

have not decided it. Government are considering the whole matter and if necessary we will make a reference to the Cabinet, and see that there is no hardship there. He can trust me, I shall see that there is no hardship.

Mr. Deputy-Speaker: I am sorry, this debate is to conclude by 6 o'clock. It is now six o'clock. I am not in a position to call upon the Deputy Minister for Home Affairs to intervene in the debate.

I shall now put the motions to the vote of the House. We have the Half-an-hour discussion. I shall now put the motion of Shri V. P. Nayar.

Pandit Thakur Das Bhargava: May I suggest that in view of the statement of the Prime Minister, it is more desirable that these motions should be withdrawn rather than pressed. Ultimately, they may be brought again, if necessary. As the Prime Minister said, there should be no negative vote on the matter. I would request my friends, Shri V. P. Nayar and others, to withdraw them.

Shri V. P. Nayar: There is this obvious difficulty. Under the All India Services Act, it is absolutely necessary that we should record our vote.

Mr. Deputy-Speaker: Should there be any discussion on this? Are all of them willing to withdraw?

Shri V. P. Nayar: No.

Mr. Deputy-Speaker: Now, the motion standing in the name of Shri V. P. Nayar.

The question is:

"This House resolves that in pursuance of sub-section (2) of section 3 of the All India Services Act, 1951, the Indian Administrative Service (Recruitment) Rules, 1954, laid on the Table on the 10th September, 1954, be repealed.

This House recommends to the Rajya Sabha that the Rajya Sabha do concur in the said resolution."

The motion was negatived.

Shri Raghuramalah: I hope that hon. Minister had reference to my motion when he said that he will consider it.

Dr. Katju: Yes.

Shri Raghuramalah: In view of the assurance, I beg to withdraw.

The motion was, by leave, withdrawn.

Shri Thimmaiah: I beg to withdraw all other motions.

Some hon. Members: All motions withdrawn.

Mr. Deputy-Speaker: All right.

The motions were, by leave, withdrawn.

ALLEGATIONS OF CORRUPTION
AGAINST THE DEPUTY SHIPPING
MASTER, CALCUTTA PORT

Shri H. N. Mukerjee (Calcutta North-East): I want to raise a discussion.

Mr. Deputy-Speaker: For the consideration of hon. Members. Because on this Half-an-hour discussion there would not be any vote, hon. Members need not draw my attention to the lack of quorum. By that I do not mean that hon. Members should go and there should be no quorum. There is an interesting debate. They may continue to sit. Notwithstanding the absence of Members here or there, inasmuch as no voting will take place, the House will sit and adjourn after discussing this at 6-30.

[PANDIT THAKUR DAS BHARGAVA *in the Chair.*]

Shri H. N. Mukerjee: I want to raise a discussion because of the unsatisfactory nature of certain answers which I elicited by means of a question on the 17th September, 1954. On that day, I was told by the Minister of Transport that Government was aware of the serious allegations of corruption which were published in the *Modern Review* of Calcutta dated September, 1948 as well as other papers against the Deputy Shipping Master of Calcutta Port. I was also told that the Special Police

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Establishment of the Government of India had asked for sanction for prosecution of the said officer after it had made certain investigations. I was also informed that instead of a prosecution being launched as recommended by the Special Police Establishment, a departmental enquiry was ordered. I was also told that during the pendency of the enquiry, the said officer was not put under suspension. I was further informed that as a result of the enquiry, that officer had been completely exonerated.

This is not a personal matter. I know nothing, as far as I am concerned, about that officer against whom these allegations were made. But, I would like the House to take a very serious note of the way in which this matter has been handled.

Towards the end of the first session of Parliament, I think it was in the last week of July 1952, my attention was drawn to these publications, *Modern Review* for September, 1948, and a weekly from Bombay called *Atom*, in which these allegations were published. When I saw these allegations, I thought they were serious enough and I sent copies of these papers to my hon. friend the Minister for Transport. I shall quote from the *Modern Review* for September, 1948, which I have got from the Parliament Library here, in order to show the serious nature of the allegations which were made. The *Modern Review* of September, 1948, on page 174 says:

"A worse instance of corruption has come from the Shipping Office at Calcutta. This office is under the charge of a Shipping Master, whose main functions are to look after the interests of Indian seamen who come under the purview of the Indian Merchant Shipping Act to act as disbursing officer in the transactions taking place between Indian seamen and the Masters or agents of the different sea-going vessels who employ them. During the war, the seamen engaged by the agents were sanctioned various allowances which amount-

ed more or less to five times their wages. This huge sum was deposited on account of these seamen engaged from the Calcutta port with the Shipping Master, Calcutta, by the various owners and agents of ships. The decision of the Government of India was that the amount so deposited with the Government would become payable to the respective seamen on the cessation of hostilities. The total amount thus deposited with the Shipping Master amounted to nearly Rs. 2 crores. After the official declaration made by the Government of India of the cessation of war, disbursement of this money on claims of seamen has been going on. These deposits are known as post-war credit deposits. Allegations appeared in the *Calcutta Daily Bharat* to the effect that a number of officers have been misappropriating large sums of money out of these deposits on false and fictitious vouchers. After the Partition, many of the seamen have left for Pakistan. Some of them died; some remain untraced. It is, therefore, not much difficult to draw money in their names on production of false vouchers. Mushroom trade unions have come into being and they are also drawing large amounts in league with the officials. It was alleged by some newspaper that a Muslim office-bearer of some seamen's trade union was freely allowed to draw heavy sums under cheques issued in his favour by the Shipping Master without the production of any legal authority in the form of a power of attorney or other authority to receive payment.

"The disclosures were followed by a search of the shipping office by the Special Police of the Government of India posted in Calcutta. An Under Secretary of the Commerce Department also came down for investigation, but the said newspaper in a later comment pointed out that this was the same official who had made previous

inspection of that office while the alleged fraud was going on. Somebody else not familiar with that group should have been sent down. Nothing has since been heard of either about the police investigation or the starting of any legal proceedings. Instead, two employees on the audit staff, possibly suspected of having let out the uncomfortable information, have been discharged without assigning any reason."

Then, this paper makes an appeal to the then Minister of Commerce, Mr. K. C. Neogy, to go into the matter personally and do the needful.

Now, I got a polite note of acknowledgment from the Minister of Transport, but nothing happened. Then there was occasion for me to refer to this matter again. On the 27th February, 1954, discussing the Control of Shipping (Amendment) Bill, I referred to this matter and I said that I heard a departmental enquiry was going on but I thought in the circumstances a judicial enquiry was very much more called for. On that occasion, the Deputy Minister for Transport who replied to the debate did not choose to refer to this point which I had made.

Now, the Special Police, Government of India, investigated this matter in 1949. I do not exactly know when the Special Police recommended that Government should give sanction to prosecute the Deputy Shipping Master. Now, nothing happened afterwards, for four long years, it seems. It was not until September, 1953, that a departmental enquiry was started.

Only the other day a question was asked of the Minister of Planning regarding the Planning Commission's report on corruption and regarding the steps that Government were taking. We were told in answer to starred question No. 1161 on the 21st of this month in this House that Government was very keen about checking and punishing cases of corruption and it was said that the Ministry of Home Affairs have issued instructions for

the expeditious disposal of proceedings against Government servants.

In this case, in 1949 the Special Police, Government of India, made a departmental enquiry, but it was only in September, 1953, that a departmental enquiry was started against the officer concerned. The enquiry was also conducted by an officer who belonged to the same department. A Deputy Director-General of Shipping, I understand went to Calcutta to make investigations in regard to this matter.

In this period of investigation, the officer concerned was not suspended. I do not know why this was not done. We all know the case of the former Director-General of the All-India Radio who was suspended and then, I suppose, he was removed; and he was suspended because there was an enquiry being conducted against him. That was not a judicial enquiry, but in any case,—that was perhaps a departmental enquiry—the officer, in spite of his high status, was suspended. But in this case, he was not suspended. I have also heard from people who work in the Calcutta Port that when the enquiry was in progress, the officer was there. He had free access to all the files and records of the shipping office. He used the services of several clerks under him in order to prepare his case. This is very disturbing because I am sure that it produces a very bad impression on the staff. It demoralises them if this is the kind of treatment which is going to be meted out, if this kind of ultra-soft treatment is going to be meted out to high-placed officers.

The report of the Special Police Establishment Enquiry Committee of 1949-52, a committee on which, you, Sir, I find served with distinction, gives me a lot of information as to how the Central investigating agency works. It seems investigation is started on information received from a reliable source. If the information appears on the face of it to be *bona fide* the case is registered and investigation commences. And then daily case diaries are received by the Inspector-General and the

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whole process is followed. This is all to the good. Now, in spite of that, the Special Police recommendations regarding sanction for prosecution was simply ignored, and when after nearly four years a departmental enquiry was started, the officer concerned was not suspended.

I find that it is not known whether the Union Public Service Commission was consulted or whether it concurred in the Government decision regarding the closure of this case. Some gazetted officers have been involved in this case, and I think that the Union Public Service Commission should have been consulted before the case was declared to have been closed.

I have also been informed that at an earlier stage, in 1949 roughly, there was another high-placed gazetted officer, his superior in service, actually the then Shipping Master in Calcutta, who was found guilty. On the finding of the Union Public Service Commission some punishment was given to that officer in the latter part of 1949. But, for some reason or other into which I have no means of going, this particular officer, the Deputy Shipping Master, has not been touched at all.

Mr. Chairman: Order, order. I do not want to interfere with the speech of the hon. Member, but he must be aware that he has taken fifteen minutes, and at least fifteen minutes may be required by the Minister to reply.

Shri V. P. Nayar (Chirayinkil): Ten minutes only. He started only at 6-05.

Shri H. N. Mukerjee: I shall finish now. I have not got much more to say.

I find that with regard to this particular officer a course of conduct has been pursued which, to my mind, appears to be absolutely inexplicable. I have heard—I do not know, I do not mention names, I do not wish to bring in personalities—but I have heard that the officer whom I have named has many influential connections. That is

the kind of story which is current in the office there. And in view of all these circumstances, in view of the long delay over this whole process, in view of the fact that in 1948 very serious charges were made, in view of the fact that in 1949 the Special Police Establishment recommended sanction for prosecution by the Government, in view of the fact that nearly four years were allowed to go and then a departmental enquiry was instituted, in view of the fact that we have no information regarding any reference to the Union Public Service Commission. I feel the answer was very unsatisfactory, that certain points of principle are involved and I wish to call upon the Government to give the House satisfaction on this issue.

The Minister of Railways and Transport (Shri L. B. Shastri): Mr. Chairman, Sir, it is good that this matter has been brought up here and Shri Mukerjee has had his say.

This case is a very old one. It is true and I am prepared to accept that there has been delay in the disposal of this case, but various factors led to this delay which could not be avoided.

Before I give a brief history of this case, I would like to tell Shri Mukerjee that he is perhaps after officers who were really not guilty. Those who were the real culprits have gone out of India. Well, in any case, even against those people also, only if the case could be proved some action could have been taken, but from the reports that I have got it appears to me that those people who are no longer in India and have gone over to Pakistan were responsible—they can be or they should be held responsible—for this case of alleged defalcation, and as they are not here, well, it is not possible to do anything further in the matter.

I would not like to name them, but anyhow, I might mention that some office-bearers of the union and particularly Mr. Suraj Ali was responsible to some extent, or to a great extent, for the matters which have been referred to by Shri Mukerjee.

The allegations made in the *Modern Review*—they have not named him—were perhaps against the Shipping Master who was at that particular moment in charge of the whole show, and that Shipping Master also happened to be a Muslim and he has also gone over to Pakistan. So, Mr. Suraj Ali and the Shipping Master can be partly held or mainly held responsible, if the case had been proved; but it cannot be proved now.

I might tell Shri H. N. Mukerjee that the police investigation started into this case as early as 1948. Their final reports were received by the Government of India in August 1950, and the Special Police Establishment recommended prosecution of Shri T. V. Rajagopalan, Shri Banerjee, Shri Ghosh and some others; and the reports of the Special Police Establishment were examined by the Transport Ministry, in consultation with the Director-General of Shipping, Bombay.

In April 1951, the Ministry of Law were requested to advise if there was a *prima facie* case to justify a prosecution. The Ministry of Law considered that some evidence was available in support of a *prima facie* case that there was a conspiracy in respect of the post-war credit money, though there still remain some loopholes in the investigation. The matter, was referred to the Home Ministry, and when they were consulted, they came to the conclusion that since evidence could not be produced to obtain a conviction in a court of law, the case should not be sent to a court, but the desirability of taking departmental action should be examined. This is what was suggested by the Home Ministry. They also advised—which they generally do not do—that the Special Police Establishment might be associated with the departmental proceedings, and that the required evidence and documents could be produced by them before the inquiry officer. Shri H. N. Mukerjee, I think, will feel convinced that in this case, proper care was taken to go into this

matter, not only by the Transport Ministry, but also by the Law Ministry and the Home Ministry. Under the advice of the Home Ministry, we held a departmental enquiry.

I may also make it clear that the enquiry was held not by an officer of the Transport Ministry, but by an I.A.S. officer of the Bengal Government. Previously,—some time back—he was an officer under the Transport Ministry. Perhaps he was working as a magistrate in the Bengal Government. We took special precautions about this, because we felt that it would be advisable to get this enquired into by an officer who had nothing to do with the Transport Ministry. This was more or less a judicial enquiry, because the Special Police Establishment were given the power to prosecute the case, and to conduct the case before the inquiry officer, and they were allowed to produce documents and evidence.

The enquiry was somewhat delayed on account of the selection of the officer too. We were writing to many different authorities for giving us an officer, but they were not able to do so. When the matter was brought to my notice, and when Shri H. N. Mukerjee referred to this in this House, I took personal interest, and asked the Transport Ministry to get the whole thing expedited. And within a very short period, we could manage to get an officer from the Bengal Government, Mr. Neogy, an I.A.S. officer.

That officer has gone into the whole matter. I might perhaps correct myself here. What Mr. Mukerjee said was correct. I was under the impression that he was not working in the Transport Ministry. But he was working in the Transport Ministry at that moment as Deputy Director-General, Shipping. But, as I just now told him, he is an I.A.S. officer. And it was a judicial inquiry, in the sense that the Special Police Establishment had conducted the case against these officers and all evi-

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dence and records were produced by them. After having gone into the matter, the officer has submitted his report to the Transport Ministry. It is true that the matter was not brought up before me because the Transport Secretary is the appointing and punishing authority. He went through the recommendations of Shri Neogy and came to some conclusions. I shall read out what he has said:

"From the facts brought out during the inquiry and the circumstances of the case, the following points appear to be clearly established:

(a) that none of the three officers concerned had any responsibility in the matter of initiating the procedure for making payments to Suraj Ali on the basis of nominations made in application forms;

(b) that in respect of the 13 cheques signed by Shri Rajagopalan, there is no doubt regarding their disbursement to Suraj Ali and their having been duly credited to an account of the Union;

(c) that there is nothing to suggest that the procedure of making these payments was devised for any improper purpose or actuated by any improper motives.

It is also clear that the responsibility for initiating the procedure and for its continuance after the receipt of the Government of India's letter of 19th March, 1947, was solely that of the Shipping Master and that the conduct of Shri Rajagopalan in his repeated attempts to defer payments until Government's approval was received is incompatible with any guilty or improper motive on his part."

He has further said:

"The inquiry has revealed that the records pertaining to the payments during the period were not properly maintained, but the responsibility for this state of affairs must primarily be that of the officers directly in charge of this section namely, the Assistant Shipping Master, and the head of the office, the Shipping Master, who apparently failed in his duties in laying down a proper detailed procedure for the checking and filing of records. In any event, it will be difficult to hold that either Shri Rajagopalan or Shri Ghosh or Shri Banerjee were guilty of 'misconduct in the discharge of their duties as public servants by committing criminal breach of trust in respect of payments of PWC money'.

"Viewed against this background, the findings of the inquiry officer exonerating the three officers from blame on the different counts of charge relating to PWC money appear to be perfectly reasonable. I accordingly accept these findings and the recommendations based thereon".

This is the final decision given by the Transport Secretary.

Mr. Mukerjee said that an amount of Rs. 2 crores was involved. That is not correct. I have not got the figures. Perhaps, it does not go over Rs. 2 lakhs, but it does not matter whether it is Rs. 2 lakhs or Rs. 2 crores. Anyhow, there was some complaint about the defalcation or the misuse of that money.

I might also state that the reasons for not suspending the officer were that the Special Police Establishment did not ask for this in this case. Generally, in such cases they demand the suspension of the officers. But, on behalf of the Transport Ministry, they were assured that if any accused officer was found to be hampering their investigation, he would be suspended. But, none of the officers came to the adverse notice of the police.

Secondly, when the decision to hold a departmental enquiry was taken in early 1952, the accused officials had already been working in the Calcutta Shipping Master's Office for nearly five years since the date of the alleged in-criminating transactions and nothing adverse had been recorded or reported against them. It was not, therefore, considered necessary to suspend them. But, as I said, the Minister of Transport had ordered that, if, during the course of the enquiry, it was found that any of the accused officers were hampering the enquiry in any way, they might be suspended.

Generally, suspension of an officer is not resorted to unless a preliminary enquiry has been made or unless there is strong *prima facie* evidence which will reasonably ensure his ultimate conviction. There was, therefore, no case for dislocating government business by

suspending the accused officers in 1952, when they had already served for about 4 or 5 years in the same office.

I shall not take more time of the House. But, I can tell Shri Mukerjee that I do not want to defend or support any officer who is found to have been guilty. But, I have no alternative but to take a different course when the Home Ministry, after looking into the case fully, comes to the conclusion that only departmental action should be taken and no prosecution should be launched. I may also tell Shri Mukerjee that the Transport Secretary is a very senior and level-headed officer and I can say about him also that he would never like to suppress any wrong deed or help a wrong or a guilty officer.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 29th September, 1954.