

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): The question of taking over these banks is in a sense under consideration, and not decided. But, because of a number of factors, we thought we should take over the Hyderabad Bank; because the State is being split up and also other factors, it had to be taken up immediately. There are two other banks in Saurashtra and Patiala which in effect are State banks—State-owned banks—completely. The question arose whether we should attach them to the Reserve Bank or to our State Bank. For the present we felt we should go ahead only with the Hyderabad bank and not others. The others—there are four or five of them, whatever be the number

Shri A. C. Guha: Six.

Shri Jawaharlal Nehru: They stand on a different footing completely and have to be considered on different lines; it is not the same thing. I have no doubt that in course of time, steps will be taken about them too.

Sardar Iqbal Singh: 9 banks have been recommended by the Rural Credit Survey Committee for taking over. May I know the nature of the difficulties in taking over these banks?

Shri A. C. Guha: The main difficulty is that it will be difficult for the Reserve Bank or the State Bank to take over the small banks in different parts of the country and to find adequate trained personnel to run those banks efficiently. There are certain standards for the State Bank of India and I think the hon. Member will agree that these banks do not conform to that standard.

Shri Kamath : May I know whether the new Finance Minister has taken over or not yet?

Shri Jawaharlal Nehru: I will function till mid-night today.

Delimitation Commission

*1612. **Shri Ramachandra Reddy:** Will the Minister of Law be pleased to state:

(a) whether it is a fact that a Commissioner for delimitation of Constituencies has been appointed;

(b) if so, the terms of reference under which the appointment was made;

(c) whether he will make public enquiries before submitting his proposals; and

(d) the time within which he is directed to submit his report?

The Minister of Law and Minority Affairs (Shri Biswas): (a) No. As

soon as the State Reorganisation Bill as passed by Parliament is assented to by the President and becomes law, the Government of India will constitute a Delimitation Commission as provided therein. In the mean time and in order that the Commission when appointed may proceed with its task expeditiously, the Government have recently appointed the retired Judges who were Chairman and Member of the former Delimitation Commission as special officers to direct the preparatory work which has been taken up in the office of the Election Commission.

(b) to (d). Do not arise.

Shri Ramachandra Reddi: May I know whether a direction has been issued to the Commissioner to take into consideration the recommendations contained in the Backward Classes Commission's report in regard to Scheduled Castes constituencies?

Shri Biswas: The procedure is laid down in section 44 of the States Reorganisation Act. If the hon. Member will kindly turn to the provision in that Act, he will find that under section 44

Shri B. S. Murthy: The question is different. The question is this

Shri Biswas: I think the President's assent will be obtained in a day or two. If it has been assented to

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): That is an entirely separate matter for Government and for this House to decide. According to the decision, action will be taken. One cannot give directions to the Delimitation Commission about something which has not been decided yet.

Short Notice Question and Answer Kolar Gold Mines

S. N. Q. No. 16. **Dr. Rama Rao:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether his attention has been drawn to the speech of the Chairman of the Kolar and allied Gold Mines Companies that the "Companies have received no communications to this effect (about compensation) so far from the Government of India or the Government of Mysore";

(b) the total compensation proposed to be given by the Government of India;

(c) the compensation originally proposed by the Government of Mysore; and

(d) whether Government have any idea of the total profits of the Companies from 1925 to 1955?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Government have seen a report of the Chairman's speech on the Press. It is not correct that the companies have received no communication regarding compensation from the Government of India or the Government of Mysore.

(b) and (c). As the agreement has not been finalised, it would not be in public interest to disclose these details.

(d) I place on the Table of the House a statement showing the gross profits of the Kolar Gold Field Mining Companies from 1925 to 1953 according to its published balance sheets. [See Appendix X, annexure No. 5].

Dr. Rama Rao: The statement shows that this Company has looted more than Rs. 23½ crores in the shape of profits. Now the Chairman says that Government have offered 119 lakhs of rupees as net compensation which, I understand, is in addition to assets in the United Kingdom amounting to about Rs. 500 lakhs. So the total is about Rs. 169 lakhs or Rs. 170 lakhs.

Mr. Speaker: What is the question? The hon. Member will straightway put the question.

Dr. Rama Rao: May I know whether the Mysore Government have offered compensation at the full value of the total shares and, if so, what is the reason for the Government of India to give beyond the compensation at the market value of the shares?

Shri K. D. Malaviya: Certain question^s were referred by the Mysore Government to the Government of India for advice because we wanted to ensure the workability from the technical point of view of the Kolar Gold Mines. They wanted us to examine this question and give them suitable advice. The Government of India have appointed a certain committee which gave certain advice. That advice will be considered by the Mysore Government and I don't consider myself competent to express an opinion on the views that they might hold about it now.

Shri Chattopadhyaya: May I know whether the hon. Minister has read the report of the committee constituted to examine the working of the agreement of 1949 between the Government and the K G F and allied Gold Mines and, if so, why does the Central Government suggest a higher rate of compensation than that proposed by the State Government?

Shri K. D. Malaviya: Yes. It is correct that this report came to our notice. There were certain questions which were not considered by the Mysore Government

and that is why they referred the entire question to the Central Government for advice. We gave our consideration to the various aspects of the question and thereafter specified the quantum of compensation, which is little more than what they have suggested.

Shri M. S. Gurupadaswamy: May I know whether the Government of India will come out of this picture and allow the Mysore Government alone to deal with the K G F in the matter of fixation of compensation?

Shri K. D. Malaviya: Surely.

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): It is not a question of merely giving compensation. It is a question of working those mines efficiently in the future. It is also a question of following certain principles which the Government of India follow.

Shri Kirolikar: May I know whether the Government propose to appoint a technical committee to go to this part and then fix up the compensation?

Shri K. D. Malaviya: No.

Shri T. B. Vittal Rao: The Government of India have sent an official team to examine the matter and they have submitted a report. Will the hon. Minister lay a copy of the report on the Table of the House?

Shri K. D. Malaviya: Certain officials of the Government of India did go and visit that place to examine the conditions for making their own assessment. It is not the intention of the Government just now to place the report of that committee on the Table of the House.

Shri T. B. Vittal Rao: May I know when they will place the report on the Table of the House?

Shri Frank Anthony: Is this calculation of compensation going to include the payment of benefits to the employees such as retirement benefit etc.? Will the Company be responsible for it or is the Government going to assume responsibility for it because there is a fear that the employees will fall between two stools and the retirement benefits will go by default?

Shri K. D. Malaviya: That detail has to be examined by the Mysore Government and we cannot express any opinion.