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NOTE ON POSITION REGARDING BIHAR JEEP CREDIT.

At its meeting in Bombay on 14th March, 1962, the Parliamentary Sub-Committee considered the Treasurer's Report on the position in regard to the bank credit opened by the Rajah of Ramgarh for the purchase of jeeps. The following is an extract from the minutes of the meeting, which have since been confirmed:-

"The Sub-Committee then considered the statement of accounts submitted by the Treasurer. It was reported that, as a result of collection of funds at the last moment, it had been found possible to raise the contribution to endorsed constituencies of the Party to the Lok Sabha from Rs.25,000/- to Rs.30,000/- each.

This happy development resulted in a modification being found possible in the decision of the Sub-Committee in regard to the repayment of the Bihar jeep credit embodied in the minutes of the last meeting in Madras. As a result of this, it would now be possible for the Party, if it so desired, to pay a larger amount towards the repayment of the credit, namely, Rs.2,30,000/- including payments already made. After discussion, the following modifications were made in the decisions of the Madras meeting:-

(a) The Party would be prepared to pay to the Bank by way of further repayment of the Raja of Ramgarh's loan Rs.1,40,000/- provided the Raja himself paid off the balance of Rs.1,20,000/- and the interest that had accrued on it. If such repayment was not made by the Raja, then the Party would continue to pay the monthly instalments of Rs.20,000/- on his behalf. The Raja Saheb, however, agreed that he would pay off his share of the balance due to the Bank in a short time and inform the Party of the same.

(b) In so far as the 15 jeeps which were earmarked for returning to the Centre was concerne, it was agreed that these jeeps, along with the additional number that had now accrued to the Party in view of the revised settlement, need not be returned to the Centre and should be retained by the Bihar State Party, for the Party's use on behalf of the Centre. The jeeps should be registered in the name of the Bihar State Party, who would be the trustees for the jeeps on behalf of the Centre. The Raja of Ramgarh agreed to return the jeep loaned to the Bihar Party by the Centre which itself had been loaned to the Centre by a private friend on the understanding that the jeep would be returned to the owner immediately after the elections."

2. On 19th April, the General Secretary wrote to Mr. Kamakhya Narain Singh of Ramgarh drawing attention to the relevant portion in the minutes and requesting him to let the Central Office know when he proposed to repay the sum of Rs.1,20,000/- and the interest that had accrued in respect of the loan, so that arrangements may be made to follow up his action in the manner decided by the Parliamentary Sub-Committee. The General Secretary's letter also mentioned that monthly instalments of Rs.20,000/- would in the meantime continue to be paid on the Rajasaheb's behalf. No reply was received from Mr. Kamakhya Narain Singh to this inquiry, and the hope that the Raja would pay off his dues, as he had promised to do within a short time after the meeting in March, has not been fulfilled.

3. On 27th June, the Central Office was surprised to receive a copy of a letter dated 23rd June addressed by Mr. Bateshwar Prasad Singh, claiming to be the constituted attorney for the Rajah of Ramgarh, in the course of which altogether unfounded statements about the liability of the Swatantra Party in respect of the Raja of Ramgarh's overdraft arrangement with the Bank were made. The General Secretary, after getting the draft letter approved by Mr. K.M. Munshi, wrote on 8th July to the Central Bank correcting the mis-statements made in

Shri Bateshwar Prasad Sing's letter. The General Secretary made it quite clear to the Bank that the Swatantra Party had nothing to do with the Overdraft Account of the Raja of Ramgarh and that whatever payments were made to the Bank had been made on behalf of Shri Kamakhya Narayan Singh.

4. On 9th July, the General Secretary after obtaining Mr. Munshi's approval to the draft also wrote to Dr. Basant Narain Singh, the brother of the Rajah, correcting the mis-statements made by Mr. Bateshwar Prasad Singh in / letter to Bank and clarifying the entire position. The letter concluded by saying that the Treasurer had expressed the hope that early steps would be taken to pay the Bank the interest on the loan and the sum of Rs.1,20,000/- as agreed to by the Raja-saheb at the meeting of the Parliamentary Sub-Committee in March.

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5. The background and position were reported to the Parliamentary Board when it met in Madras on July 17, 1962 through a note put up at that time (copy attached).

6. The Parliamentary Board approved of the action taken and instructed that payments of Rs.20,000/- on behalf of the Rajah of Ramgarh should continue to be made to the Bank in the normal course for the months of August, September and October, when they would terminate.

7. The Central Office has since then received two letters dated 14th August and 3rd September from Mr. Bateshwar Prasad Singh, in the course of which he has made a whole series of entirely unfounded statements seeking to make out that the overdraft account with the Central Bank was that of the PARTY and that the Rajasaheb had agreed to lend his name for the benefit of the Party. The letter also sought to make a false claim that the interest on the loan was payable by the Party.

8. After consulting Mr. K.M. Munshi and obtaining his approval, the General Secretary wrote to Mr. Bateshwar Prasad Singh on 9th October drawing his attention to the various mis-statements in his letter, stating the correct facts, which are that the liability,including that of paying interest on the loan, was that of the Rajasaheb, and pointing out that these facts were recorded in the munutes of the various meetings at which Rajasaheb himself was present. The General Secretary also informed Mr. Bateshwar Prasad Singh that the final payment of Rs.20,000/- for the month of October had been made on behalf of the Rajasaheb and that, since the amount available for such payments had been fully expended, no further payments would be made to the Bank on the Rajasaheb's behalf.

20th October, 1962.