

[Mr. Deputy-Speaker]

has to be given, so that the Government would be able to find out the truth. I would urge for future guidance, hon. Members would kindly take note of this. Individual cases might be brought to the notice of the hon. Minister. If redress is not obtained, then questions can be put; if even then no redress is got, then there can be a formal resolution or motion on that particular matter, but I would say that hon. Members will kindly inform the hon. Minister in advance that they are going to raise such and such points, so that he might come ready. That will facilitate a full discussion, so far as this matter is concerned.

I shall call one more hon. Member now. Shri Raghubar Dayal Mishra. He is making his maiden speech here.

श्री आर० डी० मिश्र (जिला बुलन्दशहर):

उपाध्यक्ष जी, मैं आप का कृतज्ञ हूँ कि आप ने मुझे बोलने का मौका दिया। लेकिन मुझे यह नहीं मालूम कि मुझ को आप आज कितना समय देंगे।

Mr. Deputy-Speaker: Will he carry on till 7 P.M. and resume tomorrow or start tomorrow once and for all?

श्री आर० डी० मिश्र : उपाध्यक्ष जी, मैं इस पार्लियामेंट का एक नया मेम्बर हूँ। सब से पहले मेरा कर्तव्य यह है कि मैं पूज्यपाद महात्मा गांधी को जिन के नेतृत्व में यह देश आजाद हुआ और देश की यह स्वतंत्र पार्लियामेंट बनी जिस पार्लियामेंट का सदस्य होने के नाते मुझे आज बोलने का मौका आप दे रहे हैं, अपनी श्रद्धांजलि अर्पित करूँ।

उसके बाद मैं अपने देश की उस कान्स्टिट्यूट असेम्बली को मुबारकवाद देता हूँ जिस ने इस देश के लिये एक प्रजातंत्रीय शासन का विधान बनाया और इस बात का मौका दिया कि इस देश के तमाम नर नारी अमीर गरीब हिन्दू, मुलमान, पारसी, सिख, ईसाई सभी भाई मिल कर इस राज्य के भागी हों और सब मिल कर के इस देश को तरक्की के रास्ते

पर आगे ले जायें। उसने ऐसा संविधान बनाया जो कि तमाम दुनियाँ के प्रजातंत्रीय संविधानों में बढ़िया से बढ़िया संविधान है।

7 P. M.

• तीसरे नम्बर पर मैं अपने प्रधान मंत्री को मुबारकवाद देता हूँ कि उन्होंने इस देश की बागडोर अपने हाथ में लेने के बाद इस देश को आगे बढ़ाने में बहुत कुछ कार्य किया है। उन के नेतृत्व में हम ने अपने देश की आजादी की लड़ाई लड़ी। हम को आशा थी, और अब भी है कि पंडित जवाहरलाल जी नेहरू के नेतृत्व में हमारा देश बहुत आगे बढ़ेगा। मैं इस पार्लियामेंट में सुन रहा हूँ कि हमारे जो मुखालिफ भाई हैं वह कुछ बातें करते हैं, कुछ कांग्रेस पार्टी के आदमी हैं वह भी अक्सर कहते हैं। बाहर भी लोग कुछ हमारे मोहतरिम लीडर को बदनाम करने की कोशिश करते हैं लेकिन आइन्दा की तवारीख बतलायेगी कि पंडित जवाहरलाल नेहरू ने इस देश के लिये क्या क्या काम किया है और इस देश की बदकिस्मत जनता ने उन से उतना फायदा नहीं उठाया जितना उठाना चाहिये था।

इस के बाद मैं अपनी होम मिनिस्ट्री को मुबारकवाद देना चाहता हूँ कि जिस के विषय पर मैं बोल रहा हूँ। जिस वक्त मुल्क आजाद हुआ

Mr. Deputy-Speaker: The hon. Member may continue his speech tomorrow.

HYDERABAD COINAGE AND PAPER CURRENCY (MISCELLANEOUS PROVISIONS) BILL.

The Deputy Minister of Finance (Shri M. C. Shah): I beg to move:

"That the Bill to extend the period during which Hyderabad coins and notes of the denominational value of one rupee may continue to be legal tender, to repeal the Hyderabad Paper Currency Act No. II of 1927 and to make certain other inci-

dental provisions, as passed by the Council of States, be taken into consideration."

As the House is aware, Hyderabad was among the former Indian States which had a currency and coinage of its own. As a result of financial integration, currency and coinage became Central subjects and the Government of India took over the assets and liabilities of the Hyderabad coinage and currency system. After the integration of the former Indian States, it has been the policy of the Government of India to withdraw the local currencies in circulation in some of the States and replace them by Indian currency. It is not necessary for me to dilate at length on the undesirability of continuing these local currencies indefinitely as they hamper banking and commerce and are inconsistent with an economically integrated State.

Immediately prior to the integration, the then Hyderabad Government made a law making Indian currency legal tender in that State, and also fixing the rate of exchange between the Hali Sicca currency and the Indian currency at 7 Hali Sicca rupees for 6 rupees Indian currency. As I just mentioned after integration, currency and coinage became a central subject and the Hyderabad laws relating to coinage and currency continued to operate in the State as Central laws. In 1951 Parliament passed the Part B States Laws Act, 1951, extending a number of central Acts to them and among those were the Indian Coinage Act, 1906 and the Currency Ordinance, 1940. This Act repealed the various Hyderabad State laws relating to the coinage and the issue of one rupee notes. But, provision was made to the Hyderabad coins and one rupee notes remaining legal tender for a period of two years from 1st April, 1951. The law relating to the issue of currency notes of denominations exceeding one rupee was left untouched. The position, at the moment, therefore, is that Hyderabad coins and one rupee notes cease to be legal tender on the 1st April, 1953, while the Hyderabad currency notes continue to be legal tender. The whole position regarding the Hyderabad currency and coinage has been reviewed by the Government of India who have come to the conclusion that the Hyderabad law relating to the issue of currency notes should be repealed with effect from 1st April, 1953, so that the whole of the coinage and currency of Hyderabad are demonetized from that date. But, considering the volume of currency in

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circulation, Government consider it desirable to retain for a further short period of two years the legal tender character of both the coinage and currency. The Bill before the House therefore provides for a further period of two years for this purpose, while repealing the law relating to the Hyderabad paper currency. During this period, the outstanding State currency will be gradually withdrawn and no further rupee coin or currency notes in the State currency will be issued. After consultation with the State Government, Government have also decided that for a period of one year, not only will small coins of the State currency, that is to say, coins of the nominal value of annas eight and less, not be withdrawn but reasonable and adequate supplies of such coins will be made available so as to provide adequate supplies facilities for the poorer classes during transition period when the prices will have to be re-adjusted. Government have no doubt that this concession will secure that no hardship is caused to the poorer sections of the community by the demonetization and the period of two years will provide adequate time for the withdrawal of the State currency from circulation.

With this legislation, another step will have been taken in the removal of one more vestige of feudal rule in Hyderabad and in bringing the Hyderabad State in line with the country's economic life.

Mr. Deputy-Speaker: Motion moved:—

"That the Bill to extend the period during which Hyderabad coins and notes of the denominational value of one rupee may continue to be legal tender, to repeal the Hyderabad Paper Currency Act No. II of 1927 F and to make certain other incidental provisions, as passed by the Council of States, be taken into consideration".

Dr. Suresh Chandra (Aurangabad): I rise to congratulate the Finance Minister for having withdrawn the previous Bill and for having brought the present Bill in an amended form. The effect of the present Bill will be that one rupee coins, eight anna coins and four anna coins will continue to be legal tender in the State, and this Bill will be very much welcomed by the majority of the people. A large number of Osmania currency notes are still in circulation in the State. The Hali currency notes still in circulation are of the value of Rs. 27 crores and one rupee coins and currency

[Dr. Suresh Chandra]

notes are of the value of Rs. 8 crores. The total currency coins and notes are of the value of Rs. 36 crores. So, the decision taken by Government is very wise, considering the large volume of currency still in circulation in the Hyderabad State.

In welcoming this Bill, I have only one or two requests to make. After this Bill is passed and one rupee notes continue to be legal tender, full conversion and exchange facilities from Hali Sicca to Indian currency should be provided, especially in the rural areas. Otherwise, the people will be put to great inconvenience and the poorer classes will be hit hard and will be exploited by the moneylenders and others. The other request is that the Finance Minister should also notify to the Hyderabad Government that they should make these facilities available for exchange particularly in the bazars, market places and the rural areas. With these words, I congratulate the Finance Minister again for having brought this Bill.

Dr. Jaisoorya (Medak): I also wish to thank the Finance Minister for having withdrawn the first Bill and for having brought this new Bill in a modified form, because if they had taken up demonetisation, as they had proposed, on the 1st April, there would have been chaotic conditions. People were not properly prepared by the Government in time for it. Therefore, having thanked the Government for the present Bill, I only want to say that by the abolition of our currency which we had up till now, the Hyderabad State stands to lose a lot. It used to make approximately a profit of one point four crore per annum on the minting of silver coins. That will now go. We have lost our railways without any compensation. Our post offices are gone. Communications and telephones meant for extending our services have been taken away from us to Bombay without any compensation. Then our Military Hospital which was most up to date was taken to Lucknow and after a terrific fight by us again brought back. Crores worth of military stores were taken away without compensation. I only wanted to say, as once Sardar Patel said about Goa when Goa was being claimed by Hyderabad, "Bapa Cha Ma!". Anyway, that is not the point.

The point is, how are we to begin the demonetisation? Should it be from above or from below? From

the Deputy Finance Minister's statement, I gather that one rupee coins and the lower fractions are going to be demonetised at one date—am I right?

Shri M. C. Shah: From 1st April 1953 they will remain legal tender for two years more. All these coins and currency notes will remain legal tender, and in the meanwhile, all will have to be withdrawn and exchanged for the Indian currency.

Dr. Jaisoorya: I quite agree. I assume that no further notes of Hyderabad are going to be printed, and no further coins of Hyderabad will be minted. Perfectly correct. But I have one thing to suggest, and that is, the demonetisation should begin with the higher denominations first. Get them off circulation. The one rupee coins and the fractions should be taken out last, because in the rural areas, great confusion will be caused if these smaller denominations especially the fractions which are mostly the medium of daily exchange, are withdrawn too early. So in the first six months you should remove the hundred rupee notes then in another few months the ten rupee notes and then the five rupee notes. Otherwise, a very peculiar situation would arise. Suppose, I have to pay my mason Rs. 2/8/-. I cannot find it. I will have to give two people a five rupee note and ask them to divide it between themselves. During the transition, payments will have to take place in Osmania Sicca. Hoarding of smaller change has already begun and speculators have hoarded plenty of it. They will exploit the poorer sections very badly which will lead to a lot of confusion. I am glad that you have given us two years' time for this transition.

Shri Mohiuddin (Hyderabad City): I am very glad that the Government of India have now at last decided to withdraw the Hyderabad currency during the course of two years. That will give time for the people, especially in the rural areas, to acquaint themselves with what is Indian currency, because the people of Hyderabad who have been using Hyderabad currency specially in the rural areas are not at all acquainted with the rate of exchange or even the face of the Indian currency notes. The method of withdrawal of Hyderabad currency and injecting Indian currency into circulation requires thorough co-ordination between the Central Government and the Hyderabad Government.

In regard to this co-ordination I would like to refer to one point which may be of only temporary interest, but which is of importance and that is that the Hyderabad Government has introduced a Bill called the Hyderabad Currency Demonetization (Consequential and Miscellaneous) Provisions Act. The Statement of Objects and Reasons for that Bill says:

"The intention of this Bill is to meet the situation which would arise in respect of the various laws and contractual obligations when the O.S. currency ceases to be legal tender after the 31st March 1953 and Indian currency becomes the sole legal tender in Hyderabad State."

That Bill was published on the 11th March 1953.

Swami Ramananda Tirtha: I may inform the hon. Member that the Hyderabad Government also is amending the original Act.

Shri Mohiuddin: Thanks for the information, but what I want to point out is this. It requires very close co-ordination between the Central Government and the Hyderabad Government in order to complete the operation of withdrawing the currency without any hitch or without any loss to the poor people of Hyderabad.

Now the total Hyderabad currency in circulation in Hyderabad at the present moment, seems to be about Rs. 35 crores in currency notes and about Rs. 12 crores or 12 crores 66 lakhs in one rupee notes and coins and subsidiary coins. That makes a total of about Rs. 48 crores. That is the information I have, but I am subject to correction. The volume of currency in circulation in 1948 was about Rs. 54 crores and if the coins and subsidiary coins and one rupees were about the same size as at present, about Rs. 12 crores, the total currency at that time would have been about Rs. 60 to 64 crores. Now, one very important point arises. After the completion of the operation, say in about three or four years, or five years, there will be a considerable amount of Hyderabad currency, which may not be returned to the treasuries, or to the State Bank for conversion into Indian currency. There will thus be, so to say a residuary profit arising from the operation and as the currency is now a Central subject, that profit which I calculate to be about Rs. 4 to 6 crores, will go to the Central Government.

I suggest that the Finance Minister may consider that in view of the special circumstances prevailing in Hyderabad, the residuary profit that may be left over after the operation has been completed—which according to my calculation would be about Rs. 5 to Rs. 6 crores out of the Rs. 64 crores in circulation in 1948—may be given to Hyderabad for development purposes

The other important point that I would like to suggest is that, as in the rural areas the public is not acquainted with Indian currencies, the conversion facilities may be provided on as wide a scale as possible. There are about 140 treasuries in Hyderabad State and about 25 to 30 branches of the Hyderabad State Bank. These places will not be sufficient for the whole of the State for conversion purposes. We know what difficulties the ordinary man faces when he goes to the treasury to convert his small savings of O.S. currency into Indian currency. He is bound to exchange his money with the *sowcar* or the local money-changer and there he will suffer considerable loss. I suggest that the Government of India might provide necessary funds to the Hyderabad Government to make arrangements for conversion facilities to be provided at market places and at weekly market *bazars* so that there is confidence among the public that the Government is always there available to convert their O.S. currency into Indian currency at the standard rate. Similarly, conversion facilities may be provided at Post Offices and Co-operative Banks. A sufficient amount of Indian currency of different denominations may be provided with the Co-operative Banks and the Post Offices, or the Post Office Savings Banks, so that they can take the O.S. currency and convert it into Indian currency at the standard rate. These facilities will effectively counteract the *sowcar* and the money-changer from exploiting the occasion and depriving the poor man of his hard-earned savings.

These facilities, as far as I can see, are necessary and it will require no doubt a certain amount of expenditure. For example, expenditure will be necessary for providing mobile vans which will go round the district on the *bazar* days in different places with the shroffs and a small guard and with the Indian currency for conversion purposes. Then vans will have to be provided for by the Government of India.

[Shri Mohiuddin]

Now there is another thing on which I would like the Finance Minister to make some clarification. The Krishnamachari Committee Report said:

"Reference must be made here to the local Osmania *Sicca* Currency and Coinage of Hyderabad. Federal financial integration will involve the assumption by the Central Government of the responsibility for the entire currency administration in Hyderabad; accordingly the entire stock of unissued currency notes and coinage on hand together with all the connected assets in the Paper Currency Reserve and in the mint, must be taken over by the Central Government on the date of financial integration."

Starting with the recommendation of the Krishnamachari Committee Report, all connected assets in the paper currency reserve have been taken over by the Central Government. These assets consisted of not only Indian currency, Hyderabad coins but also of the Government of India securities and Hyderabad Government securities. I am not aware whether the Hyderabad Government securities have also been taken over by the Central Government for redemption. If, on that particular date, when financial integration took place Hyderabad Government securities were included in the reserve in the backing of the paper currency, then I suggest that the Finance Department may consider that the liability for redeeming those Hyderabad Government securities should be taken over by the Government of India on the redemption date.

Mr. Deputy-Speaker: I will call Mr. Nanadas first and then Mr. Sivamurthi Swami. If hon. Members want to go through this Bill, they should constitute the quorum. Otherwise, I am afraid I will have to adjourn. It is the duty of the Government to keep all the Members here.

Shri Vittal Rao (Khammam): Mr. Deputy Speaker, we are considering this Bill. No doubt it is a welcome measure. What is happening in the City of Hyderabad should also be taken into consideration. There, the workers have been lathi-charged and Section 144 has been promulgated. That is on this very issue of demonetisation. Their demands have been very simple, i.e. those lower income groups should be paid their salaries and wages not in the equivalent of

the *Hali Sicca* currency but with a change in the nomenclature of the currency.

Last year, in the month of June, in reply to a question, the Finance Minister replied that the Hyderabad currency would be demonetised from 1st April, 1953. I wrote to him the peculiar conditions obtaining in Hyderabad. I explained the difficulties that the lower income groups will be subjected to, especially the wage earners and requested him to see that at least these lower denomination coins be legal tender for some time to come but he replied that it was not possible and Hyderabad could not be given a special facility like that, and that if the last denomination coin was to be continued it had to be looked into on an all-India scale. At last he has thought it wise to continue the character of legal tender for two years to come. This is the position. But, one thing is certain. The lower income groups are definitely going to suffer. I have had a discussion with the Finance Minister Hyderabad State and I explained to him the difficulties of the workers. Until this day, the Hyderabad State Government have not made any definite scientific analysis of their pay structure. They say vaguely that it is not going to affect the lower income groups. I said, you give us an assurance that it is not going to affect the lower income groups and that prices will not rise. They do not give any such assurance. But, they say, if the prices rise, we will see and then we will put that down. If you say that the lower income groups and wage earners are not going to be affected, then, it is your duty to have analysed wages scientifically so much for food, so much for fuel, so much for house rent, etc. There are certain arrangements for food. It is a controlled commodity in Hyderabad and Secunderabad. There the prices will not increase. Food constitutes 67 per cent. or whatever the percentage may be, of the wages. Then fuel, then other expenses. I was told—and it is a rumour that they are going to pass an Ordinance regarding house rent. That is, the house owner should not charge the same old rent; if it was 14 *Hali Sicca* rupees before, he should charge only 12 and not 14. That Ordinance has not yet been passed.

There is one more thing that should be taken note of by the Government of India, especially the Finance Minister. The Finance Minister should see that all the lower income groups

are paid the same wages with the change in the nomenclature and not its equivalent. I would like to have this assurance from the Minister.

There are employees who have been working in the mint where coins are minted. These workers are very apprehensive that they would be thrown out of employment. That should not be done. They should be given some alternative employment, without detriment to their service conditions. There is also the Currency printing press where currency is printed. They are likely to be thrown out. We should see that they are provided with alternate employment.

While withdrawal has been ordered, if some notes or coins do not come to the treasury that amount should be given back to Hyderabad for its development plans. Of course, this currency was very helpful and we were able to finance some of the development plans. For the last four years, after the Police action, when the Government of India came into the picture, not a single development plan was taken up. Even the small factories which were being run by the Government are being given to Birla Brothers. Even the Glass factory and other things are closing down. Not a single development plan they have taken up. Whether it is the original regime, the Razakar regime or the previous regime—that was reactionary; the Razakars frittered away the State's moneys.....

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhat): Is all this relevant?

Mr. Deputy-Speaker: He wants the balance to be paid to Hyderabad for development plans. Incidentally he wants to say this.

Shri Vittal Rao: This is relevant.

Mr. Deputy-Speaker: But, the development tail is too big. After all, incidentally he was referring to development plans.

Shri Vittal Rao: We want that money to be given...

Mr. Deputy-Speaker: Money can be used for several purposes.

Shri Vittal Rao: We are going to demonetize a currency which was in vogue for so many years. There are so many difficulties; so many other things have come into the picture. That money which is not coming back to the Treasury for exchange, should be given back to the Hyderabad Government.

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श्री निबधूर्त स्वामी : उपाध्यक्ष महोदय, मुझे इस बिल का स्वागत करने में बड़ी खुशी होती है कि हैदराबाद में जिस चीज को हम निजाम शाही का निशान समझते थे वह खत्म हो रही है। इस में कोई शक नहीं है कि जिस वक्त कहीं पर परिवर्तन हुआ करते हैं तो लोगों को कुछ न कुछ कष्ट अवश्य हुआ करते हैं लेकिन उस को सहन करना ही पड़ता है।

आर्थिक स्थिति से हैदराबाद में जो गरीब लोग हैं या वेहातों में रहते हैं, उन पर इस चीज का कुछ बुरा असर पड़ेगा। इसी लिये हमारी केन्द्रीय सरकार ने इसे दो साल और बढ़ाने का निर्णय किया है। यह भी एक स्वागत की बात है।

मैं इस बिल पर ज्यादा न बोलते हुए सिर्फ इतना ही कहना चाहता हूँ कि इस का जो आर्थिक परिणाम होगा और उस से जो परिस्थिति हैदराबाद में पैदा होगी उस के लिये आप को कुछ गौर करना होगा, और उस पर गौर करना हमारी केन्द्रीय सरकार का फर्ज भी है। लिहाजा जब आप हैदराबाद के लोगों की खिदमत करते हैं तो मैं इस सुझाव की तारीफ़ करता हूँ। साथ ही कहता हूँ कि करेन्सी को नीचे से ऊपर तक एक साथ खत्म करने के बजाय ऊपर से धीरे धीरे नीचे तक आना बेहतर होगा। पहले जो १०० रुपये का नोट है और दस रुपये का नोट है उस को खत्म करना होगा। उस के बाद साल या छः महीने बाद फिर नीचे के दर्जे के जो नोट्स हैं या क्वायन्स हैं उन को खत्म करना चाहिये। इस को करने से इस के खर्च में सरकार को कुछ फायदा जरूर होता है। क्योंकि हाली सिक्के में मेटल परसेंटेज ज्यादा है। इस लिये हैदराबाद सरकार को भी देखना होगा कि इस को कैसे किया जाय। क्योंकि हैदराबाद स्टेट में एक मूवमेन्ट चल रहा है। जो छोटे कर्मचारी हैं अगर उन की तन्स्वाह में तब्दीली नहीं हुई तो उन को खाटा होगा। लिहाजा उन को जमाने के लिहाज।

[श्री शिवमूर्ति स्वामी]

तन्खाह देनी पड़ेगी। इस लिये मेरा कहना है कि जो रेज़िडिअरी फायदा बच जाता है वह स्टेट गवर्नमेन्ट को ही दिया जाय।

इतना कहते हुए मैं इस बिल का स्वागत करता हूँ और पुरजोर तार्ईद करता हूँ।

Shri Pataskar (Jalgaon): I move for closure, Sir, because everybody is welcoming the Bill.

Shrimati Renu Chakravartty (Basirhat): There is no quorum.

Sardar A. S. Saigal (Bilaspur): There is quorum: Count it.

Shri M. C. Shah: I am grateful to the Members for welcoming this Bill. Certain suggestions have been made which will be taken into consideration. One of the most important suggestions was with regard to the exchange facilities to be given to the poorer classes of people. We have taken that into consideration.

Mr. Deputy-Speaker: Hon. Members must bring in some more hon. Members. I am bound to take notice of want of quorum here. I think 50 people must be here. Let us count. I am counting.

Sardar A. S. Saigal: There is quorum.

Shri Pataskar: We can ring the bell so that people in the lobbies may come in.

An Hon. Member: The House is adjourned.

Mr. Deputy-Speaker: The House is not adjourned.

An Hon. Member: Adjourned temporarily.

Mr. Deputy-Speaker: Unless we finish today, this will be.....

The Deputy Minister of Finance (Shri A. C. Guha): I think now we have got quorum.

Shri Pataskar: Yes, I think there is quorum now.

Sardar A. S. Saigal: Fiftyone.

Mr. Deputy-Speaker: There is no quorum. I will adjourn now. Whoever is sponsoring a Bill must take care to see that all the Members supporting him must be here.

Shri Vittal Rao: If we go out there will be no quorum, but we do not want to.

Sardar A. S. Saigal: They welcome the Bill.

Mr. Deputy-Speaker: Evidently, the House is tired. I will ask the hon. Minister to continue tomorrow. The House will now stand adjourned and meet at 2 P.M. tomorrow.

The House then adjourned till Two of the Clock on Tuesday the 31st March, 1953.