

LOK SABHA DEBATES

LOK SABHA

Friday, July 9, 1982/Asadha 18, 1904
(Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

श्री मनोराम बागड़ी : अध्यक्ष महोदय, मैंने नियम 388 के अन्तर्गत आप से अनुमति ली है और अनुमति ले कर तो मैं बोल सकता हूँ। बेरूत के अन्दर जो कुछ हो रहा है, उस से विश्व शान्ति को खतरा है और विश्व युद्ध के हालात पैदा हो रहे हैं। रूस ने चेतावनी दी है। इस के अलावा अमेरिका की फौजें वहाँ जाने के लिये तैयार खड़ी हैं। यह एक बहुत अहम मसला है। . . . (ध्वजघान) . . . इस तरीके से आप न करिये।

अध्यक्ष महोदय : सुन लिया है, मैंने।

SHRI INDRAJIT GUPTA: Have you any information whether the Government proposes to make a statement on the whole situation?

MR. SPEAKER: We also discussed this thing in the meeting and we also know the policies pursued by this nation, the policies of Mahatma Gandhi, Pandit Nehru, the policies of non-alignment and peaceful co-existence.

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SHRI CHANDRAJIT YADAV: The whole situation has to be discussed. (Interruptions).

MR. SPEAKER: I know. We will have to discuss the whole situation.

SHRI CHANDRAJIT YADAV: Tension is increasing and it may lead to a world war. (Interruptions)

SHRI INDRAJIT GUPTA: We do not want to discuss it after the American army enters Beirut. We want to discuss it now. (Interruptions)

MR. SPEAKER: I know the gravity of the situation. That is why we discussed. We know the policies pursued by the nation, and what Mahatma Gandhi did, Pandit Nehru did, about non-alignment and co-existence. We have to protect the particular cause. And I think the Prime Minister is going to make a statement this very afternoon. Then, we will decide.

(Interruptions)

Now Question 21. Prof. Rupchand Pal.

ORAL ANSWERS TO QUESTIONS

Opening of Offices of Foreign Banks in India

*21. PROF. RUP CHAND PAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of foreign banks have applied to Government for licences to open offices in India;

(b) if so, the details thereof;

(c) what are the terms and conditions put forward by these banks; and

(d) the reaction of Government thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). According to the Reserve Bank of India, which is the competent authority for grant of such licences, formal applications have been received from four foreign banks for opening a branch each in India. No terms and conditions have been put forward by these banks. Each case is decided by the Reserve Bank on merits having regard to all relevant considerations.

PROF. RUP CHAND PAL: Sir, in a matter of giving licences to foreign banks several times in the past in this House it was said by the Finance Ministers that it is done as a matter of reciprocity or mutuality. In view of what has repeatedly been said in reply to our questions regarding the giving of licences to foreign banks even after nationalisation of 14 banks in 1969 and even after our bitter experience of the working of these foreign banks, may I know from the hon. Minister what was the total amount of deposits mobilised by the foreign banks in India since 1969 and what were their gross profits and remittances *vis-a-vis* the deposits mobilised by our banks abroad, their gross profits and liabilities?

SHRI JANARDHANA POOJARY: So far as the growth of the deposits and our profits are concerned, I require notice and then I will furnish the information after getting it.

PROF. RUP CHAND PAL: Here, in reply to a question on 18th July, 1980, a chart was given regarding the growth of foreign banks in the matter of deposit mobilisation, advances, profits and remittances. Strangely enough, the amount of remittances could not then be submitted to the House and even now if I specifically ask the hon. Minister to provide this information regarding the gross profits and the remittances, the hon. Minister says that he requires

separate notice for providing such information. As it has been reported throughout the world, and very recently in a book by Anthony Sampson, called "Money Lender" the foreign multinational banks are working in the third World countries to the detriment of the independence and economic sovereignty of those countries. The change in our policy since 1980 regarding giving licences to foreign banks will cause great damage to our economy because the nationalised banking sector will face some competition from them. Rather they have been facing competition from the foreign banks. In view of this, may I know from the hon. Minister whether the Government will categorically declare here in the national interest that no further licence to foreign banks will be given and that an inquiry will be instituted about the working of the foreign banks in this country?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Regarding the last part of the hon. Member's question, I would like to make it quite clear that when the Reserve Bank issues a licence for opening a branch by any foreign bank, it takes into account all the factors and also the economic objective of the Government. If the hon. Member is aware of the total number of licences issued to the foreign banks for opening their branches in India since 1969, it will clearly indicate that we are restricting it. Though we are not saying it, in actual practice, we are restricting it. After the nationalisation of 14 banks and afterwards another six banks, nearly 92 per cent of the banking sector is under public control. The total number of branches of the foreign banks in India is roughly 131. Therefore, I do not consider that the banking operations of these foreign banks are going to cause damage to our interest in a big way. In fact, we gave the first licence to the Bank of Bangla Desh, Sonali Bank, in 1974. Then we gave licence to the European Asian Bank, West Germany, in 1980, Emirates Commercial Bank, Abu Dhabi in 1980, Bank of Oman, Dubai in 1980 and Banque De L'Indo-Chine El -De Suez (INDOSUEZ), France in 1981.

During this period, two foreign banks, namely, Grindlays Bank and Bank of America which were already operating in India, were permitted to open an additional branch at Calcutta in November, 1969 and at Bombay in September, 1977 respectively. Therefore, we have these five plus two *i.e.*, seven new branches of foreign banks operating here after nationalisation. The hon. Member would appreciate that it is not a big number when we have more than 38,000 branches of the Scheduled commercial banks.

Regarding the first part of his question about the non-supply of figures, if you see the text of the question you will appreciate that such a supplementary would not arise out of the question. But we do not have any hesitation in giving the figures. As has been told by my colleague, it will require some time to collect the information and we will give it to the hon. Member.

Official Delegations sent abroad on Purchase Missions

*22. SHRI KRISHNA KUMAR GOYAL: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that official delegations on purchase missions are frequently sent to various countries for buying import requirements;

(b) if so, the number of such delegations sent and the money spent thereon during the last year;

(c) the reasons for not meeting import needs from the annual international trade exhibitions in the country;

(d) whether it is also a fact that many developed nations ignore Indian trade exhibitions due to the Government's unrealistic purchasing policy; and

(e) the details of steps proposed to be taken to ensure participation of main exporters to India in international trade fairs and making the purchases in these fairs?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL): (a) to (e): A statement is laid on the Table of the House.

Statement

(a) and (b). No, Sir. No official delegation on Purchase Mission from the Ministry of Commerce was sent to any country during the last one year.

(c) Essential imports for the economy are facilitated through the import policy which is announced annually. International trade exhibitions are generally used for projecting the image of the exporting country and for introducing merchandise. They are generally not primarily meant for spot purchases, even though contracts are entered into on the basis of samples at such trade fairs. Keeping in view the composition and volume of our import requirements, there are severe limitations to the use of annual international trade exhibitions held in the country for meeting our import needs. It is not correct to say that many countries ignored the exhibitions due to Government's unrealistic purchasing policy.

(d) As many as 39 countries participated in the India International Trade Fair 1981, apart from a number of commercial enterprises from all over the world. These countries included developed countries also.

(e) The Trade Fair Authority of India who are charged with the responsibility of organising international trade fairs in India and abroad give wide publicity to the fairs to attract participation by other Governments and by private companies. Preparations including advance publicity are undertaken for eliciting maximum participation.

Certain special facilities have been offered to foreign exporters by introduction of a 'fair quota' for sale on the spot.

श्री कृष्ण कुमार गोयल : अध्यक्ष
महोदय, प्रश्न की स्पष्ट मंशा थी कि अपनी