

REPLY TO MEMORANDUM ON DEMANDS FOR GRANTS (RAILWAYS)

The Deputy Minister of Railways (Shri S. V. Ramaswamy): I beg to lay on the Table copy of a statement containing reply to a memorandum received from a Member in connection with Demands for Grants. (Railways) 1959-60 [Placed in Library, See No LT-1517/59].

ANDHRA PRADESH AND MADRAS (ALTERATION OF BOUNDARIES) BILL*

The Minister of State in the Ministry of Home Affairs (Shri Datar): I beg to move:

"to introduce a Bill to provide for the alteration of boundaries of the States of Andhra Pradesh and Madras and for matters connected therewith"

Mr Deputy-Speaker: The question is

"That leave be granted to introduce a Bill to provide for the alteration of boundaries of the States of Andhra Pradesh and Madras and for matters connected therewith"

The motion was adopted.

Shri Datar: I introduce the Bill

The Deputy Minister of Food and Agriculture (Shri A M Thomas): Sir, Item No 2 has not been laid on the Table.

The Minister of Revenue and Civil Expenditure (Dr. B Gopala Reddi): It has been done by Shri Karmarkar on behalf of Shri Krishnappa

12.30 hrs.

STATE BANK OF INDIA (SUBSIDIARY BANKS) BILL—contd

Mr. Deputy-Speaker: The House will now take up further considera-

tion of the following motion moved by Dr. B. Gopala Reddi on the 11th August, 1959:

"That the Bill to provide for the formation of certain Government or Government-associated banks as subsidiaries of the State Bank of India and for the constitution, management and control of the subsidiary banks so formed, and for matters connected therewith, or incidental thereto, as reported by the Joint Committee, be taken into consideration"

Perhaps now that the debate is closed, the hon Minister would like to say something. We have only one hour left.

The Minister of Revenue and Civil Expenditure (Dr. B. Gopala Reddi): Sir, the Bill was generally welcomed by all sections of the House. The Joint Committee also went into the provisions of the Bill in great detail. The only objection that was raised was Why not straightaway merge with the State Bank instead of creating these subsidiary banks? That subject has been discussed at length in the Joint Committee and here again yesterday that was the point to which great attention was paid by speakers, who spoke yesterday

The matter is very simple. It is a fact that the Rural Credit Survey recommended straightaway merger some time ago, but the Government thought that instead of acquiring these banks or forcing them into a merger we could open negotiations with them and persuade them to come into the scheme of things. We are glad to say that these five banks, more especially, leaving Saurashtra, Patiala and Hyderabad out, their directors and shareholders have all agreed to come into the scheme on the terms of compensation to be negotiated. Therefore, we have achieved a great objective by nego-

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†Introduced with the recommendation of the President.