

"BIRLA ISSUE RAKED UP BECAUSE OF CONGRESS REVERSES"

NEW DELHI, May 30.

AMIDST shouts of "no, no" from the Congress benches, the Swatantra leader, Mr. Dahyabhai Patel, in the Rajya Sabha today, charged the ruling party with bringing the Birla issue to the forefront owing to reverses suffered by it at the polls in Rajasthan.

Mr. Patel, who was taking part in the resumed debate on the Hazari report, said he was making the charge because of what a Congress member, Mr. Chandrasekhar, had said.

Mr. Chandrasekhar, who was present in the House, described Mr. Patel's allegation as "a total lie."

He said he had never said this and "I repudiate this strongly."

To this Mr. Patel said: "There is another person who knows what Mr. Chandrasekhar said and you can verify this."

RIGHT TO CONTEST

The Swatantra leader said that an allegation had been made that Mr. Morarka, who was chairman of the Public Accounts Committee, had been prevented by Birlas to enter Parliament. This was not justified because every citizen, who was duly qualified, had a right to contest elections from a constituency he liked. Candidates could fight the elections and it was for the electorate to give the verdict.

Mr. Patel said he admired Mr. Morarka for "some of the things he did in the Public Accounts Committee" but that did not mean that nobody should fight the elections against him.

CHANGE NEGATIVE ATTITUDE Patel's appeal

Mr. Patel expressed surprise (how the issue had been brought before the House. It was not clear how and why the Hazari report suddenly came up. "Who had entrusted him (Dr. Hazari) with the job—the Planning Commission or the Planning Minister? Does it indicate a departure from the Government industrial policy?"

The Swatantra leader said that so far as the present policy was concerned, the Government had recognised both the public and private sectors. There was, however, a section which advocated a policy of State ownership and had a "negative attitude" towards the private sector. "Has this section crept into the Congress? This negative attitude must be changed. Otherwise there is no hope for the country."

He wanted the Government either to go for statism or recognise and appreciate the role of the private sector. There was no middle-of-the-road course and the Government must decide what exactly it wanted.

HAZARI'S ADMISSION

The Swatantra leader wanted to know why Dr. Hazari's study was confined to the private sector. The working of the public sector undertakings needed to be investigated thoroughly as many of them suffered from inefficiency. They incurred loss or earned marginal profits and had become a liability rather than an asset to the nation.

On the findings in the report Mr. Patel said that Dr. Hazari had admitted that the date before him suffered from severe limitations and were "incomplete to come to decisive conclusions."

Besides, Dr. Hazari's thinking was vitiated by the progress of one industrial house. "The report lacked a 'judicial balance' and it did not deserve serious attention of the Government, economists and Parliament."

Mrs. Yashoda Reddy (Cong.) expressed her wonder over the "Birla phobia" in some speeches and said if any officer, business men or Ministers were wrong they could be brought to book.

An impression had gained ground that "these people (big business) were a menace to the country and they have done everything bad," Mrs. Reddy said. Whenever licences were granted, they were not always meant for new units, and there was also a distinction between a letter of intent and a licence.

Mrs. Reddy said if something had gone wrong, the licensing system could not be blamed. Very rightly, the licensing committee had to see in consideration of licence applications from where the foreign collaboration was coming, besides the resources.

In her view, the circumstances, the planning system and the licensing system allowed a concentration of industrial wealth. She said the Government would be well advised to be more careful in regard to licences. "We should not be prejudiced and condemn them (big business houses). We have to view it (licensing) from the economic set-up of things."

NO DICTATION, SAYS S. DESAI Only 4 p.c. licences

Mr. Suresh Desai (Cong.) said that the Hazari report should be viewed objectively and from a dispassionate point of view. To allege that the industrialists had "dictated" the members of the Planning Commission, as has been suggested by some members, was an exaggeration.

On the foreclosure of capacity and pre-emption, Mr. Desai said this could not be said of a business house which got four per cent. of the industrial licences out of the total granted.

Giving an example of the expanding public sector, Mr. Desai said one public sector company alone had thrice the block capital of Tatas.

Thus, it was improper to say that this particular business house was dominating the economy. The public sector was rightly dominating and controlling the nation's economy.

The Chief Ministers were running after big business to set up industries with competitive offers of facilities. Not only the Chief Ministers, but also a large number of foreign countries had invited India's big business houses for industrialisation.

In his view, the Government could help small and medium industries by giving institutional finances and assuring them a market for their products, besides a guarantee of foreign collaboration. "I do not blame the Government of India any way. Its policy is expeditious."

PONDEROUS PROCESS

Mr. C. D. Pandey (Cong.) said the industrial licences granted by the industrial licensing committee involved a ponderous process. It was not possible that Birlas could control their rivals in the committee.

He deprecated the habit of levelling charges against Ministers and others and said this did not add to the good name of the country. "It is a shameful thing that we go on levelling charges."

"Therefore, the main thing is that the Government should not pay any attention to this smearing campaign," Mr. Pandey said.

The former Prime Minister of the Soviet Union, Mr. Khrushchev, once invited Birlas to do some "serious business" in his country, Mr. Pandey said.

Mr. Pandey rejected an Opposition member's claim that Birlas were supplied with the Rihand dam power at below-cost price and said the real question before the authorities there was how to make use of the electricity generated. With Birlas setting up

an industry near Rihand, a cluster of units had developed.

Mr. D. L. Sengupta (Ind.) said he would not go so far as to suggest that all Ministers had connived at, although an allegation had been made that Birlas had some Ministers in their pocket.

What the country wanted was a clean industry and economy, Mr. Sengupta said. "We should be conscious of the mischief they (big business houses) are capable of doing."

Mr. Sengupta asked why 500 small industrial houses were not growing. There was proof that after 1959 Birlas had suddenly jumped up in the sphere of industry.

Mr. M. M. Dharia (Cong.) said that growing monopoly, which was a danger to socialism and democracy, should be checked at all costs.

The Monopoly Inquiry Commission report should be properly drafted and legislative measures immediately introduced.

He wanted a permanent monopoly commission appointed without delay.

COMMITTEE NEEDED

Mr. Dharia said a committee of experts, non-officials and members of Parliament should be appointed to inquire into ways and means adopted by industrialists, particularly by Birlas, in establishing monopolies. This committee should report within three months and action should be taken against persons who were responsible for this.

It was wrong to think that without Birlas the country's industries would not run. Birlas should not be given new licences. The Minister should give a categorical assurance.

Mr. Dharia said that Birlas spent Rs. 50 to 60 lakhs in one constituency to defeat a particular candidate and obviously that would be black money.

A representative of Birlas met him for about an hour. He asked the representative if Mr. Birla was prepared to set up a trust of all his wealth. As Mr. Birla was too near to Gandhiji, he should agree to it. Mr. Dharia offered to be a member of the trust if Mr. Birla accepted his suggestion.

Mr. Dharia said when he was in a foreign country, a foreign industrialist remarked that "Birlas are Banyas first and then industrialists." That was the image Birlas had formed in foreign countries. He criticised Birlas for deterioration in the quality of their products. He specially mentioned Ambassador cars.

Mr. Dharia said ICS officers wished to join Birlas after retirement.

POLICIES BLAMED Monopolies despite Industries Act

Mr. P. B. Menon (CPI—R) said the country's economy could not be built so long as Birlas and Tatas planned to grab as much as possible. Despite the fact that the Industries Act laid down how monopolies should be eliminated and how small-scale industries should be encouraged big industrial houses turned into monopolies.

This was what the Congress policies in practice had led the country to. The Congress should give serious thought to it. The Government should undertake big projects in the public sector instead of giving them over to big industrialists.

Mr. A. M. Tariq (Cong.) said though the country needed capital to advance its economy, the capital which influenced the politics of the country should be checked by all means.

INFLUENCE IN POLITICS

He said the house of Birlas had considerable influence in Indian politics. He quoted a letter of Motilal Nehru to Jawaharlal Nehru in December, 1926, that he was worried as the Lala-Malaviya group with the help of money from Birla wanted to capture the Congress.

Mr. Tariq said so long as the matter relating to Birlas was under consideration, Birlas should be kept on the black list and Mr. Birla should be asked to declare his wealth within two days.

Mr. Tariq wanted to know why Birlas were invited to have licence for another fertiliser factory at the recommendation of the World Bank chief Mr. George Woods, when the firm was once refused on the ground that one concern could not have two fertiliser factories.

"Are licences granted in India at the recommendation of Americans," he asked.

He said Hindustan Motors, manufacturing Ambassador cars, was raided but the Government could not yet decide upon the action to be taken against the concern.

Mr. T. N. Singh (Cong.), a former Union Industries Minister defended the Government for issuing licences to Birlas and said licences could be issued to the applicants who fulfilled all the conditions and had larger resources.

He said the late Prime Minister, Mr. Jawaharlal Nehru, had expressed grave concern at the National Development Council meeting in 1960 over the fact that the rich were becoming richer and the poor poorer. Today when the country had taken great

strides in the industrial sector, the position remained the same. That was a serious matter.

Mr. Singh said there must be something wrong with Government policies and remedial measures should be taken. There should be no concentration of wealth in the hands of a few. It was high time the policy-makers sat down and considered which side the country was to proceed.

Mr. Singh said there were instances where unutilised licences were lying in the pockets of a few for the last eight or nine years. Collaboration with foreign concerns was agreed to on the condition that within five years cent. per cent. indigenous contents would be used. But this was not adhered to. Should there be a scrutiny on this basis, he asked.

SELF-RELIANCE IS ONLY WAY OUT Mud-slinging no good

Mr. Singh said it was no use mud-slinging now. There was no way out except self-reliance. Foreign collaboration or foreign loans would not lead the country to salvation. The country had to think afresh and take to swadeshi. Mud-slinging only helped the enemies of the country.

Mr. M. S. Oberoi (Jharkhand) was sorry that the Government "yielded to pressure" and brought the interim report before the House. It would have been better if the Government had waited for the full report of Dr. Hazari.

The main objective for appointing Dr. Hazari was to ensure improvement in the licensing system but his report contained "hardly any suggestion" for the purpose.

He said in the existing set-up of the economy both public and private sectors had to play their roles. The only objection against big industrial houses seemed to be that they "grow too fast."

Mr. B. K. P. Sinha (Cong.) said Dr. Hazari had "painted on limited canvas" and what had been said about Birlas could be said of other big industrial houses also.

In spite of "our desire and law," India had predominantly a free enterprise economy in which "concentra-

tion of wealth is a necessary feature."

He said history had shown that only the countries with fully controlled economies had been able to register rapid advancement. But "we do not have the desire or will" to move swiftly in the direction of a State-controlled economy. As such nothing should be done which would paralyse the economic growth of the country.

Mr. Sinha added, "You can destroy" the present house of Birlas. But the present social order was such that there would be "hundreds of new Birlas."

Congratulating Dr. Hazari on his report Mrs. Lalitha Rajagopalan (Cong.) said the House of Birlas had raided "not only the industrial sector but also the political arena."

She said the Congress was wedded to socialism and she was happy that her party members had brought the issue before the House.

Mr. Niranjan Singh (PSP) said the Government was responsible for the "muddle" in industrial policy.

Mr. Singh said there was no clear definition of the roles of the public and private sectors. Unless this was done, industries which were to be in the public sector would gradually go into the hands of the private sector.

There should be a "proper inquiry" into those who had been taking money from industry and business, whether they be Ministers, secretaries or other officers.

Mr. Tarkeshwar Pande (Cong.—U.P.) said the industrial and economic policies of the Government of India were "retrograde," and as a result the rich had become richer and the poor poorer.

As a director of the public sector Cement Corporation, Mr. Pande said, he had noticed that the corporation had difficulty in getting licences.

For faults in the issue of licences, those who issued them had to be punished. "Those who apply for licences are not to be blamed very much."