

THIRD REPORT OF PUBLIC ACCOUNTS COMMITTEE

Shri B. Das (Jajpur-Keonjhar): I beg to present the Third Report of the Public Accounts Committee on the "Exchequer Control over Public Expenditure." [Placed in Library. See No. IV. O.O (87).]

On 12th November, 1952 the Public Accounts Committee appointed a sub-committee consisting of Shri S. N. Agarwal, Pandit Munishwar Datt Upadhyay and Shri Ramachandra Reddy to enquire into the introduction of the system of exchequer control over public expenditure from the Consolidated Fund of India in consonance with the provisions of the Constitution.

The sub-Committee held two sittings and reported. Their report was considered and approved by the Public Accounts Committee.

A brief record of the proceedings of each meeting of the sub-Committee and the whole Committee has been maintained and forms part of the Report. A statement showing the summary of the principal recommendations of the Committee is also appended to the Report.

In view of the discussions this morning I will, with your permission, read that summary of recommendations:

"1. The introduction of a satisfactory system of Exchequer Control with a view to ensuring that the Grants voted and Appropriations made by Parliament are not exceeded is urgently needed.

2. It is improper that the Comptroller and Auditor-General should be saddled with the responsibilities of compiling Accounts of the Union and the State Governments and also of auditing the same.

3. Separate Accounts Offices for the various Ministries and the major spending Departments should be set up as soon as possible.

4. Immediate preparatory steps should be taken in consultation with the Comptroller and Auditor-General to separate Audit from

Accounts, both at the Centre and in the States, the pace being limited by the time required to bring about the necessary changes of organisation.

5. The Central Government, while making the Annual Grants to the States, should clearly specify the conditions under and the purpose for which these Grants should be utilised, so that there is no risk of the grants being diverted to unintended purposes, and the Audit authorities have no difficulty in judging whether the expenditure is in conformity with the conditions and purposes of the Grant.

6. The Comptroller and Auditor-General should have the right to audit the expenditure of the State-sponsored concerns by whatever name they may be called, because they are financed from the Consolidated Fund.

7. Corporations for the management of Government industrial undertakings should be set up under the authority of Acts passed by Parliament."

I will conclude my statement by reading paragraph 5 of the Report which I am presenting to the House:

"While dealing with this question of Exchequer Control, the Committee would also like to refer to the existing arrangement in certain places where the offices of the Indian Audit Department have been saddled with the responsibilities of conducting pre-audit and actually making payments. The function of payment of monies, and maintenance of initial accounts is that of the Executive authorities, and it is well-known and universally accepted that the agency which has to audit payments should be separate from and independent of the agency which has to make disbursements, as a combination of these functions is likely to facilitate frauds and embezzlements and prevent their coming to light. This places the Auditor-General in a most embarrassing and anomalous position. It is fundamentally wrong in principle, therefore, to make the Indian Audit Department responsible for making payments. The Com-

ptroller and Auditor-General has informed the Committee that he as well as his predecessors have been protesting to Government from time to time against the impropriety of his Department being made responsible for pre-audit and treasury payment work and pressed for its being relieved of pre-audit and payment work. This work is constitutionally entirely outside the duties of his Department. But unfortunately the various Governments have not realized this impropriety nor the risks involved in the arrangement and, therefore, have not implemented the proposal of the Comptroller and Auditor-General, except in the recent instance of the establishment of the New Delhi Treasury during this month" to which the hon. the Finance Minister referred.

Sir, I thank you for permitting me to read these recommendations of the Committee as the subject is germane to what happened this morning.

HIGH COURT JUDGES (CONDITIONS OF SERVICE) BILL

The Deputy Minister of Home Affairs (Shri Datar): I beg to move for leave to introduce a Bill to regulate certain conditions of service of the Judges of High Courts in Part A States.

Mr. Deputy-Speaker: The question is:

"That leave be granted to introduce a Bill to regulate certain conditions of service of the Judges of High Courts in Part A States."

The motion was adopted.

Shri Datar: I introduce the Bill.

12 NOON

ABDUCTED PERSONS (RECOVERY AND RESTORATION) AMENDMENT BILL

The Deputy Minister of External Affairs (Shri Anil K. Chanda): I beg to move:

"That the Bill further to amend the Abducted Persons (Recovery and Restoration) Act, 1949, as passed by the Council of States, be taken into consideration."

This Bill which I have the honour to present before this House has its roots in the tragic days of 1947 when, in the frenzy of communal passion, dastardly crimes were perpetrated on either side

of the border. Of all the heastly things, surely the most terrible were the abduction of innocent women and children, thousands of whom were transported to the other side. These crimes were not crimes of a personal nature. They were social crimes, well-planned, co-ordinated, on the wrong principle of retaliation. The menace was terrible and both the Governments realized the dangers of the situation, and the two Prime Ministers, that is our Prime Minister and the then Prime Minister of Pakistan, by a joint declaration on the 3rd September, 1947 declared "that both the Central Governments as well as the Governments of West and East Punjab wish to make it clear that forced conversions and marriages will not be recognized". Further "that women and children who have been abducted must be restored to their families and every effort must be made by the Governments their officers concerned to trace and recover such women and children". The Governments' declaration was immediately implemented. The Military Evacuation Organisation and the local officials immediately set themselves to the task of recovery work and several thousands were indeed recovered till about the middle of 1948. But very soon it was realized that to tackle with a problem of such gigantic measure, the ordinary laws of the land would not suffice, and there was an agreement made on November, 11, 1948, that special legislation should be enacted on both sides of the border for dealing with this problem.

[PANDIT THAKUR DAS BHARGAVA in
the Chair]

Pakistan issued a permanent Ordinance and their recovery work up till now is carried on under the authority of that Ordinance. In our country, we have, however, dealt with this in a different manner though I should say that the laws of both the Ordinances in Pakistan and India have been exactly alike. Our first Ordinance was passed in January, 1949 and it was extended on the 30th July 1949. The Constituent Assembly passed the Abducted Persons (Recovery and Restoration) Act, in December, 1949 which was valid up to 31st October, 1951. The Act was extended by the President in the form of an Ordinance. Later it was confirmed by Parliament and it became valid up to October, 31, 1952. Towards the end of this period, because Parliament was not in session the President issued an Ordinance which has its validity up to the 31st