

Government is exercising certain functions and taking certain responsibilities in this matter?

DR. K. L. SHRIMALI: Yes, Sir. They have started certain pilot projects for basic education in various States.

SHRI BHUPESH GUPTA: Since many of these pilot projects are being scuttled; may I ask whether the hon. Parliamentary Secretary is aware that many of the States are at present approaching the Central Government to make grants to them so that some schemes may be started for the improvement of the lot of the primary teachers?

DR. K. L. SHRIMALI: Well, I do not have any more information on the subject than what I have already given.

SHRI D. NARAYAN: May I know whether the Government is going to accept the recommendation of that Conference regarding the appointment of a Commission for Primary Education?

DR. K. L. SHRIMALI: Government do not intend to appoint a Commission for Primary Education.

**RESERVE BANK'S VIEWS ON THE NATIONALISATION OF THE IMPERIAL BANK OF INDIA**

\*3. SHRI S. N. DWIVEDY: Will the Minister for FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has been asked by Government to express its views on the proposal for nationalising the Imperial Bank of India;

(b) if so, whether any report has been submitted by it; and

(c) if the answer to part (b) above be in the affirmative, what are the main recommendations made in that report?

THE MINISTER FOR REVENUE AND DEFENCE EXPENDITURE (SHRI A. C. GUHA): (a) to (c). The Government

decision to acquire effective control over the Imperial Bank of India was taken in consultation with the Governor, Reserve Bank and announced on the 20th December 1954. The Reserve Bank of India have been asked to formulate detailed arrangement in this behalf for the consideration of Government. The Bank's final recommendations have not yet been received.

SHRI S. N. DWIVEDY: May I know what the hon. Minister means by the term "effective control"? Is it apart from nationalisation? Does he mean that there would be no nationalisation of the Bank at all?

SHRI A. C. GUHA: Effective control may include at least, the substance of nationalisation. These are matters of details which are now being processed.

SHRI S. N. DWIVEDY: Do they propose to give any compensation to the shareholders?

SHRI A. C. GUHA: All these have already been set out in the decision which was read out in this Council. Again, I would say that these are matters of details. Certainly: if we take over the shares, certain compensation will have to be given.

SHRI BHUPESH GUPTA: May I know the total value of the share capital owned by foreigners, especially the British, in this Bank?

SHRI A. C. GUHA: That I have not got with me.

SHRI KISHEN CHAND: May I know if all the shares will be taken over or only a majority will be taken over and the balance left in the hands of the present holders?

SHRI A. C. GUHA: As I said, these are matters of details.

MR. CHAIRMAN: You are making a distinction between complete control and effective control.

SHRI A. C. GUHA: In substance, that would mean the same thing without paying compensation for all the shares.

SHRI KISHEN CHAND: The policy announced by the hon. Minister was for the nationalisation of the Imperial Bank. The suggestion was that all the shares would be taken over. What are the reasons which have led the Government to change their view from taking over all the shares to taking over only part of the shares?

SHRI A. C. GUHA: I think it is rather premature to say that the Government have changed their view. The whole thing is still under discussion.

SHRI V. K. DHAGE: May I know whether the Government view has changed from that which was announced in the House by the hon. Minister in the last session?

SHRI A. C. GUHA: Nothing. There is no deviation from the policy already announced.

SHRI BHUPESH GUPTA: Is it a fact that 20,000 shares of this Bank are held by the Britishers?

MR. CHAIRMAN: He is giving information.

#### **CAPITAL-STOCK OF THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION**

♦5. SHRI M. GOVINDA REDDY: Will the Minister for FINANCE be pleased to state the particulars of (i) the foreign interests and institutions which have offered to take capital-stock in the Industrial Credit and Investment Corporation; and (ii) their offers?

THE MINISTER FOR REVENUE AND DEFENCE EXPENDITURE (SHRI A. C. GUHA): I would invite the hon. Member's attention to the copy of the Prospectus issued by the Corporation.

which is available in the Library of Parliament.

I may add that this is a private joint stock company and is not a direct charge of the Government. Government has responsibility for this only in so far as it has responsibility in regard to other joint stock companies and, I think, a little more than that, in view of some financial help to be given by the Government.

SHRI M. GOVINDA REDDY: May I know whether the Government have finalised their policy in regard to offering shares of this Corporation to foreign interests? What is the policy in this regard?

SHRI A. C. GUHA: There are to be foreign investments also in this Corporation; some private investors from the U.K. and the U.S.A. are participating in this.

SHRI M. GOVINDA REDDY: Is the Government not concerned then with how much of the stocks of this Corporation go to foreign interests?

SHRI A. C. GUHA: That is all stipulated in the Prospectus. There is a definite figure given there, though I have not got it now with me.

SHRI BHUPESH GUPTA: May I know how Mr. Beale of the Bank of England came to be chosen as the Manager of this particular concern.

SHRI A. C. GUHA: I have not followed the question.

MR. CHAIRMAN: How is it that the Bank of England has been recognised as the financier of this Corporation? That is the question.

SHRI BHUPESH GUPTA: Let him answer. I know he is in difficulties.

SHRI A. C. GUHA: It is not true that the Bank of England are the financiers of this concern.

SHRI BHUPESH GUPTA: My question was: How was that gentleman