

(b) if so, the date on which such advice was tendered and the basis on which it was tendered?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI B. N. DATAR): (a) and (b) In April 1953 the Government of Madhya Pradesh recommended to the Government of India that the estate of Maharaja Pravin Chandra Bhanj Deo of Bastar be placed under the Court of Wards on the ground that the Ruler was incapable of managing his estate. The Government of India agreed with the State Government and communicated their approval in a letter dated May 21, 1953.

SHRI A. D. MANI: The Chief Minister, Mr. Mandloi, made a statement last month in the Vidhan Sabha in which he made it clear that the question of the restoration of the estate of the Maharaja would depend on the concurrence of the Government of India. Now, that the Maharaja has ceased to be a Ruler, is the Government of India interested in giving any opinion on the subject?

SHRI LAL BAHADUR: There has been no reference so far from the Madhya Pradesh Government. If they write to us, we can consider the matter. But at present so far as we are concerned, there is no idea of relieving the Court of Wards and, as far as I am aware, the State Government also holds the same view.

SHRI A. D. MANI: My question was this. In 1953 when the Government of India gave its advice, the Maharaja was the Ruler. He has now become a private citizen. His estate is held by the Court of Wards. Does the Government of India come into this matter in respect of a dispute between a private citizen and the State Government?

MR. CHAIRMAN: His reply was that no reference had been made to them and that they would examine it if a reference was made. Why do

you want to anticipate? When a reference comes, they will study the question whether they are coming into it or not. Is that the position?

SHRI LAL BAHADUR: Yes, Sir. I have already answered that point.

#### REMITTANCES BY U. K. CITIZENS

\*624. SHRI A. D. MANI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank has issued orders restricting remittances of sterling from India by citizens of United Kingdom out of their salaries, dividends and commission; and

(b) if so, what are the details of that order?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI TARKESHWARI SINHA): (a) and (b) A statement is laid on the Table of the House.

#### STATEMENT

Under the revised instructions which came into force from 25th June, 1962 both Sterling area and non-Sterling area nationals temporarily resident in India, are allowed to make remittances to their own countries up to Rs. 1,500/- per month by each individual provided that this amount does not exceed 50% of the remitter's net income. These remittances are allowed for family maintenance and such other current expenses abroad like payment of insurance premium etc. Powers vest in the Reserve Bank to consider individual cases on merits and allow remittance on a higher scale on being satisfied that the applicant has retained sufficient funds out of his monthly income to meet his expenses in India. At the time of retirement from India, foreign nationals are allowed to remit their current remittable assets such as savings out of salaries, dividends and commission, provident fund, sale proceeds of personal effects, etc. in full. In addition, they are permitted to repatriate the

sale proceeds of their investments subject to a limit of Rs. 75,000/- at the time of retirement and the balance, if any, is allowed to be remitted in annual instalments not exceeding Rs. 20,000/- per annum. Pending such repatriation, the money blocked in India is to be invested in securities and shares quoted on stock exchanges in India and remittance of the net income is allowed in full in addition to the capital instalments. The difference between Sterling and non-Sterling area nationals has been done away with.

SHRI A. D. MANI: In the statement Government have stated that amounts over fifty per cent. were remitted in exceptional cases, when a case is made out. I am not quoting exactly the sentence of the statement. In how many such cases, since the order was passed, have allowances in excess of fifty per cent. been allowed to be remitted?

SHRIMATI TARKESHWARI SINHA: So far as fifty per cent. of their salary is concerned, it covers almost all the residents who come from outside and reside temporarily here. It is only in exceptional cases the Reserve Bank of India uses their power of discretion in order to allow more remittances, if it is necessary.

SHRI A. D. MANI: What we want to know is, in how many cases have the Government allowed money in excess of fifty per cent. of their salary to be remitted since the Reserve Bank's order was passed?

SHRIMATI TARKESHWARI SINHA: This rule was promulgated in June. It has just come into operation in June. Therefore, I have no record. But from the year 1961 if the hon. Member wants the exact figure, viz., the various other channels through which foreign exchange goes, I can give the figures, if he wants.

SHRI A. D. MANI: Would the Minister give the figures? It is a matter of importance in deciding the foreign exchange position.

SHRIMATI TARKESHWARI SINHA: The following are the particulars. The total remittance for family maintenance was Rs. 554 lakhs. For migrants' transfer by foreign nationals, it was Rs. 532 lakhs and remittance of savings by foreign nationals Rs. 156 lakhs.

SHRI M. R. SHERVANI: May I know, Sir, if the term salary includes cash perquisites such as dearness allowance, house rent allowance, conveyance allowance, bonus, etc? Is it fifty per cent. of the basic salary or fifty per cent. of all these?

SHRIMATI TARKESHWARI SINHA: It depends on the terms of the contract of service of the individual. Fifty per cent. of the total salary is allowed.

SHRI N. C. KASLIWAL: What exactly is meant by the term 'exceptional circumstances'? Does the discretion lie entirely in the hands of the Reserve Bank or have any rules been made in this connection?

SHRIMATI TARKESHWARI SINHA: I suppose if the Reserve Bank wants to consult the Government of India, it is open to them to have consultations. If there is something which is difficult to decide, naturally the Reserve Bank would consult the Government of India.

SHRI BHUPESH GUPTA: May I know, Sir, from the Government why these remittances are still allowed, when they are short of resources in the country, and people are evading taxes, and whether the Government is aware that fifty per cent. in the case of many such foreign nationals working with business concerns mean Rs. 5,000 to Rs. 6,000, and why is it that such heavy amounts are being

allowed to be sent by each individual? The total amount is coming to nearly Rs. 30 to Rs. 40 crores by way of dividends, interest, salaries and so on every year, and that is being allowed to go out of the country. May I know why this policy is being pursued by the Government?

**SHRIMATI TARKESHWARI SINHA:** We are pursuing this policy because certainly an international code of conduct is involved, but it is because of the serious nature of the foreign exchange situation that we have reduced remittances by fifty per cent.

**SHRI BHUPESH GUPTA:** The hon. Minister said that we are subject to a code of conduct, code of conduct is involved in it . . .

**SHRIMATI TARKESHWARI SINHA:** International code of conduct.

**SHRI BHUPESH GUPTA:** What is that international law? Which international law in the world says that a national Government is under an obligation to allow such foreign remittances? And is it not a fact that many countries like Indonesia, the U. A. R. and even Ceylon have largely stopped or reduced such remittances abroad by foreign nationals earning in the private sector?

**SHRIMATI TARKESHWARI SINHA:** The hon. Member knows very well that international code of conduct does not always mean any legal implications of the code of conduct. Secondly, the Government of India propose to follow this policy in the present context.

**SHRI BHUPESH GUPTA:** May I know, Sir, what is this code of conduct, when people are allowed to send their money abroad, earned in our country, and at the same time people are being beaten up, jailed and imprisoned for resisting unjust and extortionist taxes? Which one is the conduct to be accepted—beating or the other thing?

**SHRIMATI TARKESHWARI SINHA:** It is a matter of opinion.

**MR. CHAIRMAN:** Next question.

#### MERGER OF HIMACHAL PRADESH WITH PUNJAB

\*625. **SHRI A. D. MANI:** Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have received any proposal from the Government of Punjab for the merger of Himachal Pradesh with Punjab; and

(b) if so, the nature of the proposal?

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI B. N. DATAR):** (a) No.

(b) Does not arise.

**SHRI A. D. MANI:** Has the attention of the Government been drawn to a statement made by the Governor of Punjab, Mr. Gadgil, in Simla that he was in favour of the merger of Himachal Pradesh with Punjab?

**SHRI LAL BAHADUR:** Yes, Sir. I have seen that.

**SHRI A. D. MANI:** Has the Government of Punjab or any representative of the Government of Punjab discussed the matter with the Government of India?

**SHRI LAL BAHADUR:** No, Sir.

**SHRI M. P. BHARGAVA:** May I know, Sir, whether the authorities in Himachal Pradesh have made it very clear that they want no merger with Punjab?

**SHRI LAL BAHADUR:** I do not know which authority he is referring to, but the political opinion generally is the same as what the hon. Member has stated.