase of flats is concerned. To remove this vicious circle, now we are attempting to drop this requirement of first mortgage—this is tentative at this stage because the scheme has not been finalised to require an agreement to mortgage instead of the mortgage itself that is, an agreement to mortgage on completion or purchase of the flat alongwith some collateral security.

MR. SPEAKER : Did you use the word 'more' before or after 'beneficiaries'? You used the words 'more beneficiaries' or 'beneficiaries will benefit more'?

SHRI EDUARDO FALEIRO : More people will benefit if the procedure is simplified.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Speaker, Sir, my other supplementary is whether the scheme will cover the purchase of the old houses also which are comparatively cheaper. Sir, Nagpur is an old city. I want to know whether this city will be included in it or not because 13 lakh people live in this big city.

[English]

SHRI EDUARDO FALEIRO : The hon. Member wanted to know about buying flats by urban dwellers. If he has some particular ideas about purchase of old houses, we surely will look into that.

Assistance to farmers for setting up industries in co-operative sector

*994. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to give any facilities to rural agriculturalists, small and marginal farmers etc. for establishing industries in co-operative sector;

(b) if so, whether any instructions have been issued to the nationalised banks in this regard;

(c) if so, the salient features thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d) A Statement is given below.

Statement

The rural agriculturists, small and marginal farmers etc. can form cooperative societies for undertaking industrial activities and the banks extend credit assistance to such cooperative societies under