

Lower rentals

The Government has also decided to reduce rental rates of Government quarters occupied by civil servants — to \$4 a month for Class J quarters (the lowest class) and \$650 a month (from \$850) for the top Class A quarters in Kuala Lumpur and Petaling Jaya.

Previously, the lowest rental was \$11 for Class J quarters outside Municipal or Town Council limits.

Dr. Mahathir said that every employee could either opt for the new scales or remain on their present scales. In reply to a question, he agreed that in the case of those who decided against the new scheme, their decision could have some effect on promotion

prospects.

He said the Government was setting up a new body, as recommended in the Cabinet Committee report, to study further representations from unions.

He declined to say when the body would be set up or who would be appointed to it. Its terms of reference were still being studied, he said.

He also explained why the Government had decided not to deduct Special Relief Allowance and the bonus payments in making computing the arrears to be paid to each employee for the 18 months from Jan. 1, 1976 to June 30, 1977.

These two payments were "extraordinary items," he said, although allowances were normally not taken into consideration when paying arrears. (Payment of the allowance and bonus till June 30 would involve an additional payment of about \$100 million, he said.)

If the two payments were to be deducted from the arrears, then some of the employees in the lower categories, especially those earning less than \$500 a month, would get not much in arrears, Dr. Mahathir said.

He said that the decisions had been taken in view of the support for the new scales expressed by most of the civil service unions.

He gave the comparative figures of the new rental