

COUNCIL OF STATES

Saturday, 28th March 1953

The Council met at two of the clock in the afternoon, MR. CHAIRMAN in the Chair.

ALLOTMENT OF TIME FOR CONSIDERATION OF APPROPRIATION BILLS

(1) THE PATIALA AND EAST PUNJAB STATES UNION APPROPRIATION BILL, 1953.

(2) THE PATIALA AND EAST PUNJAB STATES UNION APPROPRIATION (VOTE ON ACCOUNT) BILL, 1953.

(3) THE APPROPRIATION (No. 2) BILL, 1953.

MR. CHAIRMAN: In pursuance of sub-rule (2) of Rule 162 of the Rules of Procedure and Conduct of Business in the Council of States, I have allotted time for the completion by the Council of all stages involved in the consideration and return of the Bills specified below including the consideration and passing of amendments, if any thereto, as follows:—

The Patiala and East Punjab States Union Appropriation Bill, 1953—30 minutes.

The Patiala and East Punjab States Union Appropriation (Vote on Account) Bill, 1953—15 minutes.

The Appropriation (No. 2) Bill, 1953 —1 hour.

After that we take up the Hyderabad Currency legislation.

Dr. Katju.

THE SCHEDULED AREAS (ASSIMILATION OF LAWS) BILL, 1953

THE MINISTER FOR HOME AFFAIRS AND STATES (DR. K. N. KATJU): Sir, I beg to move:

"That leave be granted to introduce a Bill to assimilate certain 17 CSD.

laws in force in the Scheduled Areas to the laws in force in the districts of Nowgong and Sibsagar in the State of Assam."

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to assimilate certain laws in force in the Scheduled Areas to the laws in force in the districts of Nowgong and Sibsagar in the State of Assam."

The motion was adopted.

DR. K. N. KATJU: Sir, I beg to introduce the Bill.

THE PATIALA AND EAST PUNJAB STATES UNION APPROPRIATION BILL, 1953.

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): Sir, I move:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State at Patiala and East Punjab States Union for the service of the financial year 1952-53, as passed by the House of the People, be taken into consideration."

I don't think it is necessary for me to make a speech on this Supplementary Demand. We have already supplied to all the Members a statement about the Supplementary Demands for Grants and explanations have been added to each Supplementary Demand and I don't think I should take the time of the House in elucidating those points which are contained in the Supplementary Demands for Grants. Sir, I move.

MR. CHAIRMAN: Motion moved:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Conso'idated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1952-53. as passed by the

[Mr. Chairman.]

House of the People, be taken into consideration."

Any Member wishing to speak may do so.

SHRI K. C. GEORGE: (Travancore-Cochin): Sir, the details of the PEPSU Budget, I know, are not to be discussed when the Supplementary Demands are to be voted now, but all the same as I feel that the real people's representatives of PEPSU were not given the opportunity to have their say on this matter so the responsibility is all the more greater for me to do all that I can in the matter. From the discussions that have already taken place in this House yesterday, we have seen how things are going on in PEPSU. I wish to bring to your notice one particular anomaly that exists in the State, which I myself cannot understand. We should remember that we are dealing with a deficit Budget and as such we have to see how the income and expenditure of PEPSU is put to. I understand there is a Bank in PEPSU called the Patiala Bank run by the State and owned by the State, I fail to understand this. Banking is purely the concern of the Centre and not of the State. I understand that this Bank was started by Patiala much earlier and is now conducted by the new State of PEPSU itself. I want the hon. Minister to make it clear how under the Constitution that is permissible and how and why the income from that Bank is net accounted for under Income and Expenditure in the Budget. I have searched the whole Budget but I don't find any item on that. All the same the fact remains that the Bank is there and I don't think the Minister will deny the existence of one that goes in the name of Patiala Bank.

Sir, I want to bring certain things with regard to the income and expenditure of this Bank to your notice. When the total gross income from this Bank from 1947 to 1952 increased from 22-13 lakhs to 38-76 lakhs, the net income has decreased from 10-18 lakhs to 7-17 lakhs. This is due to

increasing expenditure from 4-87 lakhs to 14-91 lakhs. It should be noted here that while sound Banks like Lloyds and others were closing down their Branches in Delhi and Simla, this Bank has recently opened its new branch in both Simla and Delhi and it has in fact taken a very costly place. The expenditure incurred in this behalf is very high. In fact there is a very big scandal in the whole State about this affair and I don't want to go into the details of it but I wish to say that the recent expenditure incurred in this connection is to be enquired into by the hon. Minister. Sardar Mohan Singh who is the Managing Director of the Bank is said to be using the Bank for political purposes. The 10 lakhs additional expenditure incurred has therefore to be accounted for and the question of the right of the State to own and conduct a Bank in a State when the Constitution does not allow it has to be explained by the hon. Minister.

With regard to certain items, I would make some remarks. Regarding privy purse and allowances, enough has been said yesterday on the floor of the House and I wish only to remark that I was really surprised to hear from the hon. Minister his advice to us not to believe what we heard about the Rajpramukh. He advised *us* that we should look upon the Rajpramukh leniently. He also said that after all there is practically no difference between the Rajpramukh of a B State and the Governor of an A State. Coming as I do from a B State myself I don't think I can be gullible enough to take his advice. My only point is that the expenditure that is voted on this item is really most atrocious, and it is a penalty imposed on the ordinary people for the sins committed by the Maharaja. So I oppose the Demand. Then another item. That is Vote No. 46. I want to bring to the notice of the hon. Minister that this is for the construction of a minor irrigation dam..

SHRI M. C. SHAH: There is no No. 46 in the Supplementary Demands.

MR. CHAIRMAN: There is no No. 46 here.

SHRI K. C. GEORGE: I am referring to the granting of amounts for the community projects and all that. I want to bring to the notice of the hon. Minister that

MR. CHAIRMAN: He is referring to Demand No. 43A.

SHRI M. C. SHAH: Yes, Sir.

SHRI K. C. GEORGE: This deals with the construction of the Jorasi Dam for which the allotment is Rs. 10 lakhs and according to my information this Dam is not going to serve any purpose whatsoever and all this money spent on it is going only to fatten the purse of the contractors who make the best of it by squeezing the labour working there. In fact the reports are that the labour there is paid only 8 as. and 10 as. a day. The purpose served is nothing in as much as there is only a small stream or river which flows only during the rains, for two or three hours. Immediately the rains stop, the river also dries up. So this sum of Rs. 10 lakhs it seems, is being spent simply for the sake of those contractors. This shows how the funds allotted for these so-called Community Projects and irrigation works are being spent. I feel that a proper enquiry should be made into this matter and the hon. Minister should see whether this sum should be spent at all, particularly in view of the fact that the people's representatives are not there to look into these matters and we sitting here so far away do not know really what the actual problems of the people there are and we are unable to see how the money is being spent on the spot. Therefore the responsibility is all the greater to see that the money is not wasted. I would request the hon. Minister to institute a proper enquiry into this matter.

There is also the complaint from these areas that there is not sufficient stock of medicines in this State—not

even for giving first-aid to the ri'ing people. They are given prescriptions and asked to buy the medicines from outside and even the poor people are not given the medical aid that they are so much in need of.

SHRI H. P. SAKSENA (Uttar Pradesh): Sir, I want a clarification regarding item No. 42.

MR. CHAIRMAN: Miscel'aneous?

SHRI H. P. SAKSENA: Yes, Sir. No. 42-Miscellaneous. Under this head a grant of Rs. 17,38,400 is allotted. Now, Sir, the word "Miscellaneous" is a very indefinite term and I do not understand how such a huge sum as Rs. 17,38,400 has come to be put under this undefined head. That is not clear to me. What was it that impelled or led the draftsman to put under the head "Miscellaneous" this huge sum of Rs. 17,38,400?

MR. CHAIRMAN: The Minister.

SHRI M. C. SHAH: Sir, there is really no need for a discussion of the Patiala Bank on this occasion. There is no Supplementary Demand made today for it and so that question does not arise here. But all the same I can say that the State Bank is governed by a separate constitution and if my learned colleague looks into the Budget Estimates, he will find something about that on page 98 of the Memorandum so far as that matter is concerned and he will satisfy himself about the position.

With regard to the privy purse I do not think I can add anything to what has been stated by my colleagues, the Minister for States as well as the Finance Minister, yesterday. And there is also nothing about the privy purse in these Supplementary Demands.

As regards item 43A also, there is the explanation. This item was provided for after the Budget was framed. This is due to the starting of development projects under the Indo-U.S. Technical Co-operation scheme. Rs. 4,29,400 was the first advance from

[Shri M. C. Shah]
 "Contingency" and the actual amount required is what is stated now. This Supplementary Demand has been made to meet the expenditure incurred and to be paid to the Contingency Fund. That is all.

MR. CHAIRMAN: About the head "Miscellaneous"?

SHRI M. C. SHAH: About that, the necessary explanation has been given in (a), (b) and (c) there and I do not think I need take up the time of the House in repeating them here. The increase is due to the settlement of Indo-PEPSU-transactions relating to Agency period from 16th September 1940 to 12th April 1950. The total amount required on this account is Jts. 19,07,400 out of which a sum of Rs. 1,99,100 has been met by re-appropriation. An amount of Rs. 19,24,264 due from the Government of India is being adjusted on the receipt side under "Miscellaneous". One entry is on the receipt side and the other entry is on the expenditure side. Practically they are adjustment entries.

Therefore, Sir, I commend this Bill.

SHRI K. C. GEORGE: But how under the Constitution of India can this State Bank be owned and run by the State?

SHRI M. C. SHAH: Pardon?

MR. CHAIRMAN: He asks, how under the Constitution the State can run the Bank and own it.

SHRI M. C. SHAH: As I have already said, there is a separate constitution for this Bank. There is a separate constitution made for the Patiala Bank.

SHRI K. C. GEORGE: Under the Constitution, the subject of "Banking"

is a Central subject and not even a concurrent subject. I do not know how and under what law the State can conduct this Bank.

SHRI M. C. SHAH: The question does not arise. I do not think this question needs a reply.

SHRI B. RATH (Orissa): If the hon. Minister agrees that "Banking" is not a concurrent subject, how is this Bank being run?

MR. CHAIRMAN: All that he says is that this specific question does not arise out of the present Bill. That is all?

SHRI M. C. SHAH: Yes, Sir.

MR. CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1952-53, as passed by the House of the People, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN. Now we come to the clause by clause consideration of this Bill. There is no notice of any amendments.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI M. C. SHAH: Sir, I beg to move :

"That the Bill be returned." MR.

CHAIRMAN: The question is: "That the Bill be returned."

The motion was adopted.