

**World Bank**

\*333. **Shri H. C. Mathur:** Will the Minister of Finance be pleased to state:

(a) the extent of the assistance sought from World Bank; and

(b) what projects for the implementation of our Second Five Year Plan have been referred to the World Bank for assistance and what agreements, if any, have already been reached?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) and (b). The Government of India have not specified any particular figure for the assistance sought from the World Bank; but have only indicated the need for assistance to finance the foreign exchange costs of the development programmes in the Second Five Year Plan. Of these, so far, the World Bank had selected for early consideration the following projects:—

- (i) The second expansion programme of IISCO;
- (ii) An initial loan in support of the railway investment programme;
- (iii) Such additional projects in the field of transportation, notably ports and shipping, as may upon further investigation prove suitable for Bank consideration;
- (iv) The Koyna and Rihand hydro-electric projects, the two new projects of the Damodar Valley Corporation, and the expansion of the Trombay Steam Plant.

Agreements relating to two loans, one of \$ 20 million for the expansion programme of IISCO and the other of \$ 5.6 million for purchase of Boeing Jet-aircrafts for the Air India International Corporation, have since been signed.

**Loan from World Bank**

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\*358. { **Shrimati Tarkeshwari Sinha:**  
**Shri L. N. Mishra:**

Will the Minister of Finance be pleased to state:

(a) the progress made in regard to negotiations with the World Bank for loan for the expansion of Indian Railways; and

(b) whether any amount has been promised by the World Bank for import of railway rolling stock and steel?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) Technical scrutiny of the project was completed in February 1957 by a team of consultants from the World Bank; and a delegation from the Government of India is now conducting further negotiations in Washington.

(b) No Sir, not yet.

**Shri H. C. Mathur:** May I know which of the projects referred by the Government of India have been dropped from consideration—I mean are not being considered?

**Shri T. T. Krishnamachari:** I have no idea of having dropped any of these projects.

**Shri H. C. Mathur:** Now, we have been told that these four projects have been taken up by the World Bank for consideration and for finalisation. My question is how many were the projects referred to the Bank out of which these 4 are being considered.

**Shri T. T. Krishnamachari:** These projects that are being referred to are projects that are now under consideration; they have not been taken up. They largely cover a number of projects in regard to railway expansion. We have under consideration projects for port expansion. These projects are in various stages of preparation and the World Bank has been intimated that we may approach them for a loan on account of these pro-

jects. But, there is no question of anything being dropped at the present moment.

**Shri H. C. Mathur:** What is the delay in the finalisation of the railway project and why has a second visit by the Railway Board been necessitated?

**Shri T. T. Krishnamachari:** The hon. Member is apparently quite unfamiliar with these practices between the bankers and borrowers. There is a lot of technical data that is necessary and the question of purchase from various sources depends upon the amount claimed. These and other matters are all matters of negotiation and it would undoubtedly take a long time. There is no use saying that the moment we send the delegation, they are having their bags ready for doling out the cash. It is a process of convincing them that we need these. They have a right priority and they are not obtainable from other sources. These matters do take time and involve a lot of negotiations.

**Shri L. N. Mishra:** Apart from the schemes that have been detailed in reply to part (b) of the question, may I know whether the Government is approaching the World Bank for help in respect of some other projects also?

**Shri T. T. Krishnamachari:** Broadly, it has been indicated to us that the World Bank would be prepared to consider projects in the public sector which involve development of transport capacity which means, railways, ports and perhaps even shopping development of power and also irrigation projects. These are broadly the projects for which the Government is approaching the World Bank for assistance in relation to foreign exchange needs of the Government. There are certain private enterprise projects also for which we are sponsoring the application of the private enterprise.

**Shri V. Raju:** The Minister said that the loan applications of the pri-

vate industry were also being sponsored by this Government to the World Bank. Is it the policy of the Government to recommend private capitalistic industries also to be given loans by the World Bank? If so, would not this lessen the total loan capacity that the Government may take for public enterprise?

**Shri T. T. Krishnamachari:** Whatever we recommend for acceptance by the World Bank, it is in the nature of financing private enterprise in respect of their foreign exchange needs. They are considered to be projects of a very high priority and therefore, no other consideration creeps in excepting that we want these projects completed. Whether the total amount that is set apart for India is a fixed sum and whether any loan that is given to the private enterprise will be by way of mitigating the total amount set apart for India are matters of speculation at the present moment, because we have no particular amount fixed. I have no reason to believe that, merely because certain private enterprises are being supported for loan by the World Bank, the interests of the Government of India in respect of its loans would suffer.

**Shri Kasiwal:** It has been complained that far more assistance is being given for development purposes by the World Bank to countries in the Latin American region than to countries in the South East Asian region. May I know whether there is any possibility of greater diversion of funds from that region to this region?

**Shri T. T. Krishnamachari:** So far as I am concerned, I am not in a position to answer this question in relation to any country other than India. And I hope that so far as we are concerned the position would be such as would be favourable in respect of our loan demands.

**Shri Tandia:** May I know what will be the rate of interest payable on these loans and when they are repayable?

**Shri T. T. Krishnamachari:** The rate of interest, as my hon. friend would understand, depends upon the project, the period for which the loan is asked for, and it varies from loan to loan.

**Shri Heda:** May I know approximately what will be the loan involved in the foreign exchange that is needed for the schemes enumerated under the three heads given here?

**Shri T. T. Krishnamachari:** It is difficult to say that, until we get from the World Bank an idea as to what they are going to finance. I cannot say precisely what our foreign exchange needs will be. Actually our foreign exchange needs are considerably greater than what we can expect the World Bank to finance so far as our Railway requirements are concerned.

**Shri Joachim Alva:** In the matter of the purchase of boeing jets for the Air India International, was it open to the Air International, to go to other world centres of aviation and buy similar jets, or did the World Bank give any kind of direction that these should be purchased only from America?

**Shri T. T. Krishnamachari:** Well, Sir, so far as the loan that has been floated by the Air India International is concerned, their needs are not completely covered by the loan that is given by the World Bank. We have had a floatation in New York, America, and we are also expecting some loan in respect of the sterling component of the needs of the Air India International in respect of the purchase of boeing jets.

**Shri H. C. Mathur:** May I know what is the estimated expectation of the Government of India?

**Mr. Speaker:** Order, order. We will go to the next question.

#### Zoological Survey Headquarters

\*334. **Shri Sadhan Gupta:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is proposed to shift

the Headquarters of the Zoological Survey of India from Calcutta; and

(b) if so, the reasons therefor?

**The Deputy Minister of Education and Scientific Research (Shri M. M. Das):** (a) No, Sir. The matter is under consideration.

(b) Does not arise.

**Shri Sadhan Gupta:** Is it a fact that it was completed to build a fire-proof house to house the valuable collections under the Zoological Survey of India, and the construction of this House has now been abandoned because of the decision to transfer the headquarter of the Zoological Survey of India from Calcutta, although the preliminary work in connection with the construction was undertaken two years ago?

**Shri M. M. Das:** It is a fact that a decision was taken for building a fire-proof building for preserving the spirit-preserved specimens of the Zoological Department and also other departments in Calcutta, but the construction was not begun. It has not yet been abandoned. There has been some difficulty and the construction has been simply postponed for the time being.

**Shri C. K. Bhattacharyya:** What are the difficulties?

**Shri S. C. Samanta:** May I know whether the difficulties have been discussed with the State Government of West Bengal? If it is a question of want of lands, may I know whether the 50 acres of land lying with the Central Government there will be utilised?

**Shri M. M. Das:** As far as I know, no discussion has been held with the State Government, but it is a fact that the Government of India has got some areas of land in Calcutta. What is the exact area of that land, whether it is 50 acres or 100 acres, I do not know. Only recently the Government of West Bengal acquired for the Gov-