

tion of remittances in this regard is that except the profits and dividends relating to foreign investments which had already been made prior to Independence, and to a small extent, the profits of branches established since then without having to secure the prior approval of Government, all the remittances made abroad relate to payments arising out of investments which have had the specific approval of Government. A constant watch is kept on possibilities of avoiding new liabilities consistently with the objective of economic growth and the approvals given now are on a much more selective basis than before.

Utilisation of Buckingham Canal for inland water transport in Madras

*1477. SHRI BHUVARAHAN : Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) whether there is any proposal to utilise the Buckingham Canal for inland water transport in Madras ;

(b) if so, the amount allocated for this purpose ;

(c) whether there is any specific limit for the transport *i. e.* from which place to which place and whether the work has been taken in hand ; and

(d) when the work is likely to be completed ?

THE MINISTER OF PARLIAMENTARY AFFAIRS, AND SHIPPING & TRANSPORT (SHRI RAJ BAHADUR) :

(a) Buckingham Canal in Tamilnadu is being utilised by small country-crafts for transport of cargo. There is a proposal to dredge this canal by another 2 feet for making it fit for plying of larger country-crafts.

(b) A tentative provision of Rs. 20 lakhs has been made in the Fourth Five Year Plan (1969-74) under the Centrally Sponsored category. Out of this amount, a sum of Rs. 12 lakhs has been sanctioned recently for the South Buckingham Canal. The proposal for dredging of the North Buckingham Canal lying in Tamilnadu is under consideration as this has to be viewed alongwith the improvements to the same Canal proposed for the stretch lying in Andhra Pradesh.

(c) The scheme already sanctioned will cover the portion of the canal where it

intersects Cooum river, and upto the Marakanam back waters. The scheme is likely to be taken up by the State Government shortly for execution.

(d) The work already sanctioned is expected to be completed during the Fourth Five Year Plan period.

Imposition of tax on salaries and allowances of Union Ministers

*1479. SHRI MUHAMMED SHERIFF : Will the Minister of FINANCE be pleased to state :

(a) whether recently some Members of Parliament urged the Prime Minister to subject the salaries, allowances and perquisites of Union Ministers to tax and ;

(b) if so, the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI K. R. GANESH) : (a) and (b). Recently, a Member of Parliament has written to the Prime Minister suggesting the taxing of the Ministers' allowances and perquisites in a manner different from that prescribed under the existing law. The salaries, allowances and perquisites (*i.e.* free furnished residence including free supply of water and electricity) of Ministers are regulated by the Salaries and Allowances of the Ministers Act, 1952, and Rules made thereunder and these are already subject to tax in accordance with the existing provisions of the Income-tax Act. No. special provisions have been made in that Act in regard to Ministers for this purpose. In other words, the salaries, allowances and perquisites of Ministers are already subject to income-tax in the same manner as those of other salaried taxpayers.

Retrenchment of Staff of General Insurance Companies

*1482. SHRI RAJDEO SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether any retrenchment of the staff after the take-over of the General Insurance Companies, was effected ; and

(b) if so, the reasons therefor ?