

SHRI YESHWANTRAO CHAVAN
As a matter of fact, as far as the custodians are concerned, they are not concerned with the recruitment of officers. This recruitment bodies are different from that of the custodian. Practically all the custodians are from the private sector. The banks themselves were in the private sector. My point in having a National Service Commission for the banks is that there should be a common policy for all the banks for recruitment. There can be certain common objectives and it is necessary to have some common policy in this matter. Therefore, the idea is to have a National Service Commission.

DR HENRY AUSTIN Pending that could you not

SHRI YESHWANTRAO CHAVAN
I will take note of what you have suggested

SHRI KRISHNA CHANDRA HAIDER May I know whether in the recruitment policy of the 14 nationalised banks they will have provision for filling up the quota for Scheduled Castes and Scheduled Tribes

SHRI YESHWANTRAO CHAVAN
I think that is an important matter. I am pursuing that matter even before the National Service Commission comes into being. There will be safeguards for Scheduled Castes and Tribes.

Shifting of certain Sections of British Industry to India:

*290 **SHRI RAM PRAKASH** Will the Minister of COMMERCE be pleased to state

(a) whether a special delegation visited U.K. to persuade British industry to shift to India its production of

labour intensive items which have become uneconomical in that country, and

(b) if so, the extent of success achieved in this mission?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A C GEORGE) (a) No, Sir

(b) Does not arise

श्री राम प्रकाश : क्या सरकार इस सम्बन्ध में कोई विशेष डेलिगेशन यू.के. में भेजने के लिए तैयार है ?

SHRI A C GEORGE I may inform the hon. Member that the question is specifically referring to the special delegation. There was no such special delegation.

Leakage of Foreign Exchange

291 **PROF NARAIN CHAND PARASHAR** Will the Minister of FINANCE be pleased to state

(a) whether Government have assessed the volume of leakage of Foreign Exchange from the country during the last three financial years viz., during 1970-71, 1971-72 and 1972-73,

(b) if so, the approximate figures for the three years, and

(c) the steps taken or proposed to be taken by Government for the prevention of the leakage?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) to (c) A statement is laid on the Table of the House

Statement

By the very nature of the problem it is very difficult to arrive at any exact assessment of the leakage of foreign exchange arising out of illegal transactions. However, on the basis of the statistical data relating to

imports, exports, detected cases of smuggling etc. during the year 1969-70 the Kaul Committee on leakage of Foreign Exchange through Invoice Manipulation had estimated the total annual leakage of foreign exchange at Rs. 240 crores.

2. Leakage of foreign exchange due to various illegal transactions has been causing concern to the Government and several legislative, administrative and other measures have been adopted to deal with this problem efficiently. The most important of these measures is the Foreign Exchange Regulation Bill, 1972, which was introduced in the Lok Sabha on 29-8-1972. The Bill was thereafter referred to a Joint Committee of the Houses which has since presented its report to the Lok Sabha on the 23rd of April 1973. It is hoped that the Bill will be considered and passed by Parliament during this session.

3. The Bill includes specific provisions designed to curb over-invoicing of imports and under-invoicing of exports; the receipt of money from outside India otherwise, than through authorised dealers (what are commonly known as compensatory transactions) and the leakage of foreign exchange arising out of tourism. The Bill also provides for deterrent punishment for violations of Foreign Exchange Regulations. Apart from this, the working of the Foreign Exchange Regulation Enforcement Directorate has been strengthened and streamlined. Anti-smuggling efforts have also been intensified by reinforcing and redeploying the Customs staff and improving the methods and machinery for collection of intelligence. An Economic Offences Wing has also been added to the CBI for investigating complicated cases and a post of Director General of Revenue Intelligence and Investigation has also been created with a view to achieving better coordination in investigation by different investigation and enforcement agencies dealing with fiscal offences.

4. On the positive side, steps have also been taken to liberalise investment opportunities for persons of Indian origin staying abroad/intending to return to India. Operations on non-resident accounts have been made more liberal and a new category of accounts known as non-resident (External) accounts has been allowed. These measures should help in reducing the outgo of foreign exchange through illegal means to a very large extent.

PROF. NARAIN CHAND PARASHAR: In item 4 of the statement there is an indication that some steps have been taken to liberalise the investment opportunities for persons of Indian origin staying abroad and intending to return to India. May I know whether there is positive response and some people have opted for it?

SHRI YESHWANTRAO CHAVAN: There is not much response. The other countries also are changing their policy in this matter. During my recent visit abroad I learnt that UK has put some sort of restrictions on repatriation of money to other countries including India.

PROF. NARAIN CHAND PARASHAR: In item 3 of the statement we are told that anti-smuggling efforts have also been intensified by reinforcing and redeploying the customs staff and improving the methods and machinery for collection of intelligence. May I know if the intelligence system has been strengthened sufficiently, because formerly there were so many complaints that the people who gave intelligence were the persons who later on became victim. Has any attention been paid to this aspect that a person who supplies some information is not harassed later on?

SHRI YESHWANTRAO CHAVAN:
Yes, Sir.

SHRI S. M. BANERJEE: Some big business houses and some individuals have earned a large amount of foreign exchange by under invoicing and over invoicing and some other illegal means and conserved that foreign exchange in Swiss banks. An assurance was given in this House some time back that an effort will be made to see that this is checked. Has any effort been made in this direction and, if so, what is the result?

SHRI YESHWANTRAO CHAVAN: The policy of the Swiss Government in this particular matter is that it does not give any information. But we propose to make certain other enquiries.

SHRI K. S. CHAVDA: About 151 false permits have been issued to students for training abroad. What action have the Government taken against the firm or firms responsible for the issue of false permits, because by the issue of false permits valuable foreign exchange has been lost to the country?

MR SPEAKER: Is it leakage of foreign country?

SHRI K. S. CHAVDA: Is it not a leakage of Foreign Exchange?

MR. SPEAKER: I do not know.

जी ! कम बरद कछबाय : विदेशी में रहने वाले भारतीय चाहे वह सरकारी

नीकरियों में हो, चाहे बूतावासों में हो, अथवा प्राइवेट व्यापार करने वाले हो, उन्हें विदेशी मुद्रा वहा से लाने का अधिकार है वह बहुत कम है, और इस लिए वह थोड़ी छिपे अपने रिस्तेदारो को पैसा भोजते हैं। ऐसी स्थिति में क्या सरकार विदेशी मुद्रा की मात्रा बढ़ाने जा रही है, जिस से वह अधिक पैसा ला सकें, क्या यह बात सही है कि जो परिवार उन लोगो के यहा रहते है वह वहा से बहुत बडी मात्रा में विदेशी मुद्रा मगवा कर बेचते हैं और चिट्ठी लिख देते हैं कि इसका पैसा वहा मिल जायेगा ? इस को रोकने के लिए सरकार क्या कोई कार्यवाई करने जा रही है ?

SHRI YESHWANTRAO CHAVAN: It is a very limited question. If you make any specific suggestion, we will consider that.

Export of Tea during 1971-72 and 1972-73

(4)

*293. **SHRI VEKARIA:**
SHRI ARVIND M. PATEL:

Will the Minister of **COMMERCE** be pleased to state:

(a) the total quantity of tea exported during the years 1971-72 and 1972-73; and

(b) the names of the countries to whom exported and the foreign exchange earned thereby, separately?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) and (b). A countrywise statement giving quantity and value of tea exported during the years 1971-72 and 1972-73 is laid on the Table of the House.