

श्री श्रीकार लाल बोहरा : जैसा कि पिछले दिनों भूतपूर्व वित्त मंत्री श्री कृष्णमचारी ने इस योजना को केन्द्र के अधीन लेने का आश्वासन दिया था और अभी अभी जो बजट माननीय बिजली और सिंचाई मंत्री ने पेश किया था उस में यह टिप्पणी दी थी कि राजस्थान राज्य की यह योजना लेने के बारे में केन्द्र बड़ी गंभीरता से विचार कर रहा है तो क्या माननीय मंत्री जी इस पर प्रकाश डालेंगे कि क्या केन्द्र इस योजना को जल्दी से जल्दी लेने का विचार कर रहा है ?

Dr. K. L. Rao: It is true that at one stage there was a proposal to take over the project in the Central sector. But since then, further considerations prevailed and I do not think at the present moment we are thinking of taking over the project by the Centre.

Shri S. Kundu: I would like to know whether the Minister is aware that there is imbalance between States and States about the acreage of land under irrigation and the amount of money spent on irrigation projects. What steps will he take to ensure that the regional imbalances are removed?

Mr. Speaker: This question relates to Rajasthan Canal.

Shri D. N. Patodia: Since the Rajasthan Canal will be used for irrigation purposes and the fertility of the area has already been proved, in the national interest of increasing food production it is very necessary that this Canal must be taken up as a priority project. May I know the considerations which weighed with the Government in deciding not to take up this project in the Central Sector? Will Government give second thought to it and examine the possibility of including it as a Central project so that the execution of this scheme may be expedited?

Dr. K. L. Rao: It is accepted that this is a useful project and fortunate-

ly most of the work of the project has been executed. Another Rs. 28 crores have been sanctioned for this project. That is why I submitted in my answer that full consideration is being given to the finances of this project.

Shri K. N. Tiwary: The Minister has stated that there was a proposal to take this up as a Central project but then this idea was dropped. If the State Governments like Rajasthan or Bihar feel that some of the big projects should be taken over by the Central Government, may I know what is the difficulty in taking over such projects by the Centre?

Dr. K. L. Rao: As I submitted very often, what is meant by taking over is financial taking over. Otherwise, the engineers employed in this project are very competent people and the progress of the work is quite good. It is mainly a question of finance. What the hon. Members say is that we should find the money for this, not related to the State ceiling. That has been the persistent request from hon. Members from various parts of the House. The Finance Minister is also here and this question is receiving our attention. It will be considered further.

Foreign Banks

*1115. **Shri S. R. Damani:** Will the Minister of Finance be pleased to state:

(a) the number of foreign Banks operating in the country, State-wise; and

(b) the control, if any, the Reserve Bank of India or Government exercise on the working and/or operation of such banks?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a) A statement is laid on the Table of the House. [Placed in Library. See No. LT-1022/67].

(b) In respect of their operations in India, the foreign banks are subject to the control of the Reserve Bank of

India to the same extent as Indian banks.

Shri S. R. Damani: In the last busy season some of the foreign exchange banks borrowed money on call at a very high rate of interest instead of bringing money from their head offices as they used to do in previous years. May I know whether they have adopted this policy due to some Reserve Bank restrictions or due to some other reasons?

Shri K. C. Pant: I have to find out about this specific matter.

Shri Piloo Mody: He is not expected to know about these things.

Shri S. R. Damani: May I know whether the account books of the foreign exchange banks are being inspected as they are being inspected of Indian banks and whether all the rules and regulations applicable to Indian banks are also applied to them; if so, when the last inspection took place?

Shri K. C. Pant: These are foreign banks and not foreign exchange banks. All the rules which apply to Indian banks apply to these banks as well, including detailed inspection of all the banks by the Reserve Bank of India.

Shri V. Krishnamoorthi: May I know from the hon. Minister whether there is any restriction regarding the transfer of profit because profit is earned on the capital collected in this country? Is there any restriction to the effect that profit earned by these banks would not be taken away to their head offices in foreign countries and that the profits has to be utilised only in this country?

Shri K. C. Pant: No, Sir.

Shri M. R. Krishna: May I know whether these foreign banks have invested money in industries in the country; if so, to what extent have they invested?

Shri K. C. Pant: I would have to find out to what extent they have done so.

Shri Ranga: Are they investing?

श्री कामेश्वर सिंह : नेशनल एण्ड ग्रिन्ड-लेज बैंक ने जिन सुविधाओं तथा विशेषाधिकारों के लिये रिज़र्व बैंक को आवेदन पत्र दिया है, क्या सरकार उन को वे सुविधाएँ तथा विशेषाधिकार प्रदान करके, ब्रिटिश इंस्टीच्यूट ऑफ़ बैंकर्स के निर्णय को भारत में लागू करना चाहती है ?

श्री कृष्ण चन्द्र पंत : मुझे हर आवेदन पत्र का पता नहीं है, पता लगाना पड़ेगा ।

Shri Jyotirmoy Basu: It is a very important matter.

Shri K. C. Pant: Even if it is an important matter, I do not know about every application that is made. He has raised a point and I will certainly look into it. If he wants any information, I will furnish it.

Shri Jyotirmoy Basu: It is very important. It was published in the *London Times*.

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): It is certainly an important question but the Reserve Bank has not yet come to the stage when it should make a reference to Government. It has not yet made that reference. Therefore, I do not know about these things. But no special privileges will be given to any bank.

Shri Chintaman Panigrahi: What is the amount of money that these foreign banks repatriate annually by way of dividend to their respective countries?

Shri K. C. Pant: I can give the figures for profits after tax. In 1961 it was Rs. 1.99 crores; in 1962 it was Rs. 1.71 crores....

Shri Jyotirmoy Basu: Bogus.

Shri K. C. Pant: In 1963 it was Rs. 1.86 crores; in 1964 it was Rs. 2.12

crores and in 1965 it was Rs. 2.08 crores.

Shri Jyotirmoy Basu: Repatriation of profits only through the front door, I suppose.

Shri Chintamani Panigrahi: May I know whether these figures which the hon. Minister has placed before the House were supplied by the banks themselves or whether the Reserve Bank supplied these figures?

Mr. Speaker: That is a separate question.

Shri Chintamani Panigrahi: He has said that the Reserve Bank has control over these banks; so, we would like to know as to who supplied these figures.

Shri K. C. Pant: They must have been taken from the balance sheets of the banks. As I said, the Reserve Bank does inspect all these banks.

Shri Jyotirmoy Basu: I know how many branches the foreign banks have been allowed to open here during the last ten years and may I know whether the Government have received any representation from Indian banks?

Shri K. C. Pant: I have already indicated the total number of branches of these banks. I can give him the figures from 1961 onwards. In 1961, the number was 71....

Shri Jyotirmoy Basu: New branches. You follow my question. You were not allowing them to open branches. Suddenly you changed the policy and now you are allowing them....

Shri K. C. Pant: Does he want to give information or take information?

Shri Jyotirmoy Basu: He is only giving a misleading answer.

Shri K. C. Pant: It is not misleading. These are the figures. In 1961—71 offices; 1962—82; 1963—86; 1964—

90; 1965—92 and in 1966—118. The details are given in the statement.

श्री प्रकाशवीर शास्त्री : कुछ विदेशी बैंक भारत में इस प्रकार के भी थे जो भारत विरोधी कार्यवाहियों में भाग लेते पाये गये, जैसे चाइना बैंक । इन के सम्बन्ध में श्री मोरार जी देसाई, जब पहले वित्त मंत्री थे तथा उस समय से लेकर बीच में जितने वित्त मंत्री आये, उन सब ने यह आश्वासन दिया था कि इन के सम्बन्ध में जांच हो रही है तथा उनकी रिपोर्ट समय पर सभा पटल पर रख दी जायगी । मैं जानना चाहता हूँ कि चाइना बैंक की रिपोर्ट की अब तक जांच पूरी हो गई है या नहीं, यदि हो गई है, तो सरकार उम को कब तक सभा पटल पर रखेगी ?

Shri Morarji Desai: I do not know what the present position is. I shall find it out. I thought the question must have been finished by now. I shall certainly find out what is the present position about it.

Shri C. C. Desai: May I know why the Bank of America has been allowed to open a branch in India when no Indian bank is allowed to function in America?

Shri Morarji Desai: It was allowed to open here because it benefits our economy.

An hon. Member: How?

Shri C. C. Desai: Why not have reciprocity?

Shri Vasudevan Nair: How does it benefit our economy? (Interruption).

श्री शिव नारायण : मैं फाइनेन्स मिनिस्टर साहब से जानना चाहता हूँ कि क्या शास्त्री जी ने जो प्रश्न पूछा है, उम प्रश्न को नोटिस समझ कर उस का जवाब आप पुनः देंगे तथा उस रिपोर्ट को आप कब तक मदन के सामने रखेंगे ?

Shri H. N. Mukerjee: In view of the fact that under pressure of public opinion the Government has said, from time to time, that it is examining the idea of social control of banks, whatever that might mean, as differentiated from nationalisation of banks, may I know what particular idea the Government has in view in regard to the position and the status of these foreign banks which are being given, according to the answer given by Mr. Morarji Desai, preferential treatment in regard to their operation in this country when reciprocal advantages are not given to us as in the case of the Bank of America, as Mr. C. C. Desai pointed out?

Shri Morarji Desai: There is no question of any preferential treatment being given to these banks. It is only preferential in the sense in which Mr. C. C. Desai asked. He asked: when we are not allowed to open a branch there, why do we allow them to open a branch here? To that question, I replied that we allowed them to open a branch here because it is beneficial to us. There is no question of any preferential treatment to any banks here. The question as to what should be done about this or what should be the regulations to govern them is also under examination.

Shri Hem Barua: There were some serious allegations made about the involvement of some Indians of a certain political party in the affairs of the Bank of China and then because of the failure on the part of the Government to place the report on the Table of the House which they promised to do on several occasions, that has created an impression in the country that the allegations were false and that some other people, the people other than those against whom the allegations were brought, are involved and, therefore, the Government are fighting shy to place the report on the Table of the House. In view of that, may I know whether the Government have considered the matter and whether they propose to place the report

on the Table of the House as soon as possible?

Shri Morarji Desai: I shall find out and certainly put it here.

Shri Ranga: The hon. Minister said that the Bank of America is allowed to function here because it benefits us. Now that raises a point in regard to the other question. May we know, if not now at least later let us have the information, how much of foreign capital is being brought over here into this country by these foreign banks which are functioning here and through which they are carrying on this business, or are we to understand that they are placing at our disposal only the expertise in banking and are utilising the Indian money in order to circulate it between debtors and creditors?

Shri Morarji Desai: I cannot say how much of capital they have brought over here and how much of Indian capital is used. But I find from the figures of deposits that more deposits are now being gradually placed with Indian banks than with foreign banks; that also is the position percentage-wise. In this matter I do not have any figures, but certainly we will find out and let the hon. Member know.

Shri Bal Raj Madhok: May I know whether it is a fact that the foreign banks offer more liberal terms to depositors, offer more liberal terms to their employees as a result of which a lot of Indian money is being deposited in these banks and a lot of good Indian experts in banking are joining the service of foreign banks, and also whether it is a fact that much of the money that is deposited in these banks is invested by these banks in those concerns which have collaboration with foreign countries and thereby they are in a way helping foreign concerns more than the Indian concerns?

Shri Morarji Desai: As I said earlier, the deposits percentage-wise are

now larger in Indian banks than in foreign banks. Therefore, that reply should satisfy the hon. Member that they are not getting any preferential treatment. They are also giving to Indian concerns as well as to concerns which have foreign collaboration.

Shri P. Ramamurti: In view of the fact that more than two years have elapsed since the former Home Minister to the Government of India, who is now sitting there, made the allegation that we, the members of the Communist Party, the Marxists, received money from the Bank of China and in view of the fact that the operations of this Bank have been under investigation for the last five years from 1962, is it not high time that the Government of India placed the report, so that they are able to substantiate the allegation, or otherwise, is not the Government bound to withdraw the allegation?

Shri Morarji Desai: I have already replied.

Shri D. N. Tiwary: May I know what part of the profits earned by the foreign banks is allowed to be repatriated to their own country and whether the top management of these foreign banks is managed by Indians or by persons of the country from which they have come?

Shri K. C. Pant: There is no restriction on repatriation of profits. Over the years, the Indianisation of the top personnel in the foreign banks is progressing.

Shri Nath Pal: The Finance Minister stated earlier that the whole question of social control with regard to banks was under consideration. He did not specify, though some members tried to get the information from him, whether the proposed study envisaged the operations of the foreign banks, whether the foreign banks also would be brought under social control. What is the Government's intention with regard to this social control? Is it

limited to Indian banks or is it likely to be applied and extended to foreign banks too?

Shri K. C. Pant: The study covers the foreign banks as well.

Shri D. C. Sharma: Is it not a fact that there was not only the political party of that particular description which was involved in this transaction with the Bank of China, but there were also some cultural organisations, some educational organisations and some social welfare organisations, which were associated with the transactions so far as the Bank of China was concerned?

Shri Hem Barua: Some Congressmen were also associated with that Bank.

An hon. Member: It may be Congress or PSP.

Shri D. C. Sharma: Therefore, may I ask the Finance Minister whether it is not in the interest of the country and the Parliament that the whole report should be placed on the Table of the House and the House should be given a chance to discuss that report, so that one know which is white and which is black.

Shri K. C. Pant: The answer has been given already.

Shri Tenneti Viswanatham: The hon. Finance Minister has said that the foreign banks are allowed to function here because they would benefit our economy. May I know whether these banks would open business in their own interest or in the interests of India? Which is their primary interest?

Shri K. C. Pant: There is mutuality of interest.

श्री हुकम चन्द कछवाय: क्या सरकार ने इस बात का पता लगाया है कि जो विदेशी बैंक हैं इनके द्वारा देश के प्रन्दर जो पैसा दिया जाता है धर्म परिवर्तन करने के लिये

या देश के अन्दर देश के खिलाफ कार्य करने के लिये पैसा खर्च किया जाता है ? उस बात की क्या सरकार ने खोज की है ?

श्री कृष्ण चन्द्र पंत : जैसा मैंने कहा रिजर्व बैंक इन तमाम बैंकों के कार्यों को देखता है और इस तरीके की चीज नहीं होने देता जिसका कि जिक्र अभी माननीय सदस्य ने किया है।

Shri M. L. Sondhi: In view of the fact that there are some indications from the statements of other Ministers that the Government of India are finally waking up to the conception of Asian Common Market or Asian better relations, will the hon. Minister of Finance consider the question of giving some incentives to the Asian countries to set up Asian foreign banks in India?

Shri K. C. Pant: There are some Asian banks among the foreign banks operating here. For instance, there is the Tokyo Bank; there is another Japanese bank also. There are also other Asian banks.

Shri M. L. Sondhi: What further incentives are going to be given?

श्री श्री ० प्र० त्वाणी : वह ऐसे कौन से कारण हैं कि अफ्रीका आदि देशों में रहने वाले जो लाखों भारतीय हैं वह भारतवर्ष के बैंकों में अपना रुपया न जमा करके इंग्लैंड के बैंकों में जमा करते हैं और क्या सरकार उन कारणों को दूर करके इस प्रकार की कोई व्यवस्था करेगी कि वह अपना करोड़ों रुपया जो आज इंग्लैंड के बैंकों में जमा कर रहे हैं वहां न जमा करके यहां करें ताकि हम को फॉरेन एक्सचेंज भी मिले ?

श्री कृष्ण चन्द्र पंत : अफ्रीका में जहां हिन्दुस्तानी बसते हैं वहां हिन्दुस्तानी बैंकों

की कई शाखाएं हैं और उन में वह अपना पैसा भी जमा करते हैं।

Shri E. K. Nayanar: In view of the economic crisis in the country, will Government take any steps to nationalise the foreign banks.

There is no reply to my question?

Mr. Speaker: It has been given already.

Shri E. K. Nayanar: That means they are supporting foreign banks.

Shri K. Narayana Rao: Banks come within the meaning of industry and also companies. When it comes to the question of foreign industry, when we allow a foreign industry to come in, we insist that the Indian shareholding should be 51 per cent. Such being the case in the case of industry, may I know why in the case of foreign banks also we should not insist that 51 per cent of the capital should be from Indian shareholders?

Shri K. C. Pant: The bank is foreign when it has a majority of foreign shareholding. Obviously, it would not be a foreign bank if the majority shareholding was held by Indians.

Shri Jyotirmoy Basu: Are you going to the next question, Sir?

Mr. Speaker: There is no time to answer the next question.

The Question Hour is over.

Shri Jyotirmoy Basu: It is not yet 12 noon.

Mr. Speaker: I am not able to see the clock in the House. So, I have a time-piece here on my Table and according to it, it is just past twelve of the clock, and the Question Hour is, therefore, over.