

Preamble etc.

Mr. Deputy-Speaker: In the Preamble, there is an amendment. It is similar to the one carried out to clause 1.

Amendment made:

Page 1, line 3,—

(i) after "Bombay" insert:

"Madras, Orissa, Uttar Pradesh, Hyderabad, Madhya Bharat"; and

(ii) after "Patiala and East Punjab States Union" insert "and Saurashtra".

—[*Pandit G. B. Pant*]

Mr. Deputy-Speaker: The question is:

"That the Preamble, as amended, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

The Preamble, as amended, the Enacting Formula and the Title were added to the Bill.

Pandit G. B. Pant: I beg to move:

"That the Bill, as amended, be passed."

We have already exceeded the time limit by 90 minutes. I do not like to encroach upon the time of the House any further. I hope this motion will be accepted unanimously by all the Members.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

Mr. Deputy-Speaker: I must congratulate the House for the manner in which all the Members co-operated and applied their mind very seriously to it and tried to make it as perfect as possible.

Shri Kamath: Thanks are due to your guidance also.

Mr. Deputy-Speaker: Though we exceeded the time, it does not matter.

DEMANDS FOR SUPPLEMENTARY GRANTS

Mr. Deputy-Speaker: The House will now take up discussion and voting on the Demands for Supplementary Grants in respect of the Budget (General) for 1955-56.

Half an hour has been already allotted for Demand No. 22. That has been already published in the Bulletin of the 19th September, 1955. Therefore, I shall take up Demand after Demand and place before the House both the Demand and the cut motions, and then conclude in the time allotted for that particular demand in the bulletin and by the Business Advisory Committee already.

In regard to the cut motions, hon. Members will kindly bear with me. Not that they do not know, I am only reminding them that so far as cut motions are concerned, matters of policy cannot be introduced with respect to any particular item except in so far as that item is a new service and was not contemplated at the time of the budget.

Secondly, in the case of economy cuts, there must be substantial sums and they should try to show how that economy can be effected,—for example, if the demand is for Rs. 3 or Rs. 4 lakhs, it can be reduced by Rs. 2 lakhs. It is purely an economy cut, and one has to justify as to how that economy can be achieved.

Thirdly, there is the token cut, for the purpose of drawing the attention of the House to a particular grievance. Matters of policy other than under the items of service cannot be embarked upon.

Judging from those standards, I find that these cut motions are not in order: No. 26 relating to Demand No. 22.

Shri S. L. Saksena (Gorakhpur Dist.—North): It is in order.

Mr. Deputy-Speaker: When it comes, I will see. For the time being hon. Members may be prepared with their

arguments. When we take up the Demands, then I will hear them. This is my provisional ruling now, that the following cut motions are not in order:

Demand No. 22 ..	cut motion	No. 27
Demand No. 25 ..	"	No. 31
Demand No. 61 ..	"	No. 34
Demand No. 138 ..	"	No. 38

These tentatively, according to me, have to be ruled out of order, unless I hear any arguments from the hon. Members to the contrary.

DEMAND No. 22—EXTERNAL AFFAIRS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 20,60,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1956, in respect of 'External Affairs'."

Shri S. L. Saksena: This demand is for the grant of ...

Mr. Deputy-Speaker: Let me first of all take up the cut motions hon. Members have tabled, so that I may know what is the cut motion which they want the Government to reply to. Cut motion No. 1.

Shri Ramachandra Reddi (Nellore): I am not moving

Mr. Deputy-Speaker: Cut motions Nos. 26 and 27. **Shri S. L. Saksena:** Let him satisfy the House as to how the cut motions are in order.

Shri S. L. Saksena: This money is intended to supply 5,000 tons of rice as a gesture of goodwill to the famine victims in Cambodia. I heartily endorse the object, but I want the same goodwill to be shown to a more closer neighbour, namely Nepal where conditions of flood have brought about a very disastrous situation. Therefore, what I say is I have a grievance which I want to ventilate through this token cut. I want that a similar gesture of goodwill as is shown to Cambodia should be shown to Nepal. Therefore, it is admissible.

Mr. Deputy-Speaker: The point is this. The hon. Member has not explained quite in detail. Demand No. 22 relates to a gift of 5,000 tons of rice that is given to Cambodia as a measure of goodwill, for the famine victims there. There are similar victims in Nepal on account of floods etc. Why should there not be a provision made for them, and for that purpose he has tabled a cut motion.

That is unfortunately out of order. If he says 5,000 tons is too much or that Cambodia ought not to have been given that rice, he would be in order with respect to this specific issue. Many things can be done under Demand No. 22. Therefore, that will become a matter of policy. That must be taken up only at the time of the budget. All of us are jointly and severally interested in it. However good it might be, I am sorry I have to rule it out of order. He can talk about Cambodia, I have no objection.

Shri S. L. Saksena: I will talk about Cambodia only.

I am really very glad that we have given this relief to famine victims in Cambodia. In fact, with our widening international contacts and our rising status in the world, it is absolutely essential that we should cement our friendship with those who are so close to us by such help in their distress. In our country many distinguished guests have come, and that shows our rising status in the world, and when floods come in our country we see that these other countries have also helped. Similarly, I am very glad, and I support this demand, that this amount should be given as a goodwill gift to Cambodia. I only wanted that a similar gift should be made also to our neighbouring countries like Nepal, Bhutan and other countries because our relations.

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): If I may remind the hon. Member, only a few months ago the Government made a similar gift to Nepal, and a large amount of rice has been sent to Nepal for relief.

Mr. Deputy-Speaker: Possibly that has not been included in the supplementary demand. From the amount already available, they would have given, not necessitating a supplementary demand.

Shri S. L. Saksena: What I am saying is this. The hon. Minister is quite correct in saying that they have helped. Not only that. I know our Government has pledged to give help to the extent of Rs. 70 millions to Nepal under the Colombo Plan. What I wanted to say is that the flood situation there is so grave. In Gorakhpur we had rains for five continuous days, and there was 20 inches of rain in 80 hours. The resulting disaster is unprecedented. Similarly, in Nepal this has happened. So, the help given is quite insufficient compared to what they need. The U.P. Government is finding it difficult to give all the relief necessary. Five crores of rupees is not sufficient for 16 U.P. Districts. A few lakhs given to Nepal also cannot be sufficient. The Nepal Government, as it is situated is not in a position to cater for the affected people. Therefore, I suggest a similar gift may be granted to them, because our relations with that country are of paramount importance, and a friend in need is a friend indeed.

In fact, I am very glad to know that the national hero of Nepal, Dr. K. I. Singh has been allowed to return there. Our Government had been misled by the then Nepal Govt. and that mistake has now been corrected. He has recently made a speech in Kathmandu, in which he has said that he is not at all bitter about India and that it was the mistake of some local officials, who sent wrong reports and of the then Nepal Govt. which led them to commit some mistake. This is the press report about his speech:

"Dr. Singh repeatedly referred to India as Nepal's 'great neighbour' and categorically said that India, with her cultural, spiritual and political associations with Nepal could never cast a selfish eye on this country and appealed

for Indo-Nepalese co-operation in various fields. He said that Nepal could urge India and other countries to get her admitted to the United Nations."

Shri L. N. Mishra (Darbhanga cum Bhagalpur): What relation has his speech to the supplementary demands for grants?

Mr. Deputy-Speaker: Because Nepal is a neighbour.

Shri L. N. Mishra: He is quoting from the speech of Dr. K. I. Singh.

Shri S. L. Saksena: I am only suggesting that we are trying to have closer relations with our neighbouring countries. We now happily find that even those, against whom we had taken action because of some misunderstanding, also wish to co-operate with us. I think it is an opportunity which we should utilise, and we should rectify the mistake we have committed by welcoming the return of Dr. K. I. Singh to his country. Our relations with Nepal should be the closest. We should respect its independence and help it in every possible way to rise to its full nationhood. The ties that should bind Nepal to us should be the ties of love and affection born out of disinterested service of a younger brother. Therefore I have suggested that we should give further help to Nepal at this juncture when disastrous floods have affected the whole country and much money is needed for relief work.

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): I have not very much to say in this regard, except, as you yourself have made it clear, that this Demand arose because there was a serious deficit in rice production in Cambodia this year owing to drought, and the Government of India decided to contribute a free gift of 5,000 tons of rice as a gesture of goodwill. Naturally, we will, and we do, as the need arises, extend a similar gesture of goodwill to our neighbouring countries.

This is a non-recurring item of expenditure. And the rice has been procured from the Ministry of Food and Agriculture at Rs. 15 per maund. After making due allowances for handling and other incidental charges, a supplementary grant of Rs. 20,60,000 is necessary to cover the immediate expenses. I hope this Demand will be passed.

Shri A. C. Guha: If you would permit me, I would like to say a word about the point that the hon. Member has raised in regard to helping other countries. I think the hon. Member should know that the Government of India have been helping Bhutan and Sikkim. In today's paper he will find that the Prime Minister of Burma has publicly mentioned that on three very difficult occasions the Government of India had gone out of their way to help the Burmese Government. Very recently we have helped also the flood victims of Pakistan. So, it is the policy of the Government of India to help neighbouring countries when they are in need of such help.

Shri Kamath (Hoshangabad): He is talking about Nepal.

Shri A. C. Guha: For Nepal too, we have given a large quantity of rice.

Shri S. L. Saksena: I admit it. I say that that is quite good. I only want that we should give more help to Nepal.

Mr. Deputy-Speaker: It all depends. One can imagine a number of other things that have to be done. Very often we find that a Government which is responsible for it asks our Government, and then our Government are willing to help. That is how things happen.

Now, I shall put this Demand to vote.

The question is:

"That a supplementary sum not exceeding Rs. 20,60,000 be granted to the President to defray the charges which will come in course of payment during the year end-

ing the 31st day of March 1956, in respect of 'External Affairs'."

The motion was adopted.

DEMAND NO. 24—MISCELLANEOUS EXPENDITURE UNDER THE MINISTRY OF EXTERNAL AFFAIRS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 1,60,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March 1956, in respect of 'Miscellaneous Expenditure under the Ministry of External Affairs'."

There are some cut motions to this Demand. Hon. Members who wish to move them may do so now.

Efforts to settle claims with Chinese Government

Shri Kamath: I beg to move:

"That the Demand for a supplementary grant of a sum not exceeding Rs. 1,60,000 in respect of 'Miscellaneous Expenditure under the Ministry of External Affairs' be reduced by Rs. 100".

Delay in settlement of just claims of repatriated Indian nationals

Shri N. E. Muniswamy (Wandiwash): I beg to move:

"That the Demand for a supplementary grant of a sum not exceeding Rs. 1,60,000 in respect of 'Miscellaneous Expenditure under the Ministry of External Affairs' be reduced by Rs. 100".

Mr. Deputy-Speaker: Cut motions moved:

"That the Demand for a supplementary grant of a sum not exceeding Rs. 1,60,000 in respect of 'Miscellaneous Expenditure under the Ministry of External Affairs' be reduced by Rs. 100".

"That the Demand for a supplementary grant of a sum not ex-

[Mr. Deputy-Speaker]

ceeding Rs. 1,60,000 in respect of 'Miscellaneous Expenditure under the Ministry of External Affairs be reduced by Rs. 100'.

Shri Kamath: The question of the Indian employees of the former Municipal Council of Shanghai has been pending settlement for a very long time. I believe they were ousted, or they lost their jobs, when the Communists moved into Shanghai or a little earlier.

Answering a question of mine in this House a few days ago, the Deputy Minister of External Affairs stated that attempts are still continuing to get this matter settled with the new Government of the People's Republic of China, that the Chinese Government have not finally rejected these claims but that these claims are still under their active consideration. The hon. Deputy Minister is not here, but the Parliamentary Secretary is here, who is equally keen on these matters. I would like him to tell the House what efforts have been made in this direction so far, and what has been the attitude of the Chinese Government towards this matter. Will they repudiate any part of this claim? Will they repudiate the responsibility for payment of this entire claim or will they accept part responsibility for payment of this claim to our Indian nationals who have been repatriated here?

I would like to stress in this connection one aspect of the matter. It is very strange that in spite of our very cordial relations with the Chinese Government, this small matter is still hanging fire. I do not know what the total claim comes to. We have no idea of it except that so much has been given to them by way of *ex-gratia* payment. I have no idea as to what exactly is the total amount of the claims put in by these former employees of the Shanghai Municipal Council. The note supplied to us on the subject by the Ministry of Finance also is not very illuminating. It does not throw any light on this particular

aspect of the matter. I would like to ask Government as to why the Chinese Government have been so allergic to a settlement of these minor matters. After all, it is a small share that is involved, and they could have easily paid, if they only had the will to pay.

I would ask Government why they went out of their way to make an offer to the Chinese Government of our installations in Tibet, telephonic, telegraphic and what not. I know it was a goodwill gift to promote goodwill and cordial relations. But we must insist on some reciprocity in these matters. If the Chinese Government are not willing to concede this small matter, why should we go out of our way to be so very generous? Why should we go out of our way when they do not reciprocate even in a small measure? I do not know how much sum was involved in this free gift of telegraphic and telephonic communications that we had in Tibet. That was the gift that we made to the Chinese Government when the recent agreement was signed, I think about a year and a half ago. If at that time, this matter was hanging fire or pending consideration with the Chinese Government, we could have asked the Chinese Government, what about that particular thing. I do not know whether there are some other matters pending also and whether claims on other matters are also involved. I am not aware of those matters. But this particular matter has come before the House.

The question is whether at the time the Sino-Indian Agreement was signed on Tibet, this matter was brought before the Chinese Government or not, along with other matters, if there were any. Why was this particular matter which has been under consideration by the Chinese Government for years not brought up before the Chinese Government? What was the reason? Why did we give so much

of free telephonic and telegraphic communications in Tibet? Why could we not settle this small matter regarding our Indian nationals?

I am sorry to say that in our foreign affairs or in the general management of foreign affairs, we are being over-generous to other nations, without getting anything from them on a reciprocal basis. This is a very flagrant instance of that state of affairs. If only we had made a serious demand of the Chinese Government in all earnestness, that they must settle our Indians' claims before we make these things over to you, I am sure the Chinese Government would have reciprocated. I am afraid our Government failed to do that. They failed to make a suggestion or a request to the Chinese Government, or rather a demand, for this is not a question of making a request.

I might quote one other instance in regard to this lack of reciprocity. We have been paying Pakistan so much from time to time by way of this claim or that. But recently for the incident in Nekowal in Jammu and Kashmir, where some of our civilians and even some of our army officers, a Major of the army, and some of our jawans were killed, there was a demand for compensation. Our Government asked for compensation from the Pakistan Government. But so far, I believe, there has been no response from the Pakistan Government with regard to the payment of compensation. Here too a similar state of affairs is prevailing unfortunately.

The small sum claimed by our Indian nationals has not been settled by the Chinese Government, though we have gone out of our way to supply them free so much of these telegraphic and telephonic installations in Tibet.

This was intrinsically a goodwill gift. At the same time, the Chinese Government should have shown us also equal goodwill and should have undertaken to settle this matter also at the same time, simultaneously. But that was not done and still the matter is hanging fire. Our Government are

committed to this by making *ex-gratia* payments to these Indian nationals. I would ask the Government to tell the House whether in the near future, in the immediate future, they will take steps once again to move the Chinese Government and get this matter settled to the satisfaction of this House and the Indian people in general and to the satisfaction of those former employees of the Shanghai Municipal Council in particular.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Shri N. R. Muniswamy: Shri Kamath has been dealing with this from an angle different from the one I wish to deal with. I bring to your notice that the Indian Ambassador in China has committed the Government of India to the extent of Rs. 7 or 8 lakhs? I do not know whether the Indian Ambassador could ever commit the Government of India financially. Here, of course, we do not mind granting Rs. 1,60,000—about 25 per cent. of the verified claims—*ex-gratia* payment to be made to the Indians there who have been thrown out of job. But before committing himself to the extent of Rs. 7 or Rs. 8 lakhs, he must at least have obtained the permission of the India Government. I do not know whether he had actually obtained permission? Would this grant of *ex-gratia* payment to the extent of Rs. 1,60,000 mean that after payment of the 25 per cent, the balance 75 per cent. should also come out of the Consolidated Fund—to the extent of Rs. 5 lakhs? After getting the money from the Shanghai Government later on, will the Consolidated Fund be re-imbursed to that extent? If there is any delay in the negotiations or the Correspondence between this Government and the Shanghai Government, we must also know whether the delay is reasonable or not.

So I would like this aspect, as regards the Indian Ambassador committing the Government of India financially to be clarified. I think it is not proper for him to do like that. So I hope the Minister will clarify as

[Shri N. R. Muniswamy]
to whether he could commit the Government of India to the extent of Rs. 7 or Rs. 8 lakhs without prior sanction.

Shri S. L. Saksena: I had occasion, when I went to China last year, to visit Shanghai. There were many Indians who are still living there, there are about 200 of them. I found that they were not very happy and they have some difficulties and complaints. One of the complaints is that they could not send their money to India. The currency was not probably exchangeable. Also they wanted to come out and settle in India, but they could not dispose of their property and take the money back to India. I think with our good relations with China, the Government of India should move in the matter and see that these difficulties of our nationals there are removed. Another difficulty is about food. Our Indians there take a lot of oil and other things which are rationed. The Chinese people do not take some of those things. I suggested that there should be some change for the Indian nationals in this matter on account of their food habits. But probably that was not possible to be done. I would suggest that the Indian Ambassador in China should take steps, look into this matter and see that these difficulties of our Indian nationals are removed. On the whole, the number of Indians in China is not large; there are not more than 300 of them and these difficulties should be looked into and removed. They should also be allowed to come to India when they can be used as good interpreters of the Chinese language.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): This item relating to money given to certain Indians in Shanghai is not a big item—it is about a lakh and a half of rupees. But this matter, I think, has been pending for the last dozen years or so, in various ways, with the previous Government and this Government. It is not so much a question of the money in-

involved, but because there are so many other things with other countries of the same type. It is not a small question between China and India dealing with this small item. I presume—I have not the facts with me—that they have to deal with a number of other Governments on similar problems. So that any decision they might take might apply to other cases too. Therefore, it has taken all this time. I have no doubt that the Chinese Government would like to settle this problem as soon as possible. We have been referring this matter to them on several occasions and we shall carry on these references till something is done. After all, very big changes have taken place in China, very upsetting changes all over, which have affected India very little relatively because there were few Indians or few Indian interests there, but which have affected powerfully other interests, other foreign interests in China. The hon. Member, Shri S. L. Saksena, talked about the 200 Indian in Shanghai. I met most of them too, and I think he is right in saying that they are none too happy. That is chiefly because, if I may say so, their old professions and jobs are gone, and they are just carrying on. They can, of course, come back to India if they want to; but they do not want to come. They wish to carry on there because they have been there for many many years, they have no roots here. Many of them are oldish, some young people. It is difficult for the Chinese Government or for anybody to provide special food for them, when there are controls and other things. Inevitably, the people from other countries have to submit to them. Maybe some little changes may be made, and our Ambassador and others and our Consul-General in Shanghai, keep in touch with them, try to help them and continue to help them.

Shri Kamath: Can the Indians get back their old jobs or compensation?

Shri Jawaharlal Nehru: Their old jobs? Most of their old jobs are non-

existent now. It is not a question of somebody else getting those jobs. The jobs are not there. Changes there have removed the jobs. For instance, many of them were in the police under the British Government. Obviously, the Indians are not going to be kept as policemen now in China. At that time, conditions were different.

Shri S. L. Saksena: They should be allowed to sell their property and come back.

Shri N. R. Muniswamy: The Indian Ambassador has given an assurance that he would pay the money value to all the Indian nationals there. Whether he did so with the concurrence of the Government of India has not been clarified.

Shri Jawaharlal Nehru: Money value of what?

Shri N. R. Muniswamy: We are now paying by way of *ex-gratia* payment Rs. 1,60,000, and he has assured the Indian nationals that they will be paid the money. Can he so commit the Government of India financially beforehand?

Shri Jawaharlal Nehru: I do not quite understand what the hon. Member says. The Indian Ambassador gave them assurance and we are trying to honour that. That is on our behalf.

Shri N. R. Muniswamy: Did he do it with the concurrence of the Government of India?

Shri Jawaharlal Nehru: I cannot, at the moment, say definitely. I suppose he must have obtained consent.

Shri S. L. Saksena: It was done long before, in 1943.

Shri Jawaharlal Nehru: When was this assurance given?

Shri A. C. Guha: Before the Communist Government took over and before our independence.

Shri Jawaharlal Nehru: It is a long time ago.

Mr. Chairman: We are only honouring that assurance.

Shri Jawaharlal Nehru: I may mention that the present Chinese Government recently has sent quite considerable sums of money to us—or through the Red Cross—for flood relief and the rest, much larger sums than this. So it is not a question of the bigness of the sum that is involved, but because, I suppose, it is connected with other countries' claims on them. Perhaps they do not want to take a step which might put them in the wrong with other countries—something like that probably.

Mr. Chairman: I shall now put the cut motions to the vote of the House.

The question is:

“That the demand for a supplementary grant of a sum not exceeding Rs. 1,60,000 in respect of ‘Miscellaneous Expenditure under the Ministry of External Affairs’ be reduced by Rs. 100.”

The motion was negatived.

Mr. Chairman: The question is:

“That the demand for a supplementary grant of a sum not exceeding Rs. 1,60,000 in respect of ‘Miscellaneous Expenditure under the Ministry of External Affairs’ be reduced by Rs. 100.”

The motion was negatived.

Mr. Chairman: The question is:

“That a supplementary sum not exceeding Rs. 1,60,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1956, in respect of ‘Miscellaneous expenditure under the Ministry of External Affairs.’”

The motion was adopted.

5 P.M.

DEMAND No. 25—MINISTRY OF FINANCE

Mr. Chairman: Motion moved:

“That a supplementary sum not exceeding Rs. 3,87,000 be granted

[Mr. Chairman]

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1956, in respect of 'Ministry of Finance'."

What are the cut motions to be moved on this Demand? Let them be moved.

Reduction of supervisory staff.

Shri N. B. Chowdhury (Ghatal): I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 60,000."

Possibility of avoiding extra expenditure by utilisation of existing surplus staff.

Shri Raghavachari (Penukonda): I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

Appointment of officers and staff for Department of Company Law Administration.

Shri Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

Creation of a new department 'Department of Company Law Administration'.

Shri Tulsidas (Mehasana West): I beg to move:

"That the demands for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

Mr. Chairman: Cut motions moved:

"That the demand for a supplementary grant of a sum not ex-

ceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced Rs. 60,000."

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced Rs. 100".

"That the demands for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

Shri N. B. Chowdhury: This department relates to the company law administration and the new company law has recently been passed. We recognise the need for a big organisation and we know that the department has to be strengthened in order that they can carry on the work successfully, but at the same time we find that there were previously offices of registrars in the States and there were other organisations also. We would like to know whether the registrars will continue as before to examine the returns and other information that may be submitted to them and if so, whether it is necessary to have a big supervisory staff here at the Centre. I find from the comprehensive note supplied by the Ministry that there would be seven Under Secretaries, four Deputy Secretaries, one Joint Secretary, one Private Secretary to Secretary and one Secretary. Here all these officials are going to draw very high salaries. The begin with the Secretary, he will get Rs. 4,000, then the Joint Secretary will get Rs. 3,000, then the Deputy Secretary will get Rs. 1100—1800 and so on. At the same time I find that the Lower Division Clerks are going to be paid Rs. 55 and the peons, dufftries and class IV staff will get Rs. 30 to Rs. 35 according to the usual scales.

I have to make two points. We are going to have a large number of high officials who will be paid lavishly. At the same time the peons, duffries and class IV staff and also the Lower Division Clerks are not being paid adequately. We think that it is necessary that, in view of the demand for a second Pay Commission, or if we cannot have a commission like that, we should in the meantime do something to see that the low paid staff are paid adequately and that the officials at the top are not paid the rates mentioned here.

Another apprehension is that it will continue to be a top-heavy administration because we do not know what exactly will be the functions of these officers in spite of the existence of registrars and other officials in Bombay, Calcutta, etc. We would like to know the duties and functions of the Section Officers and registrars in the context of the new set-up. While reorganising this department for having this company law administration, we should see that in the new context we do not give the high officials at top lavish salaries and that we do raise the salaries of the lower paid staff.

Shri Raghavachari: My cut motion is No. 6 which relates to the proposed new department to be in charge of the new company law administration. It was suggested by the House and accepted by Government probably as a consequence of the passing of the Companies Bill, as amended. In that they have already proposed and I have seen from the printed material supplied, that the existing department, that is, part of the Ministry of the Economic Affairs is going to man this thing also. They also propose that the amount already provided in the budget will be taken over for the new set-up. Nevertheless there is a deficit of Rs. 33,00,000 and that will have to be spent.....

Shri A. C. Gaha: It is only Rs. 33,000.

Shri Raghavachari: What I want to suggest is simply this. We have been talking so much of economy and scrutiny of these departments and to reduce the expenditure. We know that the moment some retrenchment is effected, the question of unemployment will be agitated and Government will always find themselves in difficulties. Now that you have actually created a new department, you have started by absorbing other superfluous and unnecessary staff into this. Therefore, not a single pie extra may be asked, for being spent again and the whole thing must be managed by a kind of adjustment. That is the only way in which we could probably bring about economy. Whenever this House passes a Bill urging the need for some kind of activity, you come before the House and say "You want us to do it and therefore give a few lakhs of rupees". Therefore, I want to stress on the Government the need to provide the cost of this department out of the savings or a readjustment of the staff they have already.

Shri Tulsidas: At the outset I would like to say....

Shri Kamath: Let us have quorum for a change.

Shri T. N. Singh (Banaras Distt.-East): Computation is something tricky and arithmetic is not the strong point of everybody.

Mr. Chairman: The bell is being rung—Now there is quorum. The hon. Member, Shri Tulsidas, may continue.

Shri Tulsidas: At the outset I would like to say that I am very glad that these detailed notes have been supplied to Members this time. I only hope that in future, whenever any supplementary demand for grant is brought in this House, we will receive detailed notes like these on every item. I am glad that these notes have been supplied. I hope that in future this would be followed properly. My cut motion relates to the creation of a new department for

[Shri Tulsidas]

company law administration for looking after the companies according to the Bill which we recently passed. It is for reduction of expenditure. However, I believe personally that the personnel which had been given in this note is not sufficient; I do not know how far they will be able to cope with the problem. Most of the top officials, except the three Under Secretaries and two Deputy Secretaries, are practically those who are there already in that department.

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): There is a Joint Secretary.

Shri Tulsidas: One Joint Secretary. I do not know if this department will be able to cope with the work relating to about 30,000 companies in the country. The Finance Minister in his reply during the third reading stage on the Companies Bill said that this legislation is perhaps unparallelled with regard to the powers which the Government have taken, it is complex work. Will it act as promptly as the hon. Finance Minister assured us in this House? Besides, we should have to take at least some persons who understand something about company administration. I do not know whether the officials who are to be taken will have the experience of the companies administration or not. I know the person who is going to be in charge of this department; he has been looking after this department since 1951. I put that question when the Bill was under discussion. In spite of this department having already had a good number of officers, the quality of the work has not been to our entire satisfaction; there have been delays and complaints. We are now going to take up enormous work and entrust it to this department. I do not know how they will be able to cope with it. The point is not one of expenditure. I want that the officials who will be in charge of this department should be experienced in company administration. Unless you do that, the terrible responsibilities which you

have taken cannot be carried on properly. The Finance Minister has spoken about me as a pessimist. I only hope and pray that I may be proved wrong in my apprehensions. They still remain after I saw the detailed note of the administration. I only hope that the challenge which the Finance Minister has taken up to put this administration in a business-like manner is fulfilled. This administration will have to see that the companies functioning in this country do not have bottlenecks.

Shri A. C. Guha: Is the hon. Member's apprehension about the number of the staff or their quality?

Shri Tulsidas: I say, it is their quality. I was saying it from the beginning.

Shri A. C. Guha: How can the hon. Member guess things; how can he have any guess about their quality?

Shri M. S. Gurupadaswamy (My-sore): Very simple. From past experience.

Shri Tulsidas: The hon. Minister has been rather hasty in replying to me. I am not presupposing how the officers he will take will be. After all there are 30,000 companies in the country and the power that the Government has taken is so enormous. It is unparallelled; the work is complex. Will this administration be able to cope with that work with this number and with the best quality? This is why I say I hoped that this administration would be able to cope with this problem. The note says that this is only the beginning; we may have to expand it bigger and put more and more staff. My point is, this is not sufficient even in the beginning. Every company will have to come to the Government for approval a number of times; there may be bottlenecks. My only fear is that. I hope and pray, as I said earlier, that I may be wrong in my apprehensions.

Shri Kamath: I speak on my cut motion No 7 to Demand No. 25. The House is well aware that the Companies Bill which we have passed and which will shortly come back here from the Para Lok Sabha—I am sorry, from the Rajya Sabha—is going to confer tremendous powers upon the executive. The fears expressed by my friend, Shri Tulsidas, are perhaps not entirely without foundation. How far will the executive machinery be able to cope with these new requirements that they will have to meet and face? As the foot-note says, the new department, called the Department of Company Law Administration has been created in the Ministry of Finance. Considering that this is an entirely new department for our Govt., I would have very much welcomed a move on the part of the Government to associate both these Houses, at least for the time being, till the department got well under way, in the creation of this new department. That is to say they could have asked for a committee. Of course the standing committees have been abolished unfortunately.

An Hon. Member: Now, there are consultative committees—sitting committees.

Shri Kamath: Standing or sitting, I hope they will work. I would have wished that the Finance Minister had asked for advice and guidance from both these Houses and appointed a committee to advise him and the Government as regards this new department that is going to be created (*Interruptions*). There are very few advisers in the House and the advice given is rarely taken.

Even now it is not too late. I would ask the Government to move for the appointment or the setting up of a committee, by election or otherwise, of both the Houses to advise the Government as regards the creation and functioning of the administration till it gets well under way because that is an entirely new thing for our country.

The other matter which is more of a detail deals with the actual number of posts that are sought to be created.

The very helpful note supplied to us by the Ministry of Finance.....

An Hon. Member: Very helpful?

Shri Kamath: If not 'very helpful' I will say 'somewhat helpful'. Without that we would have been completely in the dark. At least there is some sort of twilight now in which we can consider this matter.

There is a statement appended here giving the lists of posts that will be created—gazetted staff and non-gazetted staff; these are the two categories. Coming to the non-gazetted establishment I would refer to those that are lowest in the scale, which are the poorest, the lowliest and the lost; the most neglected components of this establishment. I am referring to the daftries, peons and jamadars. The statement shows: 23 daftries, 52 peons and 4 jamadars. Scale of pay for daftry is Rs. 35-50, for peons Rs. 30-35 and for jamadars Rs. 35-50; while at the top we have got Rs. 4000, Rs. 3000 and so on and so forth.

Mr. Chairman: That is more or less a general question.

Shri Kamath: Yes; and I am not going to discuss that in great details but I would have liked the Government to have taken advantage of this opportunity that was offered to them and reconsidered the matter at least in regard to the scales of pay of these lowest paid servants everywhere—daftries, peons and jamadars.

I do not really know whether as many as 52 peons will be necessary. I would only invite your attention, Sir, and the attention of the House to what the Prime Minister remarked here in New Delhi—some time last year I believe; I was not here but it was reported in the papers. The Prime Minister speaking at a party—at a tea-party given by the Federation of Indian Chamber of Commerce and Industry or some other function—in

[Shri Kamath]

New Delhi referred to the enormous growth of establishment in the Secretariat, particularly to the number of peons. I do not want to create any fresh form of unemployment but the Prime Minister referred to this phenomenal increase in the number of peons and said that the number has increased from about 800 or a little over a thousand during pre-war days to about 18,000 now in the Secretariat and he wanted to cry a halt to this progress, if you call it a progress, in the phenomenal increase in the number of peons. The papers have also very often treated us with delightful anecdotes and narratives about the use to which these chaprasis and peons are put to by some of the officers. They have been employed for domestic work, for marketing work and for other kinds of work.....

An Hon. Member: For holding baby.

Shri Kamath: Somebody says 'for holding baby'. Yes, perhaps they are used for baby sitting, or baby perambulating and things of that sort. I am sure, Sir, and I know it very well myself, that during the British regime we had lots of things to say against them and very rightly too. But there were certain standards which the officers and councillors of Government—called Ministers now—lived up to. They lived up to high standards and any departure from those standards was frowned upon by the House. But, unfortunately there has been a laxity in the enforcement of those standards now and the Prime Minister was, perhaps, very right when he said that this increase in the number of peons and chaprasis was phenomenal and must be halted. Really, if these extra-official works could be put a stop to, to which I have referred—domestic, marketing, baby sitting or baby perambulating and other miscellaneous work—the officers will not require as many chaprasis as they do now. In Europe, Sir, big officers—even Ministers—carry their own files and carry their own little *bastas*. But, here it has been the custom, perhaps even a tradition has grown here, that officers must have a

chaprasi to carry even little files. Ministers too have got one or two chaprasis to carry their small files and *bastas*. These files should be carried in their own hands but a tradition, a custom has grown in our country that the peons must carry them. I think in our new set-up, what is called the democratic set-up, unless the files are too heavy weighing more than 5 or 10 pounds—in that case I do not mind the Ministers getting a little relief after their tedious, I will not say tedious but heavy work in this Chamber or in the other House—this custom must go. I would certainly not like this habit to grow in every little thing. For every little job, for all sorts of odd jobs we require peons and chaprasis. They should do the work that is assigned to them and not other work, which is more or less *begar*. It is more or less *begar* and under the Constitution it has been banned.

Mr. Chairman: On the Supplementary Grants there is no occasion to make such general allegations.

Shri Kamath: I am not mentioning any name, but the Prime Minister referred to this question.

Mr. Chairman: We are here concerned only with the Supplementary Grants. A discussion of a general nature would be open to the hon. Member at the time of the General Budget. Here he is dilating too much upon one aspect only. If he wants to speak on any other aspect he may do so.

Shri Kamath: During the last Budget Discussion I was not here and that is why I raise those points now.

Mr. Chairman: But you have already taken too much time.

Shri Kamath: I will finish in half a minute. I would have certainly referred to that aspect of the matter if I had been here during the last Budget Discussion. I am only endorsing the remarks of the Prime Minister in this respect and I only hope the Prime

Minister will follow it up. He as the head of the Government and Leader of this House, I hope, will look into this matter, and he will have our support in enforcing strict standards in administration and seeing that an officer who is given a job does only that job and not any odd job which he may be asked to do by persons in authority.

I would, therefore, move this cut motion and I would ask here for clarification of one more point. There are two categories mentioned here—stenographers and steno-typists. I personally think that steno-typists would cover both the jobs, and stenographers.....

An Hon. Member: Are not necessary.

Shri Kamath: Both categories are not necessary, only steno-typists will be sufficient. I know that a stenographer knows only shorthand and does not know typing, but there is so much of unemployment among the steno-typists also that I do not know why the Government should employ stenographers who are not typists as well. You can have steno-typists who can take down notes in shorthand and then type. An examination was also recently conducted for stenographers, the results of which were published after 9 or 10 months. I do not know why there was so much delay. The examination was held last November and this September the results have been published—after 10 months—and even then the result of one candidate has been withheld. The press note says that the result of one candidate will be announced later.

Mr. Chairman: There is no Supplementary Demand with regard to the Stenographers' Examination.

Shri Kamath: I was only referring to it incidentally to point out the fact, as we have saved a lot of time. The Company Law Bill being so important and its administration being the most important point now before the House which is an entirely new item I hope you will be so generous as to give

some more time for the consideration of this Demand.

Mr. Chairman: The hon. Member himself wanted only half a minute and he has now taken two minutes.

Shri Kamath: I will finish in half a minute and come to the last point. Anyway, I hope I have made my position with regard to this matter pretty clear. The first thing is I want a Committee of both the Houses to advise Government as regards the creation of this new department and getting it under way because both the Houses have taken so much interest in this Bill and have spent the largest time—proportionately, I mean—on this Bill. Why should not both the Houses be associated with the Government as regards the creation of this new department. I think it is a very legitimate demand and I am sure my hon. colleagues will endorse that demand that this new department should have the advice of both the Houses of Parliament by means of a committee, so that this new department gets well under way and functions in the interest of the people at large and not merely in the interests of a few. I would like the Government to tell us—I mean, the House—whether they have considered or are going to consider this matter at all in the near future.

As regards the lowest paid officers, I want it to be considered whether there cannot be a cut in the number of chaprasis, in view of the charges made by the public, against the officers, and it has been indicated indirectly by the Prime Minister himself in a speech last year the charge of chaprasis being misused by some officers is correct. If that is so, I want to know why some action is not taken in that matter as well.

Shri Ramachandra Reddi: I have got a very few observations to make, more with a view to seeking clarification rather criticising the action of the Government. We all know that in the Companies Bill, they have not produced the proverbial Mouse but a Monster. We have nearly 100 clauses there under which Government has taken

[Shri Ramachandra Reddi]

the powers to scrutinise, examine and control company administration. I could see here in the note provision being made only for the secretariat staff. I searched in vain for some clarification regarding the appointment of field staff. I should think that field staff would be very much more than the secretariat staff and the House would welcome a clear indication of the amount that would be required for the field staff also. In this connection, I would like to mention the necessity of recruiting the officers necessary for this department very carefully. On the one side we have to think of efficiency and on the other side, we have to think of giving satisfaction to some of those officers who are already in service. I am referring to the officers who have been already looking after company administration in the States. We see that there is a great disparity in the scales of pay of Central Government servants and State Government servants. All the State Government servants who have been accustomed to the administration of company law must be given an opportunity to work under the Central Government, if they are found competent and if necessary, after due training. Otherwise, the heart-burning that has been already there would continue. Also, in that way there will be a possibility of giving a sort of regional satisfaction by the Central Government.

With regard to the appointment of supervisors, a number of honest people have to be recruited, after proper scrutiny into the confidential reports if they are already in service. I fail to see also any provision made for the upkeep of the Advisory Committee which has been invested with a super judicial authority under this Act. I hope that the hon. Minister of Finance would be able to give us some categorical replies to these things. Usually we are accustomed to seeing the Government trying to ply with a pin, but later on applying the pick axe. Here we are told that not more than Rs. 33,000 are required for running

this new department. But if they had given an overall picture to us, it would have been very much appreciated, even though it might have gone into several lakhs of rupees. These Rs. 33,000 are shown by appropriation of some of the items, from one item to another item. But I would like to have a clearer appreciation of the facts and also a more clear picture of the financial structure that we will have to adopt in course of time.

I would like to make one remark in the end and that is with regard to the provision of high salaries to secretaries. I do not very much grudge payment of decent salaries to the secretariat staff; but the amounts of Rs. 3000 or Rs. 4000 that have been provided for the secretary, joint secretary, deputy secretary and so on do not seem to indicate the present Government's policy of evolving a socialistic pattern. I would certainly appreciate the payment of a decent salary, but not a very high salary like this. If it is possible to reduce these items, I think the House will very much appreciate the move of the Government. I would, therefore, urge upon the hon. Finance Minister to give us a more clear picture of the entire financial set-up that is going to be adopted and tell us what approximately would be his demand when he will be submitting his budget.

Mr. Chairman: It is said somewhere in the notes that the total expenditure would be about Rs. 10,20,000.

Shri M. S. Gurupadaswamy: I want to make only one observation. The Joint Commerce on the Companies Bill made a suggestion that the administration of the company law should be entrusted to a separate department; the reason for this view was that in the existing set-up, the company law administration has suffered considerably, because a wider department dealing with several matters has been handling this administration of company law. I have no quarrel with the idea of setting up a separate department for company law administration. But I

have got one doubt in my mind, namely, the expenditure that has been suggested to us now for this separate organisation is not the final figure. It is going to be revised from time to time and according to their own statement, the Government require more time to assess their full requirements and it is likely that the expenses of the administration may increase. Here I am sorry to notice the laxity of the administrative staff in this matter and I only wish to say that in spite of the fact that so many officers, secretaries, deputy secretaries, joint secretaries, and under secretaries have been working already—we have already had a staff for the purpose of the Companies Bill which has been before us for nearly more than a year—till today we have not been able to get any idea as to how much money is required for the purpose of company law administration. One of the main criticisms at the time of the debate on the Companies Bill was that the Company Law administration or department or whatever it is, was functioning till August under the Economic Affairs Ministry, and that this department was not working properly and satisfactorily, and that there was too much of laxity. In spite of that criticism, we are sorry to find that the department with such a massive staff behind it, has not been able to give us this idea about the total expenditure or the total requirements necessary for this purpose. I would have been satisfied, many Members would have been satisfied if we had been given some final figure. We do not know whether this extra expenditure which will mount up hereafter,—we do not know to what height—would mean extra efficiency. Mere increase of expenditure in expansion would not bring a proportionate increase in efficiency. On the other hand, the effect may be otherwise. It may lead to greater inefficiency. Because there are more men to create confusion in the department, there may be less clarity, less control and less responsibility in the operation of the Company law. I am afraid if there are more hands or more brains working in department, the responsibility may be diffused. That has been my experience. That has been my ex-

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perience. In certain cases, for the sake of efficiency, a fewer hands would be better than more hands. I would have been very happy if they had given us some idea as to the total expenditure. They have failed to do so. It is a lamentable omission on their part.

Shri S. L. Saksena: I am happy that the new Company law will soon be on the statute-book. We are now providing for the machinery to implement it. We have passed a big Bill of about 600 clauses. I want to know whether it could effectively check the defrauding of shareholders. I would like to bring to the notice of the hon. Finance Minister the case of the Bharat Insurance company which is being closed and wound up and about 150 employees of that company are being thrown to the wolves. That company has been making profits for the last 15 years.....

Mr. Chairman: I do not see how it is relevant. We are now considering the new department which is going to be created. This has nothing to do with the new department.

Shri S. L. Saksena: I want to know how it will function.

Mr. Chairman: The hon. Member is speaking of a company in which 150 employees or shareholders are not treated fairly. Here we are considering this new department. The hon. Member is speaking of some other company and shareholders, etc.

Shri S. L. Saksena: I am asking how the Companies Bill now passed will stop defrauding of shareholders.

Mr. Chairman: That has got too remote a relevancy so far as this supplementary demand is concerned. This demand is for the creation of a new department.

Shri S. L. Saksena: At the time when the Companies Bill was discussed, this question was not asked as to how the Finance Minister wanted to take.....

Shri A. C. Guha: All these questions were discussed then.

Shri Velayudhan (Quilon cum Mavelikara—Reserved Sch. Castes): The officers will have to detect these things. It is relevant.

Mr. Chairman: The hon. Member is speaking for Shri S. L. Saksena? He can take care of himself.

Shri Velayudhan: I have a right to clarify certain points.

Mr. Chairman: The hon. Member himself is on his feet. He is himself explaining.

Shri Velayudhan: I was only clarifying his point.

Shri S. L. Saksena: We are creating a new department. It may cost a few lakhs every year. We are going to enforce the new Companies Act. I am only bringing to the notice of the Finance Minister some work of this new department. I am suggesting that they must look into the affairs of the Bharat Insurance company which is trying to defraud the shareholders of all their money, throwing to the wolves so many workers. I think the functioning of this new department will cost a lot of money. But, we should now be able to stop this kind of drain and looting of the shareholders.

Mr. Chairman: The hon. Member is logically pursuing the line and making these remarks. There are roughly 29,000 companies. If in respect of each of them it was said there were defects, and they required protection and I enquired how such protection will be given I think there will be no end to the hon. Member's speech. After, all, this demand has nothing to do with the Bharat Insurance company. General point may be made. The hon. Member is speaking of a particular company. I do not know how these affairs come in.

Shri A. C. Guha: One hour has been allotted for this demand. That may also be taken into consideration.

Mr. Chairman: I am looking to that also. We started at Five.

Shri A. C. Guha: I shall have to reply also.

Mr. Chairman: How long will the hon. Minister take?

Shri A. C. Guha: Ten minutes.

Shri S. L. Saksena: I respect your ruling. I will not refer to other companies. I will request the hon. Finance Minister to probe into the affairs of the company that I have brought to his notice.

Shri N. R. Muniswamy: There are about 29,000 or 30,000 companies in India. The staff that is proposed here, according to Shri Tulsidas, is inadequate. As suggested by my friends on the other side, considering the field staff, it should be even more. The present estimated annual recurring expenditure is Rs. 10,20,000 for the secretariat staff. If we add the field staff, it may be more. What I suggest is that the Finance Minister will see that regional representation is maintained in the secretariat staff and in the field staff. These 30,000 companies are spread all over the country in all States. There are also certain officers who are already working in this Company law administration before this merger. They may either be absorbed in this new department or in the alternative, they must be given field work so that every State may have representation.

Shri Jhunjhunwala (Bhagalpur Central): As we all know, Government have taken a great responsibility upon themselves in assuming so many powers under the Company law. I think they have taken these powers with a view to improve the economy of our country, as it will depend upon the people who run the companies. But now much will depend upon how the Company law is administered by the Government. My hon. friend Shri Tulsidas has very rightly pointed out that there should be the right persons who know as to how business is carried on. If those persons are people in charge of administration of companies, they may know the difficulties; as to where the shoe pinches, which problem should be decided first and in what way it should be decided.

Whenever anything is brought to the notice of the Administration here, they will simply look to the big book and say that there is a statutory bar for this and so we cannot do anything, though substantially looking to the whole question, they might pass orders immediately on the application of any managing agent or any shareholder allowing their requests. But, because they do not know the ins and outs of the working of companies, they would simply go to the letter of the law with the result that many times, as apprehended by Shri Tulsidas, bottle-necks would arise. Such things may arise at the time of capital issues and other things. They have a mind to start a particular company. They have made a sheme and everything. Now they come to the Government. It takes a long time. By the time they are permitted to form a company and order for machinery and other things, the whole scheme is frustrated. We have got great apprehension whether they will be able to help properly in the administration of these companies. My hon. friend Shri Guha put the question whether Shri Tulsidas meant the number of persons or the quality of the persons. I shall ask Shri Guha whether, when he was sitting here, he used to criticise the quality or the number. Most probably he used to criticise the quality.

Shri D. C. Sharma (Hoshiarpur):
Both.

Shri Jhunjunwala: If after going there Shri Guha has found some improvement in the quality, we shall congratulate ourselves and we shall congratulate Shri Guha. We do not think that this will be quite unsuccessful when Shri Guha is there. When he was sitting here—he has abdicated his seat in favour of Shri A. M. Thomas—he always used to talk about quality, sometimes about the number also, more than expenses. He should keep that thing in mind.

Shri A. C. Guha: All right.

Shri Jhunjunwala: He should not look to the letter of the law. If a complaint comes, he calls the Secre-

tary. The Secretary points out the particular section and says: "There is a statutory limitation. I cannot help it. How can I do it?"

Shri B. R. Bhagat: He is already convinced.

Shri Jhunjunwala: He is convinced that the quality is not good.

So, my only submission is that the Government has taken a great responsibility and they should not go only by the number. Shri Gurupadaswamy has rightly said that if the number is great, there is diffusion of power and as a result there is great confusion. Even if the number is less but the quality is good, the work will be better done.

Shri A. C. Guha: I think, before meeting the specific arguments of the hon. Members, I should remind them of the assurance given by the Finance Minister when the Bill was passed. It was more or less in the suggestion of the House, or under the mandate of this House, that the Government took enormous responsibilities in this matter, and the original provision in the Bill was changed by the Joint Committee and the House also approved that arrangement. Shri Tulsidas said that the Government has taken up the challenge which he gave about this organisation, or about the responsibilities put on this organisation. The Finance Minister was quite alive to the responsibilities and the enormous nature of the duties, or to use an apt word, the enormity of the task that the Government undertook, while piloting this Bill. He said:

"I am verp happy to give these assurances that have been demanded in regard to the administration: first, that it should be adequately staffed, that it should be competent, that red-tape should be reduced to a minimum, and that we should have a new concept of positive helpfulness, that is to say, our aim should be not to trip up the unwary, but to assist actively those who seem anxious to observe

[Shri A. C. Guha]

the law but find themselves somewhat helpless in the welter of legislation...."

Later on, he said:

"In regard to the volume of the work, we have no delusions and I fear it will keep on growing as far as the administration is concerned."

So, we are under no illusion about the responsibilities that we, on behalf of the Government, have undertaken, and the Members rather asked the Government to undertake those responsibilities. So, I hope the House will also support the Government in sanctioning this demand for setting up the necessary machinery for the implementation of the assurances given by the Finance Minister.

Shri Tulsidas has repeated his apprehension or pessimism. He is a successful industrialist and a banker also. I do not think pessimism is a good virtue for an industrialist and banker. He should have some confidence in his own Government and in the people of his own country who will be put in charge of this department. He has mentioned that the Government should try to take some people with some previous experience of company management. We have only the offices of the Registrar of Joint Stock Companies in the States. Those will remain as they are. Perhaps there will be some more increase in their staff as there will be enormous increase in the work there. We cannot get any staff from there excepting perhaps a very few; and if we are to get any men with previous experience of running joint stock companies, then, I think, we shall have to recruit from some of the colleagues of Shri Tulsidas.

Shri B. R. Bhagat: Or he himself.

Shri A. C. Guha: I do not think that would be just the right beginning for this organisation, and he himself would not suggest that. And I do not think any successful industrialist will care to take up the job on the salary that is being paid here.

Shri B. R. Bhagat: There should be compulsory recruitment.

Shri A. C. Guha: Some Members have mentioned about the pay scales, —Shri N. B. Chowdhury, Shri Kamath and some others. I think Shri Chowdhury used the phrase "at the usual rate"; he said that the pay of these officers has been fixed at the usual rate. I cannot understand what else the hon. Member could have expected. It is just one branch of the Central Secretariat, and the pay scale can be only in accordance with the pay scale of the Central Secretariat. Whatever may be the feeling about the pay of the Secretary, I do not think Shri Kamath would suggest that when other Secretaries of the Central Government enjoy a certain pay, this Secretary only should get a lower pay, or that the lower staff of this section should get a higher pay than the lower staff of other sections of the Central Secretariat.

Shri Kamath: I referred to only peons and daftaries—general revision, not particular revision.

Shri A. C. Guha: We can work only within the accepted set-up and the accepted policy, and we cannot just initiate a new policy in one department of the Government which may be just created now. The old officers will be functioning here. The Secretary or the Joint Secretary, who has come here was Joint Secretary in another section of the Finance Ministry. He was getting a certain pay there. We cannot bring him here on a lower pay. So, I hope hon. Members will take some practical and realistic view of the whole thing and may not always be guided by some theoretical ideas. I do not want to use any other word like "shibboleths" or anything like that, or "slogans".

Shri Kamath: I never said: "Do it now". Do it in the future.

Shri A. C. Guha: Some Members have mentioned that Government has not given a picture of the expenses

that may be incurred in this department. I think I can say in the next budget for the full one year there may be an estimate of about Rs. 10,00,000 out of which over Rs. 9,00,000 will be covered by the expenses already incurred in some other sections. Officers will be transferred from some other sections, and there will be less work in some other sections. So, we estimate that new expenses for this section for a whole year, at least for the next year, would not exceed near about Rs. 60,000 or something like that. I think the House should congratulate itself on the fact that Government have been able to do this enormous job at so cheap a price.

6 P.M.

Some hon. Members have mentioned that we should give a complete picture of the entire expenditure structure of this administration. Besides the Central Secretariat section, there are three Regional Directors and Registrars of Joint Stock Companies. The total expenses to be incurred on the latter according to this year's Budget is Rs. 8,47,000; and with the increase of work, there may be some increase in that.

Shri Ramachandra Reddi has mentioned about the difference in pay between those engaged by the State Government and those engaged by the Central Government here. But I should like to tell him that the offices of the registrars of joint-stock companies have all been taken up by the Central Government from 1953, and the pay-scales of the staff employed in them have all been revised on the basis of the Central Government pay-scales. So, there is no difference on that score. They have been treated as Central Government officials, and their pay-scales have accordingly been revised. I think I have now covered all the relevant points.

Shri Kamath: What about a committee of both the Houses to advise Government?

Shri A. C. Guha: A committee of both the Houses to advise Govern-

ment on the setting up of this Department? I do not think there has been any such thing anywhere.

Shri Kamath: An advisory committee.

Shri B. E. Bhagat: There is already an advisory commission provided in the Companies Bill.

Shri A. C. Guha: If my hon. friend Shri Kamath is anxious to know about this, I can say that Government cannot accept his suggestion.

Shri S. L. Saksena: What about the complaint I brought to your notice?

Shri A. C. Guha: An advisory commission has been provided for under the Companies Act to help in its administration. But the hon. Member wants an advisory committee to advise Government regarding the formation of this Department?

Shri Kamath: Till it gets under way.

Mr. Chairman: I shall now put the cut motions to vote.

The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 60,000."

The motion was negatived.

Mr. Chairman: The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

The motion was negatived.

Mr. Chairman: The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

The motion was negatived.

Mr. Chairman: The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,87,000 in respect of 'Ministry of Finance' be reduced by Rs. 100."

The motion was negatived.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 3,87,000 be granted

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March 1956, in respect of 'Ministry of Finance'."

The motion was adopted.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday the 27th September, 1955.
