

ment language is not a bar and to this effect instructions have been issued to all the State governments. If a candidate does not know a particular language, that should not be a bar. He will be recruited; but later on he is required to pass in some proficiency examination in the State language.

These are in brief some of the steps taken by the government to safeguard the interests of the linguistic minorities. As and when necessary government will not lag behind in going to the protection of the linguistic minorities. Of course, I must point out that all the State governments have not come up to our expectations. But I can very well say that there is encouraging response from them including U.P., Bihar, Punjab and Haryana, etc. It is true that a controversy is going on between Punjab and Haryana as regards the facilities to be granted to the linguistic minorities in their respective States. I hope that the controversy will be over soon. While saying this, I cannot refrain from making a statement that there are linguistic minorities in every State and it is the duty of the States to protect their interests. But one cannot forget the idea of national integration. A feeling of oneness is essential for every Indian. For their own sake, it is better that they should learn the State and regional languages so that no hurdles or difficulties can arise in developing their way of life. At the same time, Sir, they should also learn the national language which can only be the link language and which only can bring the integration of the country.

I hope, Sir, that my reply will suffice to the hon. Members who have raised various points. Thank you, Sir.

**THE VICE-CHAIRMAN (SHRI RAJENDRA PRATAP SINHA):** Now, we move on to the next item.

**SHRI P. C. MITRA (Bihar):** Can I ask one question?

**THE VICE-CHAIRMAN (SHRI RAJENDRA PRATAP SINHA):** No, Please.

# **THE COMPTROLLER AND AUDITOR-GENERAL'S (DUTIES, POWERS AND CONDITIONS OF SERVICE) BILL, 1971**

**THE MINISTER OF FINANCE**

**वित्त मंत्री:**

**(SHRI Y. B. CHAVAN):** Sir, I beg to move:—

"That the Bill to determine the conditions of service of the Comptroller and Auditor-General of India and to prescribe his duties and powers and for matters connected there with or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

Sir, the Comptroller and Auditor-General is a high dignitary to whom an important role and position have been assigned in our Constitution. Insofar as the financial matters are concerned, apart from compiling the accounts, he also audits the accounts to see whether the expenditure is in conformity with the appropriations obtained from Parliament. There are special provisions in the Constitution to ensure the necessary independence for him to discharge his responsibilities. This important role of the Comptroller and Auditor-General has been kept in view while drafting the legislation to prescribe the duties and powers and to determine the conditions of service of the Comptroller and Auditor-General. A Bill on this subject was introduced in the Fourth Lok Sabha and was referred to a Joint Committee of Parliament. The Joint Committee which considered the Bill in sufficient detail, while being in general agreement with the provi-

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sions, recommended some important changes in the Bill. The recommendations of the Joint Committee have been taken into account while re-drafting the Bill which is now before the House.

Sir, as the provisions of the Bill have been explained in the Statement of Objects and Reasons and also in Notes on Clauses, I do not propose to take the time of the House in repeating the same, but shall only deal with the important provisions of the Bill.

As the hon. Members are aware, Article 149 of the Constitution provides that the Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the Union and the States or of any other authority or body as may be prescribed by or under any law made by Parliament. It also provides that until his duties and powers are prescribed in that manner, the Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the Union and the States as were conferred upon or exercisedable by before the commencement of the Constitution.

The conditions of service of the Comptroller and Auditor-General are at present governed by three separate sets of provisions. Firstly, the Comptroller and Auditor-General (Conditions of Service) Act, 1953, passed under Article 148 of the Constitution, regulates the term of office and the pensionary entitlement of the Comptroller and Auditor-General. Secondly, his salary and other conditions of service are regulated under the provisions of Part 12 of the Second Schedule to the Constitution and also the Government of India (Audit and Accounts) Order, 1936. The latter order also specifies the duties and powers of the Comptroller and Auditor-General

in relation to the accounts of the Union and the States. The Comptroller and Auditor-General is at present responsible for keeping and compiling the accounts of the Union and of each State excepting the accounts relating to the Railways, Defence and a few other Departments such as the Food Department, Supply Department, Lok Sabha Secretariat, in which the accounts are kept and compiled by the Department themselves.

The Administrative Reforms Commission has recommended that as a general policy, the responsibility for maintaining the accounts should continue to vest in the Comptroller and Auditor-General except where separate Accounts Officers have been set up for the purpose.

The Bill accordingly provides for the maintenance of the *status quo*. However, in recognition of the fact that maintenance of accounts is essentially an executive responsibility and is entrusted to the Comptroller and Auditor-General on grounds of economy and administrative convenience, the Bill also provides that the President or the Governor of a State may relieve the Comptroller and Auditor-General, after consultations with him, of his responsibility to compile or keep the accounts of any particular service or department, class or character. The Comptroller and Auditor-General audits expenditure of Union and State Governments. His audit also covers transactions of other bodies and undertakings wherever Comptroller and Auditor-General's audit is prescribed. In addition, the receipts of certain Departments are also being audited wherever such audit has been entrusted by the Union or the State Governments. Under the existing arrangements where grants and loans are given for a specific purpose by Government to other bodies a provision is normally made under executive orders for Comptroller and Auditor-General's audit to ascertain whether the grants and loans are spent for the purpose for which they

are intended. It has been considered desirable to make specific statutory provision for this audit in the Bill. Similarly, there are many bodies which are at present substantially financed by grants or loans from Government and whose accounts Comptroller and Auditor General does not audit as a matter of right. At the suggestion of Joint Committee it has also been provided that Comptroller and Auditor-General's audit should extend to these bodies and the audit should examine not only the expenditure but also the receipts of these bodies.

As regards audit of receipts, under the existing arrangements receipts of Government Departments like Income-tax, Customs, Sales Tax, etc., can be audited by Comptroller and Auditor General only with the approval of or, if so required, by President or the Governor of a State. The Administrative Reforms Commission recommended that Comptroller and Auditor-General should be empowered to audit all receipts which are payable into the Consolidated Fund of India and of the States. Accordingly, in the earlier Bill which was considered by the Joint Committee the audit of receipts was made mandatory. The Joint Select Committee, however, in view of the representations received from certain State Governments that such a provision would result in administrative inconvenience recommended that a proviso should be incorporated in the Bill to empower the President to relieve Comptroller and Auditor-General of his duties to audit all or any of the receipts if considered necessary in public interest. The question whether such a provision was constitutional was subsequently re-examined by Government in consultation with their Law Officer and they were advised that any such restriction would not be constitutionally valid. Hence the Bill does not include the enabling proviso which was recommended by the Joint Committee.

The Bill also provides that the Comptroller and Auditor-General

may, if so requested after consultation with aim by the President or the Governor of a State or the Administrator of a Union Territory, as the case may be, undertake the audit of the accounts of any authority or body not otherwise entrusted to him by or under law made by Parliament. Such audit will be entrusted to the Comptroller and Auditor-General only in public interest and after giving a reasonable opportunity to the concerned body or authority to make representations with regard to the proposal for such audit. Under the provisions of the Bill, the Comptroller and Auditor-General may also propose to the President or the Governor of a State or the Administrator of a Union Territory that he may be authorised to undertake the audit of any body or authority not entrusted to him.

The Joint Select Committee of Parliament considered the question of bringing the Food Corporation of India within the purview of audit by the Comptroller and Auditor-General and recommended that a suitable provision for this purpose might be made in the Bill. The Joint Committee also recommended that in case steps are taken to amend the provisions of the Food Corporation Act, to provide for audit by the Comptroller and Auditor-General, no provision for this purpose need be included in the Bill. The Ministry of Agriculture have already initiated necessary action to promote legislation amending the Food Corporation Act to provide for audit by Comptroller and Auditor-General in the same manner as Government companies.

As regards salary and other conditions of service of Comptroller and Auditor-General the recommendations of the Joint Committee have been accepted and incorporated in the Bill. The Bill provides for the payment to the Comptroller and Auditor-General of India of a salary equal to that of a Judge of the Supreme Court. This equation was recommended by the Joint Committee. At present, the Comptroller and Auditor-General as

[Shri Y. B. Chavan.]

also a Judge of the Supreme Court draw the same salary, viz. Rs. 4,000/-

The Bill also provides that in the case of persons in receipt of pension separately, appropriate reduction in salary should be made.

The Comptroller and Auditor General can under the existing provisions hold office for a term of six years without any age restriction. The Joint Committee recommended that in addition to the tenure of 6 years a maximum age of 65 years should be specified. The Bill incorporates this recommendation of the Joint Committee.

The Comptroller and Auditor General is presently eligible to pension under the rules of service to which he belonged and in addition to an additional pension of Rs. 600 per annum for each completed year of service as Comptroller and Auditor General subject to a maximum of £ 1000 in the case of officers belonging to the ICS and Rs. 12000 in the case of others. This distinction between ICS officers and others is an anachronism and is being removed. The Joint Committee was of the view that the present pension for the Comptroller and Auditor General was not adequate and recommended that his pension should be increased to Rs. 15000 per annum subject to suitable reductions in case he resigns his office before serving the full tenure. Considering the role and responsibilities of the Office of Comptroller and Auditor General and the Constitutional restriction on his further employment under Government on demitting office as Comptroller and Auditor General this recommendation has been accepted and necessary provision incorporated in the Bill. Another important change that has been made is that the maximum pension of Rs. 15000 will be inclusive of any prior pension and the pension equivalent of death-cum-retirement gratuity that may be admissible to the officer. At present the ceiling on pen

sion of Comptroller and Auditor General does not include pension equivalent of death-cum-retirement gratuity admissible to him.

The Bill does not lay down the qualifications required for the post of Comptroller and Auditor General. The Constitution itself, while it prescribes the qualifications required for appointment as Judge of the Supreme Court, is silent in regard to the Comptroller and Auditor General. The Joint Committee of Parliament which reported on the earlier Bill also considered the question of prescribing qualifications for the post of the Comptroller and Auditor General but eventually decided against it.

The Bill does not also prescribe the conditions of service of the officers and staff of the Audit Department. In terms of article 148(5) of the Constitution the condition of service of the staff of the Comptroller and Auditor General shall be subject to any law made by Parliament be prescribed by rules made by President after consultation with the Comptroller and Auditor General. Consequently, the conditions of service of persons serving in the Audit Department are being prescribed after consultation with the Comptroller and Auditor General. Under article 309 of the Constitution the conditions of service of persons appointed to all public services are to be regulated by an act of the appropriate legislature and pending such legislation are to be prescribed by the President or the Governor as the case may be. There has been no legislation so far for employees of the public services. Legislation for the staff of the Comptroller and Auditor alone may not, therefore, be appropriate.

As I said earlier the Comptroller and Auditor General is an important functionary under the Constitution and I am sure hon'ble Members will agree that the provisions of this Bill will enable the Comptroller and Auditor General to play the role assigned to him effectively and properly. I am

, confident that the hon'ble Members will give their whole hearted approval to these provisions

Sir, I move

*The question was proposed*

SHRI B P NAGARAJA MURTHY (Mysore) Mr Vice-Chairman, I rise to support the Bill to determine the conditions of service of the Comptroller and Auditor-General of India and to prescribe his duties and powers and for matters connected therewith or incidental thereto

Sir this Bill was long overdue. Though it is said to be comprehensive I submit that, in my humble opinion, it is not so comprehensive as to cover all the loopholes and drawbacks that are existing in this respect. I may deal with only such salient points and request the hon Minister to consider those points on merit.

Mr Vice-Chairman, Sir, the Bill provides only for the status and salary of the Comptroller and Auditor-General. His status and salary have been equated with those of the status and salary of a Supreme Court Judge but in this Bill no provision is made in respect of the qualifications required for the appointment of a person as Comptroller and Auditor-General as prescribed for the appointment of a Judge of the Supreme Court. Similarly, though the status and salary of the DCAG was on par with that of a Deputy Secretary of the Central Secretariat once, when the salary of the Deputy Secretary was reduced, the salary of the DCAG was also reduced but subsequently when the salary of the Deputy Secretary was enhanced, the salary of the DCAG was not raised to be on par with that of the Deputy Secretary. This also deserves the consideration of the hon Minister.

Regarding the staff of the Comptroller and Auditor-General also there should be some statutory status to infuse some pride and satisfaction because they are dealing with such onerous and complicated duties as audit.

When the status and salary of the Comptroller and Auditor-General are

equated with those of the Judges of the Supreme Court, the Accountant-General of the various States should also be equated with the Judges of the High Courts of the respective States. That also deserves the consideration of the Government.

Now, day by day, the receipts to the Consolidated Fund of India and the expenditure also are increasing by leaps and bounds and it has become so complicated. Similarly, the expenditure and receipts in respect of autonomous institutions like the Food Corporation of India, Life Insurance Corporation of India, the Industrial Finance Corporation and the Nationalised banks have become so voluminous that those accounts also should be brought under the purview and review of the Comptroller and Auditor-General of India and there should not be separate provision in the various Acts for the control of these various bodies. Instead of that, if a comprehensive provision is made in this Bill it would be better. Similarly, where not less than 25 per cent of the paid-up share capital of the companies is paid by the Government, the accounts of such companies should also be brought under the purview of this Bill. The Administrative Reforms Commission has made a recommendation that where contracts are involved through direct negotiations without any reference to tenders and other things, in such cases where the sum involved is more than a crore of rupees, those accounts should also be subject to audit. But I do not find any such provisions in the present Bill that is introduced here. I would request the hon Minister to take these points into consideration and make a provision for all of them.

SHRI A G KULKARNI (Maharashtra) Sir, while giving a support to the Bill moved by the Minister of Finance regarding determining the conditions of service of the Comptroller and Auditor-General of India, I want to draw his attention to two or three points which I feel perhaps need consideration.

[THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair]

[A G Kulkarni]

As the Minister has rightly stated, the institution of Comptroller and Auditor-General is very important and it is through this office that the Parliament can have effective control over the finances of the public institutions. In this connection, I think the Minister has just now stated that while fixing the service conditions or dealing with the service conditions of the Comptroller and Auditor-General, the office staff has been left over and this has been left over because the service conditions of various Government servants are to be fixed under article 309. Sir, for this purpose I quote article 309, namely

"Subject to the provisions of this Constitution, Acts of the appropriate Legislature may regulate the recruitment, and conditions of service of persons appointed, to public services and posts in connection with the affairs of the Union or of any State."

Having said this, the Minister has taken the plea that unless the conditions of various staff categories in various Government Departments are fixed, the conditions of staff of the Comptroller and Auditor-General of India should not be fixed. But, Sir, the main Bill has been drafted taking into consideration article 148 of the Constitution. There is a provision in article 184 (5) about the conditions of staff also. I take your permission just to quote this subarticle, namely

"Subject to the provisions of this Constitution and of any law made by Parliament, the conditions of service of persons serving in the Indian Audit and Accounts Department and the administrative powers of the Comptroller and Auditor-General shall be such as may be prescribed by rules made by the President after consultation with the Comptroller and Auditor-General."

Therefore, the Government should have taken into consideration the fixing of service conditions of the staff because there are about 50,000 to 60,000 officers and staff serving in the Indian Audit and Accounts Department. You will see that all the office staff particularly Government servants have availed themselves of an opportunity to place their grievances before the Government or to agitate for their service conditions. But you have really heard nothing being done by the staff of the Indian Audit and Accounts Department or the Comptroller and Auditor-General. At least, during my parliamentary life, I have not heard about it. Therefore, this is the only occasion when the Parliament can keep them satisfied. I will be pleased if the Government takes this opportunity and fixes the service conditions of the staff also.

Another aspect of this matter is, as I have said, that the remuneration levels of officers and staff in the Audit Department are comparatively very low. This is the opinion of all the ex-Auditor-Generals, Mr. Narhari Rao, Mr. Chanda, Mr. Roy and even of the present Auditor-General, Mr. Ranganathan. This is the feeling expressed by all the Members of the Consultative Committee also. If appropriate positions are not given to the Audit staff, they would not command any respect from the executive staff. Why I say this is because the Comptroller and Auditor-General and his staff has to assist the Parliamentary Committees the PAC and the Estimates Committee, where senior Government servants are examined. Suppose they are lower in grades, salaries etc. then what moral and executive authority would they be able to command over the other Government officers who are to be questioned at that time? Similarly, Sir, their recruitment is to the Indian Audit and Accounts service and it is done through the UPSC. The Indian Audit and Accounts Service is on par with the IAS but if you see their pay scales you will be surprised. The Assistant Accountant-General is

placed in the scale of Rs 400-1250 while the District Collector and the Sub-Divisional Officers are placed in the scale of Rs 900-1800 and Rs 400-950. If we take the highest position in the Department the Accountant-General is equated with the High Court Judge but the Accountant-General who has to examine the Chief Secretary, the Secretary or the Additional Secretary of the Government Departments is placed in the scale of Rs. 2500-3500. That is a very large gap between the pay scales of the Accountant-General and the IAS officers.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN). Do you want it to be reduced?

SHRI A G KULKARNI. I want it to be upgraded. What is the use of reducing? The point is in this country particularly the Administrative Service, whether ICS or IAS, is trying to curb the other Services. I am making out the point that when the Accountant-General is taken into the Indian Audit and Accounts Service through the UPSC as they do in the case of the IAS, at least their salaries should be on par. There should not be an elite class of officers in the country. And these officers of the Accounts Service are supposed to be the eyes of Parliament. Parliamentary control over Government and other financial institutions is only through the service of these Accounts Service officers. I would draw the attention of the Finance Minister that there is this lacuna. I can say that there should be some amendment of this Bill but I do not want to take that course. I am pointing out that there is this difficulty in the matter of their service conditions and scales of pay which the Government must immediately take into consideration and come up with some amendments so that justice will be done to them.

Lastly, the Government should take this opportunity to declare that they will treat the Indian Audit and Accounts Service on par with the Indian Administrative Service. It may be done either by upgrading the service

conditions of these Accounts Service officers or by downgrading the service conditions of the Administrative Service officers. I do not want to plead for downgrading the Administrative Service but my point is parity should be maintained between the two. I want that these points I have mentioned should be taken note of and I hope the Government will find out appropriate ways of giving justice to the staff and the young officers recruited to the Indian Audit and Accounts Service. Thank you.

श्री जगदीश प्रसाद माथुर (राजस्थान)

उप सभाध्यक्ष महोदय, इस विधेयक के अन्दर जो धारा 16 में प्रावधान किया गया है रिसीट्स की जाच सम्बन्ध में वह बहुत अच्छा प्रावधान है। अब तक जिस प्रकार की व्यवस्था थी और विशेष तौर से स्टेट्स के अन्दर जहाँ कि स्टेट गवर्नमेंट के अधिकार में था कि कौन सा विभाग उनका कम्प्ट्रोलर एंड आडिटर जनरल के पास जाना चाहिए, नहीं जाना चाहिए, वहाँ इस धारा को हमने स्पष्ट रूप से लिखा है, मैं इस नाने से इसका स्वागत करता हूँ। लेकिन जो 15वीं धारा है उसमें मुझे लगता है बहुत बड़ी खामी और एक बहुत बड़ी गड़बड़ इसको कम्प्लीटली कम्प्ट्रोलर एंड आडिटर जनरल के परब्यू में न देकर की है। उपसभापति महोदय, सरकारी क्षेत्र बढ रहा है, ग्रान्ट्स और लोन देने में विभिन्न प्रकार के कारपोरेशन बन कर। उपसभापति महोदय, मैंने एक ऐसा उदाहरण भी देखा है, एक स्टेट की पी एस सी का चैयरमैन है उसकी कम्पनी स्टेट की फाइनेन्स, स्टेट की मनेज्ड इस्टीमेशन का आडिट करती है। अब इस स्थिति का देखा जाये। पी एस सी का चैयरमैन कहता है कि उसका व्यक्तिगत पेशा, चार्टर्ड एकाउन्टेन्ट का है, अगर वही स्टेट के दिए गए लोन या ग्रान्ट्स के अधार पर जो बनी हुई सस्था है उसके एकाउन्ट का आडिट करता है और उसे अगर खामी निकालने का प्रयत्न करे तो एक बड़ी गंजीव में परिस्थिति बन

[श्री जगदीश प्रसाद माथुर]

जाली है। अब हमारे डिफ्ट कारपोरेशन, हमारी डिफ्ट ग्रंथालयों में बहुत बड़ी मात्रा में बन रही हैं और जिस प्रकार से स्टेट की एक्टिविटीज विभिन्न क्षेत्रों में बढ़ती जा रही है उसी के अनुसार सरकार के द्वारा दिये गये लोन, सरकार के द्वारा दिये गये ग्रांट्स, सरकार के द्वारा दी गई सहायता के आधार पर वे बड़ी मात्रा में देश के अन्दर फंक्शन करेंगी। इस सम्बन्ध में अगर हमने आबलीगेटरी व्यवस्था नहीं रखी तो ठीक देखभाल नहीं हो सकेगी। आज ऐसा नहीं है कि केवल सरकारी विभागों में गड़बड़ होती है, केवल सरकारी विभागों में रुपये का दुरुपयोग होता है या केवल सरकारी विभागों के सम्बन्ध में लोगों को आपत्ति होती है। इन प्रकार का अडरटकिंग, इस प्रकार की स्थिति जिन्को हम लोन और सहायता देते हैं उनके विरुद्ध समय-समय पर गंभीर शिकायतें आती रहती हैं और देश में उनके सम्बन्ध में चर्चा होती है। मैं विशेष रूप से माननीय मंत्री महोदय से निवेदन करूंगा कि इसकी जो धारा 15 है उससे मुझे लगता है कि इस सम्बन्ध में बय उनको अधिकार हो जाता है, ऐसी बात नहीं है। अगर वह चाहे तो किसी को छोड़ भी सकता है। इस सम्बन्ध में विल्कुल आबलीगेटरी होना चाहिये कि जहां भी स्टेट की ओर से किसी भी रूप में रुपया लिया गया हो उस सम्बन्ध में हमारी सस्था को उसका आडिट करने का अधिकार होना चाहिये ताकि उस रुपये का दुरुपयोग न हो सके। तेल मुझे इतना ही निवेदन करना है।

SHRI V. B. RAJU (Andhra Pradesh): Mr. Vice-Chairman, Sir, the CAG is an officer of Parliament and he has to assist Parliament in detecting the excesses of the executive so that ultimately parliamentary control could be exercised fully. I welcome this Bill. I would like to make a few

observations in this regard which, I think, the Finance Minister will consider sympathetically. Firstly, I would like to plead, along with the other Members who have already expressed their views the need for having legislation for the structure of the Auditor-General's organisation. The hon. Finance Minister has mentioned article 309. Article 148 (5) has specifically made mention that Parliament should make a law laying down the conditions of service of persons serving in the Auditor-General's organisation. There is a difference between the functions of a Judge and the Auditor-General. The Auditor-General by himself does not do everything. He depends upon an army of officers and subordinates. In fact, the Accountant-General of the State does perform the functions of the Auditor-General in the State. So, the Auditor-General depends upon his staff, particularly subordinate officers, for the due discharge of his functions. Therefore, the tools supplied to the Auditor-General must also be efficient. The tools should be such as would be really useful to the Auditor-General and they would be useful only when they are satisfied. Only one illustration I will give and I will complete my observation on this point. Let us take the pay structure. In 1949, the salary of the chief Secretary of a State was Rs. 2,500.

Now, it is Rs. 3,500 for the IAS cadre, whereas the Accountant General of the State was in the scale of Rs. 800—Rs. 2,000 and he continues to be so in the State, and there has been no change. In fact, the ICS Chief Secretary in the State draws more salary than the High Court Judge.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Now the suggestion is that it should be the High Court Judge.

SHRI V. B. RAJU: No, no, I am referring to the Accountant General in my State. I have said that the Accountant General in the State has actually delegated functions. He functions as the Auditor General for State matters, for the submission of the



Audit Report to the Governor which will be presented before the Assembly. My point is, the position and status of the Auditor General is generally kept on par with that of the Supreme Court Judge. That is a very good thing that has been done and with no difference in salary because the Supreme Court Judge also draws Rs. 4000 and the Auditor General is already drawing Rs 4000. When the pay is raised, he will also get the same pay and status as have been given to the Supreme Court Judge. But the question is there also that for certain other matters, he is equated with the Secretary to the Government and not the Supreme Court Judge. I am just pleading the case of the Accountant General in the State where his pay scale has been kept very unsatisfactorily.

About the pay structure and the status that should be given to the organisation, in the case of a Judge, he hears two parties and gives the judgement. And a Judge can get on with a few stenographers. But in the case of the Auditor General he cannot do it. He has got to depend upon an army under him, whose position and status should also be such that they do their jobs efficiently.

About the functions, I do not want to go into the details. But I would say that the matter relating to public undertakings now needs a lot of examination. Sir, with regard to the companies, the Companies Act provides that the control of the Auditor General will be there if it is a Government company. The definition of a Government company is holding of 51 per cent share, equity capital. Deliberately, in some cases it is kept at 50 per cent or 49 per cent. Even though the amount is substantial, technically it is barred. Therefore some reconsideration is necessary for actually dealing with the Companies Act, for amending this provision. Even if it is 25 per cent, in my view, it should be there. A similar provision has been actually made here in clause 14.

Explanation—

"Where the grant or loan to a body or authority from the Consolidated Fund of India or of any State or of any Union territory having a Legislative Assembly in a financial year is not less than rupees five lakhs and the amount of such grant or loan is not less than seventy-five per cent . . ."

Two conditions are laid down in the Explanation—over Rs. 5 lakhs and it should be 75 per cent of the total expenditure. Sir, if the Government gives a grant of Rs. 50 lakhs and the total expenditure of that body is Rs 1 crore, then he does not come under the purview. Therefore, it should be seen whether all these conditions should be fulfilled. It is not good and it may not do very much.

Another point is, particularly for the companies a provision may be made for a supplementary audit of companies where the Government has a certain actual substantive holdings, and it may be provided in that manner.

Lastly, the criticism that is being levelled is that the executive has taken much power to see whether a public corporation or body should come under the Auditor General's purview or not. I may suggest to the hon. Minister this. In the case of the Public Service Commission wherever the Government does not agree with the recommendation of the Public Service Commission that matter is brought to the notice of Parliament. Here also wherever the executive, that is the President—President means on the advice of the Council of Ministers—does not agree with the suggestion of the Auditor General, that matter may be brought before Parliament so that the principle of Parliamentary control may be respected.

These are my observations.

SHRI PRANAB KUMAR MUKHERJEE (West Bengal). Mr Vice-Chairman, Sir, I support the provisions of the Bill but not whole-heartedly as desired by the hon'ble Finance Minister. I have some reservations about the

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provisions of the Bill because many of the important and judicious suggestions of some of the Members of the Joint Committee have not been given due consideration. It has been stated by the hon'ble Finance Minister in his introductory speech that at present it is not possible and desirable to raise the status of the audit staff of the Comptroller and Auditor-General because they are to be guided by certain other rules and constitutional obligations.

Sir, in view of the experience gathered in these years it has been pointed out by the Auditor General and the two ex-Auditors-General themselves who appeared before the Joint Select Committee that it is highly necessary to raise the status of the working staff in the offices of the Comptroller and Auditor General. Practically the persons who are doing the preliminary and most important work are mere assistants, termed as Auditors in the language of the Department. The auditors in commercial firms enjoy much more privilege and prestige than these auditors who are for all practical purposes mere Assistants, not even Secretarial Assistants. They do not enjoy any privilege because of their low status and low salary. I do not understand how merely by raising the status of the Auditor-General, securing his position through Constitutional provisions by this Bill, the function of the Auditor-General can be done properly without raising the status and salary of the person working under him.

Secondly, Sir, it has been suggested by some hon'ble Members—and I would request the hon'ble Finance Minister to give serious consideration to it—to raise the status of the Accountant-General in the various States. I understand that among the Accountants General also there are some classifications, First Class A.G. and Second Class A.G. So far as Accountants General of certain States are concerned, they are regarded as First Class A.Gs. The Accountant General, P. & T. or

the Accountant General, Central Revenues, are treated in a higher status than those of the other Departments or States. Therefore, it is very difficult to expect that the Auditor General would be also to discharge the constitutional functions and obligations entrusted to him by merely raising his status.

Thirdly, it is known to everybody that nowadays with the widening function of the Government and investment of government money in various sectors financial control has become a very important role. The Auditor General is practically the watchdog of Parliament because he can provide expert knowledge with his technical knowledge in dealing with financial matters. He can provide expert advice to Parliament. But the Auditor General himself is under the direct supervision and control, for his own expenses, of the Ministry of Finance. The C.A.G. is expected to make certain observations against the Finance Ministry, against its officers, against their dealings in financial matters. But can the Auditor-General, who is to ask for money from the hon'ble Finance Minister, or from the Finance Secretary, speak against them?

Then, Sir, it has become a very bad precedent in our country that officers, particularly a person occupying a Constitutional position, even after their retirement are provided with some lucrative posts. I understand one of the retired Auditors-General was provided with the post of Chairman of the Finance Commission. Some of the retired judges of the High Court and the Supreme Court are provided with the post of Vice-Chancellor or some other lucrative post. I do not understand how these persons can function properly without fear or favour if they are to seek other jobs even after their retirement. There should have been some provision that the Comptroller and Auditor-General after retirement at the age of 65 will not be provided with any job under the Government of India.

Secondly, Sir, it has been stated in the Bill itself that the Governor or the Administrator of Union Territories having a legislative assembly, or the President himself may drastically curtail the powers of the Comptroller and Auditor-General. There are certain provisions in the Bill itself that the Comptroller and Auditor-General will have to be consulted. But there is no provision to indicate whether the advice of the Comptroller and Auditor-General will be binding on the Government. As the clause stands at present, the executive authority, the President the Governor or the Administrator of a Union Territory having a legislative assembly, will decide ultimately which part of the audit and which accounts will be kept outside the purview of the Comptroller and Auditor-General. Therefore, my submission is that in spite of certain improvements in the provisions of the Bill, there are certain lacunae and the hon. Finance Minister should take note of them. If the Comptroller and Auditor-General is to function properly, without fear or favour, he must remain outside the influence of the Finance Minister himself. Otherwise, he cannot do so. Secondly, there should be sufficient Constitutional guarantee that the Comptroller and Auditor-General and the staff working under him will get co-operation from the departments. It has been complained on many occasions that the officers working under the Comptroller and Auditor-General have been refused inspection of books and inspection on the spot regarding doubtful monetary transactions. On many occasions, even after writing to the various departments and authorities, the Comptroller and Auditor-General did not get sufficient response, and the grievances remained as they were. If I remember correctly, in 1956 a great controversy arose in West Bengal. The then Accountant-General of Bengal was insulted in such a way by the then Chief Minister of the State that it came out in the press. A lot of discussion and controversy arose over it and ultimately the high-ups in the administration had to intervene

in the matter. Sometimes these things happen. If those persons who are required by the Constitution to look into the accounts and see whether the financial transactions of the Government are going on properly, do not have their position secured by Constitutional provisions, by statutory provisions, I do not understand how they can do their work impartially. Therefore, some of the suggestions made by hon. Members have relevance and validity and I would request the hon. Minister to look into them. Thank you.

SHRI BHUPESH GUPTA (West Bengal): Mr. Vice-Chairman, Sir, this Bill was examined by the Select Committee and I find that there are several notes of dissent appended to the report. We all entirely agree that the Comptroller and Auditor-General in our country should have independence and certain powers, such powers as would not bring him under the influence of, if I may say so with all respect, the Finance Ministry and via the Finance Ministry, the Executive. This is a very simple utterance and I think Mr. Chavan will agree with it. We have in our Constitution certain separate institutions like the Election Commission; which it has its independence. But this is one of the institutions, if I may say so, not only contemplated but also provided by the Constitution in order to ensure that the functions that attach to the Comptroller and Auditor-General are discharged independently as the watchdog of public finance. That in itself would require a great measure of independence on the part of this particular institution. Unfortunately, this is not done.

Before, I elaborate this point I should also like to say that the appointment of the Comptroller and Auditor General is also very important. These are the people who had occupied this post: (1) Shri Narahari Rao; (2) Shri A. K. Chanda; (3) Shri A. K. Roy and (4) now Shri Ranganathan is there. I am not talking about him. From some of our past experiences, we find that when we plead for their independence and

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powers, some of them at least have disappointed us. For instance, Shri A. K. Roy, after retirement, became, I believe, member of Board of Directors of how many companies, I do not know. There was then a rumour in this House and the other House. After retirement from so high an office he joined the private sector and as a result of that I think he gave up some of the things. Still I do not know whether he has completely liberated himself from the affection of big money. He is not now in Shri Chavan's reach, nor is he within my reach. But the institution is still within his reach. Therefore, this matter has to be considered. Straightaway I make a suggestion. People from the Ministry should be known to the government and the government should keep its eyes and ears open. They should know what kind of officials they have. If they are to be shifted like Shri A. K. Roy from Finance Ministry to this post or again like Shri A. K. Chanda, government should know what kind of people they are. When I saw Shri Chanda, I had a feeling that although his family was patriotic, he did not have any idea of patriotism at all. He lived in an Anglicised way. No doubt Shri A. K. Chanda came from the service. When you make an appointment to that post, you should be very particular. I think that the Comptroller and Auditor General should not be one who has any remote spiritual or other sympathies for the big business people. Shri Chavan will say: "I do not have a stethoscope to judge the sympathies in the hearts of men". But surely being an intelligent man that he is, he knows whose sympathies are where. We know it even sitting in these benches. I know some of the high-ups in the Government of India, in his Ministry. I can name some who are eminently qualified to be General Managers of the Birla concerns, but certainly would not qualify to be in charge of this institution. Let me make it very clear. Government has been talking about committed officers. I do not

mean Party commitment but commitment to progressive ideas and radical views and committed to certain policies which, broadly speaking, will take the nation forward and weaken the position of monopolists, remove corruption and promote healthy trends in our economic, social and political life. Such people, irrespective of their so-called political or Party sympathies should be taken and encouraged. Now you have to make up your own mind. Neither Shrimati Indira Gandhi, nor Shri Chavan, nor Shri Jagivan Ram, nor Shri Fakhrudin Ali Ahmed, nor Sardar Swaran Singh has made up the mind. I have named them because these are the five people constituting the consultative committee so to say, of the Government of India. They have not made up their mind. It is time they made up their mind. You cannot run with the hare and hunt with the hound. It is impossible. If you go on like that you will be overwhelmed by the evil forces conspiring against you all the time. You must take care so that those who follow you are not placed in jeopardy or in difficulties or are hamstrung in any manner. I can say that an institution is not what we make it, but what we say in our law, in our Constitution and an institution has a human aspect in it and that human aspect should be taken care of by the Government so that in that chair we do not put people whose very ideas, whose very way of life, whose very habit, whose very thinking, whose associations, social and otherwise, defy the very ideals we project, defy the changes that we want to bring about and defy the ideas of progress that we project. That is why Sir, I say that the CAG is like Caesar's wife. You must have heard about this. I do not know what would have happened if Caesar's wife had been in the company of our bureaucrats in the South Block and North Block. There would not have been any history or the historical figure called Caesar's wife. Even Caesar's wife would have been seduced by them. If the Romans had not done it, they would have succeeded in

doing it. Therefore, you should all the more be vigilant and careful.

Sir, the ICS and IAS people should never go to occupy the post of CAG, whatever you call them. I mean the people of that category. That is what I say. In fact, the ICS should go. Mr. Chavan, I think, should realise—I think he realises it from the bottom of his heart though he does not say so because he is a prisoner of circumstances—that the ICS is now absolutely becoming irritating to our national conscience. I am not talking about the IAS officers or the individual ICS or IAS officers. They may be good or bad. You know even under the British we had suffered because of them. You know, in the thirties, a particular person's brother went to fight in the Spanish Civil War as a Republican and also came to help the Indian national movement and later joined the Communist Party and so on. Such things also happen. But I am not talking about all these. I am talking about the institution. Therefore, this ICS institution should not be allowed to invade directly or indirectly in any manner the institution of CAG or influence in any manner this institution. I think when he makes an appointment or recommends an appointment in this connection to the President, he should take into account the fact that we are passing through changed times. He can find out also from his experience as to who from outside can occupy this position, who would be above suspicion and who does not certainly have any connection with the big business people or sympathies with the big business people or who is firm in so far as corruption is concerned. This is my first suggestion, Sir, with regard to the manner of appointment of the person who has to be found for that.

Sir, in this connection, I think two institutions should be abolished in the Government of India who influence many appointments directly or indirectly. One is what is called the Est-

ablishment Board or something like that in the Cabinet Secretariat. You see, the sub-committees are formed and the ICS gentry get together in order to persecute the people, carry on subversion and use the Confidential Rolls and so on. Mr. Chavan, I am not a Minister, but I know a lot about their ways of doing things.

SHRI Y. B. CHAVAN: I am not in the Establishment Board that you said and I have nothing to do with appointments.

SHRI BHUPESH GUPTA: I know that. But these are the people who are shifted to various positions. Mr. Chavan, I know that you have nothing to do with that. But these are the categories of people, species of officers, from whom you get such people. Who does not know Mr. A. K. Roy? Was not he in the Ministry of Finance? Was not he occupying an important executive position? Was not he advising the Government in many respects? Was it not a fact that a person after retiring as CAG became a scandal and scandalised the very institution itself?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please go to the next point.

SHRI BHUPESH GUPTA: You cannot understand it. I am confident that you are free from the worries of the common man of these days. People who are in the Chair should be above all these.

SHRI Y. B. CHAVAN: Like Caesar's wife.

SHRI BHUPESH GUPTA : Mr. Chavan and myself share these things a little. No. 2: I think they should be, as I said, independent of the executive. There is a feeling that it is not a sort of institution. It is really an institution which lives on the cooperative efforts of many officers and other employees also. And there is a great

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frustration and demoralisation there. To some extent, Mr. Chavan should be aware of it. Therefore, the service conditions of the employees are very, very important. They should be gone into. There are now about fifty thousand officers and staff working in this department.

Article 148(3) enjoins upon the Parliament to determine his conditions of service. Article 148(5) enjoins that the conditions of service of the staff also should be determined by law by Parliament. The Bill, however does not provide for this kind of thing regarding the officers and staff. I think we should pay a little attention to the worries and grievances of this staff and officers. That is the other point I want to make.

Now, I find there is another complaint on the score of remuneration. Remuneration level of officers and staff in the Audit Department is comparatively very low. This seems to be the opinion of all the Auditor Generals of the past, as also of the present Comptroller & Auditor-General, Mr. Ranganathan. Well, this is my information. I think this should be gone into. This is also the feeling expressed by us in this House in the past also and by our colleagues in the other House that the question of remuneration should be seriously considered. If proper positions are not given to the audit staff—they say they do not command any respect from the executive staff—the audit functions will suffer, and Parliament will be greatly handicapped as a result of this frustration. This would also come in the way of keeping a check on the executive. Now, therefore, Sir, my suggestion is that their service, remuneration, etc. should be gone into. The Audit staff is now utterly demoralised, as I said. There is no point in equating the C&AG with a Supreme Court Judge, as has been done in the Joint Committee Report, without defining the status of the officers and the staff in the Department. I think

Mr. Chavan should take an initiative, and he can take initiative in such matters, to define the status of the officers and staff in this Department.

Now, Sir, here is another complaint, which Mr. Chavan may kindly note and consider. The lowest level of the audit staff is the Upper Division Clerk. That is what he feels. I think his grievance should be looked into and he should not be placed in that situation. He should be equated with an Assistant in the Secretariat. Why should that not be done? He also discharges very responsible functions. And if he feels a little frustrated on account of the fact that his status is inferior to a man doing a correspondingly responsible duty I think his grievance is basically legitimate, and should receive the consideration by the Government.

The Superintendent of Audit, I am told, gets much less pay than a Section Officer in the Secretariat. The Audit staff have to do a lot of touring work and undergo a lot of hardship. If at all, they should get more pay, or the same pay as is given to the corresponding staff. I cannot say as to the exact amount they should get. It is for the Government to consider. But the grievances on this score seems to be quite legitimate, and requires to be looked into by the Government.

Sir, same is the position with regard to officers' level. As you know, Sir, I am not very much enamoured of speaking for the officers. But still they have grievances. I am talking about the institution. If these officers in this particular IAS institution feel somewhat frustrated, if they feel as Class B officers or like that or class 2B citizens or like that, it is bad for the institution itself, and for Parliament, as also for Government. I think they should not be treated as inferior to the Indian Administrative Service basically. That's what I say. They serve more or less on the same footing subject to certain technical limitations that may be there.

Now, Sir, I have got here the figures. For the Assistant Accountant-General and the Deputy Accountant-General the scale is Rs. 400—1250, for the Senior Deputy Accountant-General Rs. 1300—1600 and for the Accountant-General Rs. 1800—2250. These scales are for the IAAS. For the IAS these are the scales. For the Sub-Divisional Officer Rs. 400—950, for the District Collector Rs. 900—1800, for Heads of Departments in the States Rs. 1800—2000 for Secretaries to State Governments Rs. 2500—2750, for Additional Chief Secretary to the State Government Rs. 3000 and for the Chief Secretary to the State Government Rs. 3500. In this connection I may point out that even after the Pay Commission Report the salaries of Secretaries and others were revised in an upward direction to raise them. Now, Sir, the other people watch these things and therefore they have their grievance that their case is not being treated in the same manner. I am not suggesting that the salaries should be increased in all cases. But it should not be that some doing similar responsible duties are getting less while others are getting more. It should not be that in the case of some officials in some other branches of administration you are revising their scales of pay even after the Pay Commission Report whereas in other cases you are not doing so. That should not happen. Therefore, that is there. Government should take opportunity to declare that they will treat the Indian Audit and Accounts Service on a par with the Indian Administrative Service. This is my concrete suggestion. Why can't you do so? Our Indian Administrative Service is not such a precious thing of which we can all be proud. Many things have happened. There are good officers, there are bad officers. ....

SHRI A. G. KULKARNI: The Audit Service is not bad.

SHRI BHUPESH GUPTA: I am talking about that. Well, you have bank accounts; therefore you know

how to evade audit, I have got no account; therefore an auditor is irrelevant as far as I am concerned. Any way I am very happy that never an auditor I will require in my life except that auditing by the public as to how I am behaving, the auditing by the public as to how I am discharging my public responsibilities. Therefore, Sir, this question, I hope Mr. Chavan will consider.

Now, Sir, I am making a suggestion. Now, Sir, the Government take the stand that the pay and other emoluments and other things will be considered by the Pay Commission. Sir, here it is the Parliament. In determining the service conditions of auditors on a report to Parliament on the activities of the Executive Departments I think we should take a little more interest in them. I think Parliament's identification with the worries and problems of the institution of auditors should be greater than it is. How much time do we devote to discuss the problems of the auditors? We do not as a matter of fact discuss such things at all. For one reason or another, negatively or positively, we discuss the problems of the IAS officers and so on, but scarcely do we discuss the problems of the auditors. I think we should be seized of their problem a little better than we are now. Even in the case of companies it is the general body which fixes the remuneration of the auditor, not the management, not even the board of directors. Why can't we in Parliament lay down certain norms of salaries and other things for the auditor? This is what I suggest. Secondly, the Pay Commission comes in the way of rationalising the pay structure of the Audit Service and other Services, and not the Administrative Service. It is because the Government happens to be the Government by the IAS, for the IAS, and in many respects of the IAS, and so on, and also the ICS in many respects that way. Now that should stop. I say this question should also receive a little attention.

I find that the Chief Secretaries

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and Additional Secretaries are particularly favoured. Somehow or other they are favoured all the time. I know why they are favoured. They are very close to our Ministers; that is why they are favoured. The poor chaps in the Audit Department of Comptroller and Auditor-General are far away from the Ministers. One should really sympathise with them. If they are close to Mr. Chavan—I am not blaming you individually; I am only taking you as an institution, perhaps he would listen to them more, they will be able to make an impression on you better than those people who are far away from you. Why should they suffer on that account? I think, if they are not near you—I mean, here—you should go out to reach them and find out as to what they are doing.

(Interruptions)

SHRI A. G. KULKARNI: Please sit down.

SHRI BHUPESH GUPTA: If you have some suggestions, I have to participate in a demonstration; I am in a hurry. It is much more important to speak in a demonstration before the American Embassy. I have something to say; let me say; I am finishing

The Comptroller and Auditor-General should not depend very much on the Finance Ministry for funds and wait on the pleasure of the Finance Ministry. I think a provision should be made in the Bill to the effect that the estimates of expenditure of the Indian Audit and Accounts Department may be done by the Comptroller and Auditor-General himself. It should be for Parliament to discuss and finalise them. There is a tendency in this country to leave everything to the Finance Ministry. Why should we make them dependent on the pleasure of some officers in the Finance Ministry because the Minister himself cannot be expected to pay full attention to all these things all the time? I think that also should be looked into. Financial

would ask for a little more independence for the Comptroller and Auditor-General in financial matters.

Before I sit down I would again appeal honestly to Mr. Chavan kindly to pay attention to the very legitimate demands and grievances of the fifty thousand members of the staff in that particular institution; and more so because rarely do we discuss such things here; rarely do we take up their problems and they are not in a position to bring these to us, week to week, month to month. This is a very important institution. They are supposed to look after our finances, to tell us where we are wrong, to set things right. And we know there are people in the Government who go on spending money like anything; there is no planned expenditure. There is a lot of wastages; there is a lot of corruption I, therefore, want that this institution, this office should be such as would ensure proper check and vigilance against all of us, and specially against the Executive so that the monies are well spent—spent in the way they should be spent. Therefore, I think, we should keep them contented; we should meet their legitimate grievances and elevate their status if it is needed and also tell the fifty thousand other employees that their interests are being looked after, that their grievances and demands will receive due sympathetic consideration of the Government. In no case should they be treated as a body inferior to the IAS

SHRI Y. B. CHAVAN: Mr. Vice-Chairman, Sir, I have heard with great care and respect the views expressed by some of the hon. Members and I should say, most of them have made points which are very important one.

The basic objective of their speeches is, with which I entirely agree, to keep the independence of this very important functionary under the Constitution i.e., Comptroller and Audi-



vital to the integrity and efficiency of the functioning of the government. If this is the basic approach, I am entirely one with them. I will certainly assure the House that the intention of this Bill is to maintain that very thing and it is for that purpose that we have taken certain steps whereby we have accepted the status of the C & A G on par with that of the Supreme Court Judge. Now this idea of independence need not be taken to its logical—I won't say absurdity—extremity.

**SHRI BHUPESH GUPTA** Mr Chavan, if this extremity is logical, then it is acceptable also.

**SHRI Y B CHAVAN** It is in this sense that the C & A G should be independent of the Government and its functions should be completely uncontrolled by the executive. But it does not necessarily mean that budgetary control also should be completely independent of the Government. Now, Sir, for example, this House or the Lok Sabha or the Parliament is not only independent but is supreme, but its budget is not independent. The Parliament is supreme in every matter and, really speaking, that is the stand we are taking, but the budget of the Lok Sabha is certainly passed in the normal way. So is the case with the Supreme Court. It is certainly independent, but its budget is dependent and is not granted in such a way. When I say logical extremity or possibly the absurdity, it should not be interpreted like that.

Then so far as the question of fixing service conditions of the staff of the Comptroller and Auditor-General is concerned, some Members have made very useful points and they have said as to why we are not coming forward with the fixing of their service conditions under article 143(5). I am not saying that we should not do it, but I have said that at the present moment we have not thought of it. I would like to read this sub-article again. The emphasis here

is—I read the sub-article—that the conditions of service of persons serving in the Indian Audit and Accounts Department and the administrative powers of the Comptroller and Auditor-General shall be such as may be prescribed by rules made by the President after consultation with the Comptroller and Auditor-General. I am not against passing the laws, but even after passing the law, the rules which are to be made under the law are to be made in consultation with the Comptroller and Auditor-General. Therefore, the service conditions are something which cannot be just laid down by an Act of Parliament. The Act can lay down certain framework under the Constitution but, as I have said, these rules must be prescribed after consultation with the Comptroller and Auditor-General. I would like to tell the hon. Members that even the present service conditions and rules are prescribed after consultation with the C & A G. Even the budget is finalised after consultation with the C & A G, with his concurrence.

**SHRI A G KULKARNI** Does it apply with the concurrence of the C & A G?

**SHRI Y B CHAVAN** Yes.

**SHRI BHUPESH GUPTA** Suppose there is a disagreement?

**SHRI Y B CHAVAN** If we fix the service conditions and pay scales now, I think it will be over simplifying the matters. The Supreme Court is certainly independent, but can you say that the clerk sitting in the office of the Supreme Court is different from the clerk sitting in any other office? His pay scales must relate to the functions that he does and not only because he belongs to a high caste, his pay scale should be different. It is rather simplifying the matters. Therefore I quite see the point. Even at present these matters are taken to the Pay Commission. The Third Pay Commission is also going into the matter. The C & A G

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has gone with his proposal to the Pay Commission. They do not go through us, they are entitled to go directly to the Pay Commission and he has gone with his proposals to the Pay Commission and the Pay Commission can certainly take a decision on it. The question of pay scales is not merely a matter concerning the service; it has also something to do with the general economic condition of the country. It must have some relation to the pay scales of other services.

SHRI A. G. KULKARNI. But here a recruit to the IA&AS is not carrying the same scale of pay as the IAS. You are in a hurry but we have to point out the difficulties of the people.

SHRI Y. B. CHAVAN. I am not in any hurry at all. I could have listened to your speeches for any length of time. What I am trying to point out is that as far as keeping the independence of the C&AG is concerned I am one with you. Of course about the comparison between the Administrative Service, the Secretaries to Government and other Departments, you have certainly raised relevant points which need to be looked into. As far as that part is concerned somebody has sent me a note in which it is said that the AG's pay is half of that of the Chief Secretary of a State. Whether really speaking it is good, certainly these are points which need to be looked into. But because the C&AG is equated with the Supreme Court Judge if somebody says that the Accountant-General should be equated with the High Court Judge it is completely illogical. The High Court is not an agent of the Supreme Court; the High Court is an independent body but the Accountant-General is an agent of the C&AG. Therefore what requires to be done is to guarantee the independence of the man who is the supreme authority in the organisation and that is the

C&AG. And that is being done, we are committed to it. Really speaking we are trying to enlarge the scope of his activities in this matter. I think some Member said—perhaps the Member who made that point is not present here—that the right of operation of the C&AG should also extend to ... I think it was Mr. Raju

SHRI V. B. RAJU. What I said was if it was below 51 per cent it does not become a Government company under the company law.

SHRI Y. B. CHAVAN. That is the same point. Naturally you cannot say that the C&AG's control should extend to the companies where the Government is a minority. Whether the Government should remain in a minority in any particular company is a separate question and certainly I may agree with you on that point. But where it is a minority do you want to say that Government audit should be there? We are not saying that there should not be audit.

What I am saying is as far as the other public authorities are concerned we have said that the President or the Governor can ask the C&AG to go and audit. Even the C&AG can take the initiative and ask the President for the audit of any institution. This supplementary power is given both ways but it is not necessary that we should make it compulsory that the C&AG audit is made applicable to each and every authority and to each and every corporation because that would be rather making things difficult for the C&AG to function. Also I would say it would be making the other companies work rather more inefficiently. Again, as I have said in the other House and I would like to repeat the same argument here, the Government is undertaking responsibilities in an expanding manner, in a more economically complex manner. Are we going to make it compulsory for an audit of all these

activities also by the CAG? Then method of auditing is of a particular nature. It is much better if some of commercial activities and economic activities are subjected to a specialised type of audit. If the President feels, if Parliament feels that a particular company needs to be scrutinised or audited by the CAG, that authority is being given by the Bill. This is the position. As far as the independence of his functions is concerned, it has been guaranteed. Now, some Members said that the qualifications for the appointment of the CAG have not been mentioned. Fortunately the Constitution has wisely decided not to mention any qualification. Normally the person who has to be appointed is one who has got experience. There is no compulsion to appoint an ICS officer.

SHRI BHUPESH GUPTA: I know that. There is no compulsion for Mr Chavan to appoint an ICS officer, but have we any guarantee that he has no affection for ICS officers?

SHRI Y. B. CHAVAN: I may tell you that this tribe of the ICS will disappear within a few years. You need not be worried.

SHRI A. D. MANI (Madhya Pradesh): Sir, he has explained so many things, but I want to raise a minor point. The present Auditor-General is accessible to the public, but in the past whenever we have tried to raise something, some injustice done to staff, the Auditor-General has always taken the stand that it is an independent department and that he will not allow anyone, not even Parliament, to probe into the matter. Now, I do not want the authority of Parliament to enquire into the working of the Auditor-General's office to be limited in any way. As I said, the present Auditor-General is a very reasonable person. He allows Members to write to him and he also replies to letters, but in the past it has not been the practice. They have always said that they are independent

SHRI Y. B. CHAVAN: You are not putting a question, but you are making a speech.

SHRI A. D. MANI: I want to know whether Parliament can ask for a probe into the working of the Auditor-General's office in regard to any injustice done to any member of the staff.

SHRI Y. B. CHAVAN: I think Parliament can decide about it. I personally think, as far as I am concerned, you can take it as my view, that Parliament is not barred from looking into anything. That is my view. As far as the question of administration is concerned, somebody raised it whether a person who has sympathies for the private sector should be the Auditor-General or not. This perhaps can be discussed in this House. How can you debar Parliament from going into that question? This is my personal view.

SHRI BHUPESH GUPTA: You have understood the point.

SHRI Y. B. CHAVAN: I have understood the point, but it does not mean that Parliament can go and probe into the working of the office of the CAG. That is not what I am saying. About the independence of the CAG from the executive, Parliament is certainly careful. That is what the Constitution has provided for and it is a very healthy provision. I entirely agree with that. Some of the other points that may require to be looked into will be looked into. I do not say that they need not be looked into. This is the first attempt at making a comprehensive legislation. Possibly we will have to see how this Act functions. Parliament in its wisdom after some time may like to amend the Act, enlarge the scope of the powers of the CAG, if necessary, or possibly they may try to circumscribe them also if they find it necessary. I think I have tried to meet all the points that have been raised in the debate.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) The question is

"I. at the Bill to determine the conditions of service of the Comptroller and Auditor-General of India and to prescribe his duties and powers and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration"

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) We shall now take up the clause-by-clause consideration of the Bill. There are no amendments

*Clauses 2 to 26 were added to the Bill.*

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

SHRI Y. B. CHAVAN. Sir, I move:

"That the Bill be passed."

*The question was put and the motion was adopted.*

#### STATEMENT RE ABSENCE OF NEWSPAPERS IN CALCUTTA

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION AND BROADCASTING]

सूचना और प्रसारण मंत्रालय में राज्य मंत्री।

(SHRIMATI NANDANI SATPATHY). Mr. Vice-Chairman, Sir, with the imposition of the Excise Duty on newspapers which came into effect on the 15th November, a number of newspapers in the country have increased their prices well in excess of the Excise Duty. The price increases have not been uniform but have varied from 2 paise which is the Excise Duty now payable by newspapers whose circulation is about 15,000 right upto 8 paise.

Newspaper managements have justified the increase in prices in excess of the Excise Duty as being due to the increases in cost of various items. While there may have been some increase in costs, Government are of opinion that the increases in prices, which have followed no uniform pattern cannot be justified on this ground. This is obvious from the fact that while cost increases must have affected all newspapers uniformly, the price increases have varied from one paper to another. Government feel that such price increases especially now when the country is passing through a difficult period should have been avoided.

In this respect the situation in the Eastern Sector of the country is especially serious. Hawkers in Calcutta claimed their proportionate share of the price increase on account of the Excise Duty and since newspaper managements declined to pay them additional commission, the distribution of newspapers in the city has practically come to a standstill. This is unfortunate, especially because people are anxious to have the latest and the most authentic news of the developments on our borders. In these circumstances, the absence of newspapers affects public morale, encourages unfounded rumours and tends to create panic.

The Government of West Bengal and the Government of India have tried to intervene in this situation. As a result, the Paschim Banga Sangbad Patra Bikreta Samity, an association representing newspaper hawkers in the city, have agreed not to claim any additional commission so long as the increase in the price of the newspaper is restricted to the amount of the Excise Duty. Government appreciate this gesture of the Samity and appeal to newspaper managements and hawkers all over the country to respond to the situation in the same spirit which this