

Shri H. Ramanathan Chettiar: May I know whether the question of the bank rate—an increase or decrease—was one of the subjects that were discussed at the Commonwealth Finance Ministers' Conference held recently in Canada?

Shri T. T. Krishnamachari: If I had increased my bank rate here and somebody wanted a discussion on it at the Commonwealth Ministers' Conference I would have resented it. I am sure my counterpart in England, Mr. Thornycraft would have resented any kind of discussion about the equity of his raising the bank rate by people who are not concerned with or interested in the problem with which he is faced.

Dr. Ram Subhag Singh: May I know whether he is negotiating about the interest on the foreign exchange requirements for the Durgapur Steel Plant because the hon. Minister said that they won't draw in future unless and until the interest becomes favourable.

Shri T. T. Krishnamachari: It is a matter of our choice. We may draw later at a time when it suits us. It is not a matter of compulsion.

Asian Development Fund

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*82. { **Shri Heda:**
Shri Rameshwar Tantia:
Shri Raghunath Singh:
Shri H. N. Mukerjee:
Shri Vishwanatha Reddy:

Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 1118 on the 23rd August, 1957 and state:

(a) whether Government have examined the proposal received from Government of Japan regarding creation of an Asian Development Fund;

(b) if so, their reactions; and

(c) whether the fund is being supported by the United States also?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). The matter is still under consideration.

(c) No information is available with the Government of India.

Shri Heda: Is Government in a position to give any details or the source from where the finance will come and how it will be distributed?

Shri B. R. Bhagat: No, Sir; the position has not crystallised. We do not know what information we can give.

श्री रघुनाथ सिंह : प्राय के प्रसवार से यह जाहिर होता है कि अमरीका की सहायता इसके लिए प्राप्त नहीं होगी। इसका प्रसर उस पर क्या होगा और क्यों अमरीका सहायता नहीं दे रहा है ?

श्री ब० रा० भगत : हमने भी प्राय प्रसवार में पढ़ा है। इसका प्रसर क्या होगा यह तो सोच विचार के ही कहा जा सकता है।

प्रधान मंत्री तथा बहिःदेशिक कार्य मंत्री (श्री जवाहरलाल नेहरू) : मानरेबल मेम्बर कुछ गलतफहमी में हैं।

Shri T. K. Chaudhuri: Are Government in a position to indicate the bare outlines of the plan of the Asian Development Fund if not the details?

Shri B. R. Bhagat: Sir, it won't be desirable to give the bare outlines for even the bare outlines may change as a result of consultations. I do not know whether it will be worthwhile to give any bare outline.

Shri Heda: Before the Government comes to some conclusions over the matter, will it think it advisable to take the country into confidence or find out the reaction of the country to the proposals?

The Minister of Finance (Shri T. T. Krishnamachari): Undoubtedly, Sir, anything which this Government does is subject to scrutiny by Parliament. I do not think that things have advanced to such a stage as to make them so controversial that we should have a referendum on the matter. Nor is it likely that anything that we do will compromise the future of our position in the Asian world.

These matters are matters which are now under discussion and they will revolve very largely on a certain amount of money set apart by the United States for Asian Development which, incidentally, will lapse on the 30th June, 1958. So, it is a question of finding out what they could do between now and that time. We are undoubtedly interested as a result of the discussions which the Prime Minister had in Japan with regard to a scheme for the export of iron ore and for such assistance as we need for that purpose. If the schemes have progressed to some extent, may be, we can take advantage of the Asian Development Fund now set apart by the United States. But it is not a matter which should vitally affect any decision, so far as we are concerned, as to need taking the public into confidence.

Shri B. S. Murthy: May I know whether the Prime Minister had any occasion to discuss this matter when he was recently in Japan and, if so, whether he can throw any more light on the matter?

Shri Jawaharlal Nehru: I did not catch the question. I only heard my name—or rather my designation.

Mr. Speaker: The hon. Member wants to know whether when the Prime Minister was in Japan he discussed the question of raising an Asian Development Fund.

Shri Jawaharlal Nehru: There was some general talk about it; it did not lead to any results.

New Foreign Capital Investment

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*83. { **Shri A. K. Gopalan:**
Shri Vasudevan Nair:

Will the Minister of Finance be pleased to lay a statement on the Table showing:

(a) the amount of new foreign capital investment in India during 1956 and 1957 so far;

(b) the industries in which the investment has taken place; and

(c) the countries from which the capital has come?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) to (c). Two statements are laid on the Table showing the new foreign investments made in India in 1956, the industries in which those investments were made and the countries of origin. [See Appendix I, annexure No. 11.] Similar information is not available for 1957.

Shri A. K. Gopalan: In the statement it is mentioned that these figures do not cover three items. May I know, including these items, whether the overall capital investment for the last one year is about Rs. 40 crores?

Shri B. R. Bhagat: If we had all these figures complete, we would have certainly included them in the statement. The difficulty is that it would involve a lot of information from various sources and they have not yet been finalised. That is why we have not given that.

Shri A. K. Gopalan: May I know whether the hon. Minister can say what is the capital that is invested for radios—if Rs. 4 crores had been invested for radios?

Mr. Speaker: The hon. Member wants to know whether Rs. 4 crores have been invested for radio manufacture.

Shri B. B. Bhagat: I have no information about that.

Shri Vasudevan Nair: In view of the fact that the policy of the Government is that as far as possible foreign capital should be directed to priority industries, is the Government able to do that? If so, how far? There is information, almost reliable information, that almost Rs. 4 crores have been invested in radio manufacture, Rs. 1 crore in battery manufacture and all that. Is the Government able to direct these foreign investments to priority industries as declared by it?

The Minister of Finance (Shri T. T. Krishnamachari): So far as what the