

Shri T. T. Krishnamachari: The stage of the negotiations is such that I am not able to add materially to the knowledge of my hon friend in this respect.

Remittance of Profits
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*764. { **Shri M. E. Krishna:**
Shri Sadhan Gupta:
Shri V. P. Nayar:

Will the Minister of Finance be pleased to state the steps, if any taken, to minimise loss of foreign exchange through remittances abroad by foreign firms in India?

The Minister of Finance (Shri T. T. Krishnamachari): If the question is intended to elicit an answer about unauthorised remittances from India to foreign countries I would say we have complete control over all transactions that take place through traditional channels

Shri V. P. Nayar: Earlier this session, I was told that the Finance Ministry or the Reserve Bank did not keep a separate account of the remittance of profits firm-wise. I want to know what will be the total annual remittance of profits by foreign firms operating in India.

Shri T. T. Krishnamachari: During the year 1956-57, it was of the order of Rs 27 odd crores.

Shri V. P. Nayar: May I know why it is not possible for either the Reserve Bank or the Finance Ministry to keep separate accounts of various firms in regard to the foreign exchange which they have to ask for for remittance of profits?

Shri T. T. Krishnamachari: It is a matter of policy of the various institutions that keep accounts not to divulge individual transactions, but they are always prepared to give the collective transactions to any person who is entitled to ask questions and is entitled to receive an answer.

Shri V. P. Nayar: May I know what is the amount of profit remitted by firms of British origin?

Shri T. T. Krishnamachari: As regards U.K., it would be Rs 22.4 crores.

Shri Ranga: What is the position in regard to the import of books as well as journals from abroad for which rupee payments are advertised to be paid to their agents here?

Shri T. T. Krishnamachari: I do not know if my hon friend wants to know about the procedure.

Shri Ranga: Are we making remittances in foreign exchange in any indirect way?

Shri T. T. Krishnamachari: Actually, so far as books are concerned, until 30th June, it was on the OGL. So anybody was free to import books as he liked and the Reserve Bank had to provide the exchange, if a person wanted to import books. It may be that in certain cases, people did not approach the Reserve Bank, but got the books on consignment and the shipper obtained payment in rupees. It is likely, but this is a matter about which I have no information now. If the hon Member puts down a question, I shall try to gather the information from the Reserve Bank and the appropriate Ministry and give it.

Shri E. Ramanathan Chettiar: What is the total amount of profits remitted out of the tea industry?

Shri T. T. Krishnamachari: I require notice.

Shri Joachim Alva: In view of the difficulties experienced by Government, has the Associated Chambers of Commerce, Calcutta, offered any assistance to Government to ease the situation?

Shri T. T. Krishnamachari: We do not go and approach chambers of commerce for assistance whatever might be our difficulties.

Shri Joachim Alva: They have voluntarily offered.

Shri T. T. Krishnamachari: No offer is invited, no offer is accepted, and I suppose, no offer will be made.

Shri B. S. Murthy: The hon Minister mention about traditional channels. Have Government any machinery to find out other remittances made not through the proper and traditional channels, but untraditional channels?

Shri T. T. Krishnamachari: I do not know if the hon. Member knows of the existence of a person called 'Pick' who seems to be extremely popular in India today. He has got a very imaginative brain. He oftentimes makes estimates of black money movements in the exchange world. My hon. friend may look into 'Pick's' report, but he will not be any the wiser in regard to the facts of the case.

Shri H. N. Mukerjee: In view of our present foreign exchange position and also our fairly cordial relations with foreign investors in India, may I know if Government is contemplating a temporary moratorium on the remittance of profits from this country?

Shri T. T. Krishnamachari: This Government is not contemplating any deviation from accepted international standards of business morality.

Shri Heda: May I know what percentage of the total profits did we authorise them to take to foreign countries, and if any portion of capital has also allowed to be taken out last year?

Shri T. T. Krishnamachari: I have not been able to hear the question. Probably I am getting deaf.

Mr. Speaker: What is the percentage of the profits remitted last year, and if any money on capital account was also remitted?

Shri T. T. Krishnamachari: So far as remittances on capital account are concerned, I have to ask for notice. But we make an evaluation periodically. The Reserve Bank had made an evaluation in respect of the five years ended 1952-53. I believe they have made a further evaluation recently. I can give very broadly the position in regard to the second evaluation. There has been an increase of about Rs. 50 and odd crores—nearly Rs. 53 crores—of foreign assets in this country, and a large portion of it has been pumping in of money by way of reserves. There has also been

a certain amount of new capital coming, perhaps from the oil companies. But on the whole, over a period of, say, five years, I think we are breaking even in regard to the outflow and inflow.

Expansion of Manipur Rifles

*705. **Shri L. Achaw Singh:** Will the Minister for Home Affairs be pleased to state:

(a) whether it is a fact that there is a scheme for expansion of the Manipur Rifles to a Battalion strength; and

(b) when it is going to be implemented?

The Minister of State in the Ministry of Home Affairs (Shri Datar):

(a) No.

(b) Does not arise

Shri L. Achaw Singh: What is the existing strength of the Manipur Rifles and how many amongst the officers and men are locally recruited?

Shri Datar: Government have adequate strength at their disposal

Smuggling

*707. **Shri Raghunath Singh:** Will the Minister of Finance be pleased to state how many smuggling cases were detected during the last 3 months from foreign ships berthing at Indian harbours and ports?

The Deputy Minister of Finance (Shri B. R. Bhagat): The total number of smuggling cases detected by the Customs authorities during the 3 months (April, May and June, 1957) from foreign ships berthing at Indian harbours and ports was 419.

श्री रघुनाथ सिंह : तीन महीने के अन्दर चार सौ से ऊपर केसिस आपने फारेन शिप्स पर डिटेक्ट किये । मैं जानना चाहता हूँ कि केसिस की संख्या इसकी अधिक होने की बजाह से क्या आपने कोई स्पेशल कार्रवाई की या करने जा रहे हैं ?