

emoluments or the standard rent of the accommodation, whichever is less.

(d) The rates of House Rent Allowance and Compensatory (City) Allowance currently in force are more liberal than those recommended by the Second Pay Commission. It is not correct to say that persons drawing more than Rs. 110 as pay are not drawing any dearness allowance. They are also allowed increases in dearness allowance as and when such increases are sanctioned.

It is also not correct to say that employees drawing more than Rs. 110 p.m. are not allowed increments. They are, in fact, allowed increments till they reach the maximum of the scale of the post. Orders have also been passed recently granting one *ad hoc* increment to such of the Class III and Class IV employees who have been stagnating for two years or more at the maximum of their scales of pay.

#### STATEMENT

Sir,

Consequent on the treatment of a part of Dearness Allowance of the Central Government employees, as pay, from 1-12-1968, such 'Dearness Pay' also counts for the determination of the pay ceiling of Rs. 500 p.m. fixed for the admissibility of House Rent Allowance without production of receipts of actual payment of rent. Accordingly, in effect, the pay ceiling has come down to Rs. 390 of basic pay (*i.e.*, pay exclusive of Dearness Pay), and employees in the basic pay range above Rs. 390 and upto Rs. 500 p.m. are now required to produce receipts of actual payment of rent before claiming house rent allowance. Government have received numerous representations from individuals, employees' unions, and Members of Parliament for restoring the *status quo ante* by raising this pay limit from Rs. 500 to Rs. 620 p.m., inclusive of Dearness Pay (*i.e.*, from Rs. 390 to Rs. 500 of basic pay) on the grounds that —

(a) landlords are reluctant to issue rent receipts as a pre-condition of tenancy;

(b) it is not possible to obtain receipts from landlords where employees live as sub-tenants or as paying guests with their relatives and friends; and

(c) as the employees cannot produce rent receipts, they have, in effect, been deprived of House Rent Allowance which has resulted in a drop in their emoluments. There should ordinarily be no objection to relating house rent allowance to the rent

actually paid as it is in the nature of a subsidy. However, in view of the concern which the Hon'ble Members have shown in the matter through questions asked by them in Parliament, and the numerous representations and letters which they have addressed to Government on behalf of Central Government employees, Government have reviewed the matter and it had been decided to raise the pay ceiling for the admissibility of house rent allowance to Central Government employees without production of rent receipts, from Rs. 500 to Rs. 620 (inclusive of Dearness Pay) with effect from 1-2-1969.]

#### RECESSION IN THE U.S.A.

\*376. SHRI B. N. MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the problem of recession in the United States of America has recently become serious as reported in the Hindustan Times, dated the 25th May, 1970; and

(b) if so, what has been its impact on the Indian economy so far and how it is likely to affect the Indian economy in future?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) No, Sir. The latest available reports and information do not warrant a definite conclusion to this effect.

(b) The impact of a recession in the U.S. economy would be felt in India through its effects on Indian exports and its influence on the aid climate. The recession will lower the demand for our exports. The effects on aid climate would be somewhat uncertain because while budgetary difficulties may have an adverse effect on aid volume, the need to stimulate economy may have the opposite effect. However, it is difficult to assess these effects because as stated in (a) above any definite conclusion regarding recessionary tendencies in the U.S. economy is not possible at present.

#### ZINC SMELTER AT VISAKHAPATNAM

\*377. SHRI SANDA NARAYANAPPA : Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether the Government of India have received final technical report for the setting up of a Zinc Smelter at Visakhapatnam;

(b) if so, when it was received and the action taken by Government thereon; and

(c) when the plant will be started?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI NITI RAJ SINGH CHAUDHARY) : (a) to (c) No, Sir. A Detailed Project Report for establishing a Zinc Smelter at Visakhapatnam is being prepared by a Polish agency. The report is expected to be received by the end of this month. On receipt of the Project Report, the question of implementation of the project would be taken up for consideration, if the economic viability and feasibility are established in the Project Report and also depending on the availability of resources.

स्विट्जरलैंड के बैंकों में धन जमा कराने वाले भारतीय

\*378. श्री निरंजन वर्मा : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने इस बात की जांच की है कि भारत के कई धनी लोगो ने स्विट्जरलैंड के बैंको में अपना धन जमा करा रखा है; और

(ख) यदि हा, तो उसका ब्यौरा क्या है ?

† [ INDIAN DEPOSITORS' MONEY IN SWISS BANKS

\*378. SHRI NIRANJAN VARMA : Will the Minister of FINANCE be pleased to state:

(a) whether Government have enquired into the fact that a number of rich persons in India have deposited their money in banks in Switzerland; and

(b) if so, what are the details thereof?

वित्त मंत्री (श्री वाई० बी० चव्हाण) : (क) और (ख) इस सम्बन्ध में कोई जांच करना सम्भव नहीं है क्योंकि हमें सूचित किया गया है कि स्विट्जरलैंड की सरकार और वहां के बैंक पहले की तरह अब भी इन मामलों में पूर्ण गोपनीयता बरतते हैं और उन्होंने किसी विदेशी सरकार को ब्यौरा देना स्वीकार नहीं किया। फिर भी, पाठ्यों द्वारा भारतीय रिजर्व बैंक को अपने आप दी गयी जानकारी के अनुसार स्विट्जरलैंड के बैंकों में 7 व्यक्तियों और 2 कंपनियों के खाते हैं। सभा पटल पर रखे गये विवरण में उनके नाम दिये गये हैं।

विवरण

उन व्यक्तियों के नाम जिनके खाते स्विट्जरलैंड के बैंकों में हैं

1. श्री के० एम० शाह
2. श्री एम० एन० दामनिया
3. श्रीमती रोडबेन साहनी
4. श्री एम० एन० मक्सेना
5. श्री आर० एन० मक्सेना
6. श्री एम० एन० कालड़ा
7. श्री केमरीचंद मोती चंद
8. मेसर्स हिन्दुस्तान ब्राउन बावेरी लिमिटेड
9. मेसर्स चौगुल एण्ड कंपनी

† [THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) and (b) No investigations are possible as we are informed that the Swiss Banks and the Swiss Government continue to maintain complete secrecy in such matters and have not agreed to disclose details to any foreign Government. However, according to the information furnished by the parties themselves to the Reserve Bank of India, 7 persons and 2 companies have accounts with Banks in Switzerland. Their names have been indicated in the Statement laid on the Table of the House.

STATEMENT

*Names of those who have accounts with Banks in Switzerland*

1. Shri K. M. Shah
2. Shri S. N. Damania
3. Smt. Roadaben Sawhney
4. Shri S. N. Saxena
5. Shri R. N. Saxena
6. Shri S. N. Kalra
7. Shri Kesrichand Motichand
8. M/s. Hindustan Brown Boweri Ltd.
9. M/s Chowgule & Co. ]

† [ ] English translation.