

PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Saturday, 20th December, 1952

The House met at a Quarter to Eleven
of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

10-45 A.M.

STATEMENT BY PRIME MINISTER

CORRUPTION AMONG PUBLIC SERVANTS

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): In the course of the speech day before yesterday during the debate on the resolution on the Five-Year Plan, Shri Purushottamdas Tandon referred at some length to corruption among public servants. In particular, he referred to the accounting and audit system in this connection and condemned the Auditor General and the Deputy Auditor General for failure to detect cases of corruption. He based his charges principally on an attempt by a clerk to obtain a pay order fraudulently for Rs. 2,800/- in December, 1948 in the office of the Accountant General, Central Revenues.

My colleague, Shri Mahavir Tyagi, gave some facts of this clerk's case day before yesterday in the House.

As I have often stated, Government are always prepared to inquire into any charge which has a *prima facie* justification and to take other suitable action.

In fact this is being constantly done. I would, however, submit that indiscriminate attacks on public servants are not fair and can only lead to a decline in the morale both of the public servants and the public generally.

491 P.S.D.

and would have other unfortunate results also. Government are anxious, as this House is, to maintain high standards of public behaviour and they will do everything in their power, with the co-operation of this House, in this regard. The Government of this country is carried on not by a few persons at the top, but by a vast army of public servants, spread out all over the country, who deal with thousands of crores of public money. There are unfortunately cases of fraud and embezzlement, but they represent a negligible fraction of the total sums involved and it would be very unfair to suspect wholesale this entire army of public servants on whose loyalty and trustworthiness the Government of this country depends. Vigilance is always necessary to deal with cases of fraud or embezzlement or serious financial irregularity. For my part, I give the assurance to the House again that any case brought to our notice, which has some *prima facie* justification, will be inquired into and necessary action taken.

I should like to refer specially to the position of the Comptroller and Auditor General of India. Under the Constitution, he is appointed by the President and can only be removed from office in the manner provided for the removal of a Judge of the Supreme Court. He is not responsible to Government and, indeed, it is open to him to criticise Government action in reports submitted to Parliament, where he thinks this necessary. For him to be criticised on the floor of the House would tend to undermine the special position that has been granted to him and make it difficult for him to discharge his duties without fear or favour.

Shri Tandon (Allahabad Dist.—West): May I say a few words?

Mr. Deputy-Speaker: On a statement nothing is said, however.

Shri Tandon: I am in your hands. The statement of the Prime Minister

[Shri Tandon]

arises directly out of the remarks which I made the day before yesterday in connection with what I had to say about the Five-Year Plan. When speaking of corruption in the ranks of officers and men, it seemed to me necessary to refer to a case which was in my personal knowledge. I had obviously no rancour or bitterness against the Auditor-General or the Deputy Auditor-General (Hear, hear) or any of the big officers of the Finance Department. I do not claim the privilege of knowing these great dignitaries personally. The remarks that I made were based on what had come to my knowledge. I felt that when a clerk of the Accountant-General's office claimed that he could give a number of cheques to one who had something to do with the Department and had to receive a payment, a clerk of that kind was not a novice at his task and I felt that there must be something very wrong in the system which could permit cheques of that kind to be given. I feel even now that whatever I said that day had justification behind it. It was not in a spirit of carping criticism that my remarks were made. I had brought this matter to the notice of the then Home Minister, the late Sardar Vallabhbhai Patel. I expected that quick action would be taken in a matter of this kind. As I said that day, I requested Sardar Patel not to arrest this little man, but to have the whole system examined under which a claim of that kind by a clerk could be possible a claim that he could issue a number of cheques for the same amount. There was nothing to be gained by the arrest of a small clerk. I did not know that individual. But, recently it came to my notice that, after the case had been dragging on for more than four years—so far as I am aware, this man had not even been examined as an accused, I say this subject to correction; my belief is that the man has not been examined yet—it had been withdrawn because disciplinary action was intended to be taken against him. That was what the department said in a letter to the individual at whose instance this case has been taken up; I saw a copy of that letter. I did not feel that the withdrawal of the case was justified because the man was ill. I have had some experience as a lawyer and I do not remember a case in my whole life when a case was withdrawn on account of the illness of an individual of this kind. It was a serious matter. The whole working of the Finance Department was in a way to be examined in that case. We are aware that the man who signed the cheque was not arrest-

ed. He must have had to give his explanation in the case. It would have been interesting to hear from the accused what he had to say in the matter. It would not be honest on my part to conceal the fact that I suspected at the time I brought the matter to the notice of Sardar Patel, a big conspiracy behind the whole thing. It may be that this attempt was the first of its kind and Providence so shaped things that that case was to come to my notice. It is not impossible. But I suspected that there had been a big drain of public money and that there was some kind of conspiracy behind it. It was for that reason that I went to Sardar Patel in 1948. Because, after all I have spent my life in serving the public and I felt that this was a matter to be enquired into.

Those who have to serve the public cannot afford to be thin-skinned. The Auditor General is not above criticism. If the system of accounts lends itself to the drawing of such cheques, there is something very wrong with the system. I feel I was justified in calling upon the Finance Minister to appoint a Commission to look into this whole affair and also to examine the system under which a thing of this kind could be possible. That is all I have to say.

Shri N. C. Chatterjee (Hooghly): Mr. Deputy-Speaker, just one word.....

Mr. Deputy-Speaker: No, no.

Shri N. C. Chatterjee: One word, Sir. Having regard to the serious allegations made, may we enquire from the Prime Minister or the Finance Minister if they are prepared to go into the matter and institute a judicial enquiry either by a Supreme Court Judge or by a High Court Judge? It is a serious matter and we are deeply perturbed.

11 A.M.

Shri Jawaharlal Nehru: I do not wish to continue an argument here on this subject. I did not for an instant think that the hon. Mr. Tandon made any remark in a spirit of carping criticism. He felt it; therefore he said so. He was perfectly right when he brought this case of the clerk to the notice of the then Home Minister Sardar Patel, who immediately took some action. Personally, I had not heard of this case at all till I learnt of it from the hon. Member's speech. It is a four year old case. I do not wish to go into that. I do not know all the facts.

Some, I know. I would invite the hon. Member himself to go through all our papers on the subject. If he thinks he can make any suggestion as to what more can be done, we are prepared to consider it. My colleague Shri Tyagi will place himself at his disposal to show him all the papers, what had been done, what has not been done, why it has been done, etc. If anything is lacking, surely we shall go into that. My information is that at that time an enquiry was held. I cannot obviously say how adequate it was. But, it was held and they went fairly closely into this question, both into that individual case and into the larger question of possible leakages and in fact, some changes were made. That particular case, I am told, was not due to what might be called the system, which was good or bad, but rather to a concocted document. It is almost possible to concoct and forge a document and one may be taken in. It is bad to be taken in, no doubt; but one can possibly be taken in. Anyhow, I am told that some papers of that type were concocted and that officer—it was carelessness, negligence or conspiracy, you can say—was taken in and signed the cheque. Subsequently a full examination took place and it was found to be the only cheque drawn; there was no other duplicate or other payment. Anyhow, I invite the hon. Member to go into this matter himself with our help. We will give every help, and every paper connected with this matter. If he has any suggestion to offer, we will consider that with the greatest care.

So far as this clerk is concerned, as I said, I knew nothing about him till day before yesterday. From the statement made by Mr. Tyagi, it appeared that for the last three years he has been lying in a tuberculosis hospital very ill. It is very difficult to send for him to court and though the matter went on being postponed, ultimately, I believe the case was withdrawn on compassionate grounds because he is very ill. The Judge went on protesting that he cannot keep a case pending for years. Whether it was right to withdraw or not, I cannot say. That is the decision taken. I do not know all the facts. Quite a number of persons felt that he was almost—I do not say at death's door—very ill and there is no point in carrying it on. I am no judge. My hon. friend has greater experience as to when cases are withdrawn and whether it was right or wrong. Anyhow, I ventured to raise this matter before the House not so much about

that individual case, but about the larger question.

As for Mr. Chatterjee's suggestion, with all respect to the hon. Member, I really do not know if, in a case like this, in a poor clerk's case, you want a Supreme Court Judge to enquire. I say it is not only open to the hon. Member, but any other Members of this House to see and get to know many more facts than I can state here, from the papers, and see if anything wrong has been done. If it is, we shall go into it.

The Minister of Finance (Shri C. D. Deshmukh): I should like to add that all this is based on a lot of misconception about what happened. A clerical officer draws up a cheque, and then it is his business to have it passed by a superior officer. If the superior officer is negligent, certainly this kind of case will recur, and the only remedy that one has is to take action against the officer concerned for his own negligence. Therefore, it is not the failure of a system so much as the failure of the human material. There may be room for difference of opinion as to whether, in this particular case, the punishment awarded to that officer was sufficiently deterrent or not, and one might take the view that even if it was the first case of negligence, in the interests of Government money stronger action should have been taken. That matter is past. The only other point I would wish to make is that a certain amount of difficulty arises in this country on account of the accounts and audit functions being combined in the same set of people, and in fairness to the Comptroller and Auditor-General. I would like to say here that for the last four years he has been pressing hard that this system, which requires a department to make payments, should be stopped and that the function of his department should solely be to audit expenditure. He has criticised this system time and again, and in individual cases where we found that payments were large and voluminous or important, we have taken action to open separate treasuries, so that the function left to him is only of audit, but it is partly due to lack of staff and partly due to lack of resources that we have not been able to adopt in full his recommendations that these functions should be entirely separated. I have no doubt that as we proceed, a time will come, and that probably very shortly, when in the interests of public revenues, this would have to be done.