

[Shri Piloo Mody]

Sanskrit name, it will not brush the teeth. This is a sort of psychology that has developed.

Why don't we for a change export some of the technologies that we have in this country? We resist importing technology. I know, when we have spent millions of dollars importing and making Indian technology, for instance, how to manufacture broad steel plates for which technology now exist in India and it is an Indian technology—we sent 50 Engineers abroad, to Chicago, trained them; they are now a part of your establishment; they are Government servants—yet, when it comes to building a plate mill at Bokaro, what happens that our masters persuade us that there must be imported technology which they do not have, they buy their requirements from Italy and Spain and they have forced us to put a mill which will manufacture only narrow plates costing Rs. 350 crores instead of Rs. 250 crores at which we could have built it.

You talk about drainage of foreign exchange, leakage of foreign exchange. I do not think that these gentlemen are serious. Therefore, all I can suggest for your earning abroad is to earn your way all through this, export some of the technology in which we are pass masters, the technology in which we have prevailed as the greatest country in the world. Why does not this Government teach the other Governments all over the world how to become corrupt? I think, this is the technology in which they have become pass masters. Let them export this technology and earn foreign exchange instead of wasting our time going through such Bills at enormous costs which are not going to plug any leakage of foreign exchange.

SHRI YESHWANTRAO CHAVAN: Most of the speakers repeated some of the points made in the consideration stage. Therefore, I do not think

I need reply to many of the points except to say that hon. Member, Shri Madhu Limaye, has tried to sum up some of his suggestions for consideration of the House....

SHRI MADHU LIMAYE: This is the Third Reading.

SHRI YESHWANTRAO CHAVAN: I am describing what you did.

The only thing that I can say about his last suggestion regarding foreign banks is that our policy remains unchanged.

About the other suggestions, they would be kept in mind; this much I can say.

MR. CHAIRMAN: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

16.38 hrs.

RESERVE BANK OF INDIA (AMENDMENT) BILL

MR. CHAIRMAN: Now we take up the next item, namely, the Reserve Bank of India (Amendment) Bill.

Shri Yeshwantrao Chavan.

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): Sir, I move:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

This short Bill seeks to empower the Reserve Bank of India to enter into arrangements for the clearing and settlement of transactions on account of the external trade of India, and for that purpose, to become, with the approval of the Central Government, member of international or regional clearing union of Central banks. The

purpose which has necessitated the introduction of the Bill at this juncture is to confer powers on the Reserve Bank, which it does not have at present, to sign on agreement and become a member of the Asian Clearing Union.

On the basis of an operational agreement finalised by officials earlier, the setting up of an Asian Clearing Union was formally approved at the last annual session of the ECAFE held at Tokyo in April, 1973. The agreement was thereupon signed at Tokyo by Iran and Sri Lanka.

We, in this country, have a great interest in fostering economic cooperation schemes in the Asian region, and believe that such cooperation can mutually help the countries in the region to accelerate the pace of economic development. The Asian Clearing Union is one small but significant step in that direction. India, who had been closely associated in the evolution of the scheme, would now like to sign the agreement and become a member of the Asian Clearing Union.

The Asian Clearing Union would organise and operate a clearing mechanism which would consolidate and clear at fixed intervals all receipts and payments on current visible and invisible transactions among its members, so that they have to collect or pay only the ultimate outstanding balance. It would thus secure an economy in the use of foreign exchange and a saving in the cost of monetary transfer; promote the use of participating countries' currencies in their mutual transactions; and spread a habit of cooperative working among the central bankers and monetary authorities of different ECAFE countries, which would pave the way for further economic cooperation.

Under the Articles of the Agreement, the membership of the Asian Clearing Union shall be open to Central Banks and monetary authorities of regional

members and associate members of the ECAFE. On behalf of India, the Reserve Bank shall join the Asian Clearing Union who has to be empowered, as sought in this Bill, for that purpose.

Sir, the object of the Bill is simple and non-controversial and I hope that it will receive the unanimous support of this House.

Sir, I move.

MR. CHAIRMAN: Motion moved:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

Shri E. R. Krishnan.

*SHRI E. R. KRISHNAN (Salem): Mr. Chairman, Sir, on behalf of my party, the Dravida Munnetra Kazhagam, I would like to say a few words on the Reserve Bank of India (Amendment) Bill.

Under the provisions of the existing Act, the Reserve Bank of India cannot become a member of the Asian Clearing Union nor can it sign any agreements with it. In order to enable the Reserve Bank of India to have the authority to become the member of the Clearing Union and also to enter into agreements with the Union, the Amendment Bill has come before the House.

With the passage of the Bill, the Reserve Bank can become member of any international or regional Clearing Union of Central Banks and also enter into agreements with it. In this context, I would like to refer to a matter of importance agitating the minds of the people. It is a matter of common knowledge in our country that some top political leaders including some belonging to ruling party and many rich industrialists, mill owners etc., hold and operate bank accounts abroad. Though one cannot definitely say the magnitude of this problem, yet it is well known that some Indians do hold foreign

*The original speech was delivered in Tamil.

[Shri E. R. Krishnan]

accounts. It was even said, at the time of the spill of the Communist Party of India, that their leader, Shri Dange had an account in a Swiss Bank and that that was also one of the causes for the split. This news had appeared in many newspapers at that time.

It is needless for me to say that the operation of foreign accounts by Indians lead to leakage of foreign exchange. In fact, this malpractice has been examined and according to the Kaul Committee appointed by the Central Government, the foreign exchange leakage was to the tune of Re. 240 crores. I, therefore, humbly submit that this matter of Indians holding foreign accounts should be gone into by the Reserve Bank of India and they should discover such accounts and bring them to public light. If necessary, the Reserve Bank of India Act can further be amended.

With these words, I support the Bill before the House on behalf of the D.M.K.

SHRI YESHWANTRAO CHAVAN: Even the hon. Member who spoke just now, though he made a mention of some of the things which are not connected with the Bill, has supported the Bill. He made a mention of some foreign accounts by some people in this country. If he has got any specific information, he can give it to us. But merely making allegations against anybody is not right, I would say, at least for a Member of this hon. House. But, any way as he has supported the Bill, I welcome his support to the Bill.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: There is one clause—clause (2). There are no amendments to it. The one amendment that was given was not given in time.

So, the question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

MR. CHAIRMAN: Now, the question is:

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI YESHWANTRAO CHAVAN: Sir, I move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

16.45 hrs.

SUPPLEMENTARY DEMANDS FOR GRANTS* (ORISSA), 1973-74.

MR. CHAIRMAN: We will now take up the Supplementary Demands for Grants (Orissa).

DEMAND No. 1—Elections and other Expenditure relating to the Home Department.

MR. CHAIRMAN: Motion moved:

"That a Supplementary sum not exceeding Rs. 67,66,000 be granted to the President out of the Consolidated Fund of the State of Orissa to defray the charges which will come in course of payment during

* Moved with the recommendation of the President.