

Govt. decides to prosecute Birla firm & some staff

MINISTER'S STATEMENT IN RAJYA SABHA

NEW DELHI, May 31.

MR. FAKHRUDDIN ALI AHMED, Minister of Industrial Development, said in the Rajya Sabha today that the proposed inquiry to ascertain whether any favour had been shown in the case of Birlas or anyone in the issue of industrial licences would be by a technical committee.

Replying to the two-day debate on the Hazari report on industrial licensing and planning, the Minister said: "If I am satisfied that there was some hanky-panky, then proper action will be taken against the persons concerned."

The Minister also announced that the Government had decided to prosecute the firm, Hindustan Motors, and some of its employees in respect of the allegations concerning spare parts covered by licences issued to them.



Dr. R. K. Hazari

Inquiries had been completed and sanction had been given for prosecution. "The law will take its own course whoever is responsible," he added.

Despite repeated attempts by Mr. Bhupesh Gupta to seek an assurance that the proprietors of the firm would be prosecuted, Mr. Fakhruddin Ahmed said: "Whatever action is possible and against whom it is possible will be taken."

The Minister referred to the Government's decision to set up a permanent statutory monopolies and restrictive trade practices commission and hoped this machinery would check the concentration of wealth in a few hands.

ASSURANCE TO HOUSE

Mr. Ahmed also assured the House that "hurdles" would be removed by amending the Company and Industrial Development and Regulation Acts to ensure that there was no transfer of interests following the issue of licences to one party. In the present "defective system," it was difficult to control lapses such as the taking over by bigger industrialists of units which had been licensed in favour of some persons.

HELP TO GOVT. IN GUIDING POLICY

Debate on report

Mr. Ahmed said the debate on the Hazari report lasting 11.5 hours would help the Government in guiding its policy.

He was, however, distressed to find that on occasions the debate became a trial of an accused person, some in the role of complainant and some as defence. "So far as I am concerned, I do not accept either of the contentions." Even if a judge was listening to the argument, he would have been bewildered.

Charges made during the debate were not confined to the complaint, but all kinds of things which did not fall within the purview of the com-

plaint were also said. It was against the constitutional provision to condemn a person without any substantial proof.

He said he did not believe for a moment that Mr. Birla was an angel and that he was living in an angel's house. Therefore, he said he would like the matter to be left there."

PUBLIC SECTOR'S ROLE

Many members, Mr. Ahmed said, had drawn the attention to the provision of Article 39 of the Constitution in relation to the Government's policy, the industrial policy resolution and the Industrial Development Act, 1952.

The Minister assured the House that nothing had been done by the Government which was in conflict with the policy and the underlying principles of the industrial policy resolution.

He emphasised: "We are committed to one policy and that policy is that in our country as long as we have the opportunity of presiding over the administration, we will see that the public sector plays a dominating role." The private sector would play a complementary role in relation of the public sector.

Some members said that it had not been possible for the Government to give effect to this resolution. Before the First Five-Year Plan was launched two per cent. of the production was in the public sector and by the end of the Third Plan it had been 25 per cent. of the total output.

The Minister said the investment in the public sector would amount to something like 60 to 65 per cent. of the total investment by the end of the Fourth Plan.

He said that in the difficult circumstances whatever was possible had been done in such direction as would enable the country to manufacture capital goods. There had been no disregard for the provisions of Article 39 of the Constitution as made out by some members. "We are also not satisfied with the progress made."

In his earlier speech, Mr. Ahmed said he had indicated that the Cabinet would review this question and how best production could be speeded up and investment increased in the public sector. He, however, noted that there was not a single voice which raised a question that all the policy pursued by the Government had resulted in common detriment.

AN AMALGAM OF MANY THINGS

Indian economy

While he conceded that there were difficulties which stood in the way of the Government, he assured the members that the policy and objectives behind the industrial policy resolution were respected. The industrial policy resolution took into consideration the existing circumstances.

"The Indian economy is an amalgam of many things and we have accepted a mixed economy," Mr. Ahmed said. The reason for accepting this policy was that the Government was interested in producing things within the country and depending less on foreign countries.

"In order to hasten this process we had to go for a mixed economy," besides developing a public organisation for production. In 1952, the industrial policy resolution was passed for regulating and controlling such activities as were detrimental to the public.

It was under that policy that the licensing system was introduced.

Dr. Hazari had said in his report that the procedure of licensing was good as a negative check, while suggesting some positive check. For this purpose Dr. Hazari also said that there should be no licensing system. Mr. Ahmed said he purposely did not discuss this matter in his initial speech.

Mr. Ahmed said what kind of priority industry was to be set up should be, as had been said in the Hazari report, subject to the availability of foreign exchange, internal resources and land. In this situation, an obligation was going to be thrust on the Government to undertake all these respon-

sibilities for helping priority industries.

Dr. Hazari's another suggestion was to do away with things which treated everything on applications. If on the basis of Dr. Hazari's suggestion licences were given by tender, Mr. Ahmed said the lacking capacity of a tenderer to undertake a project might lead to the loss of foreign exchange available for that particular year. These were some points which Dr. Hazari had pointed out and about which consideration had to be given.

SUB-COMMITTEE MEMBERS

So far as the licensing system was concerned, Mr. Ahmed said Dr. Hazari had himself emphasised that the development in the right direction had not taken place not because of the licensing system but for other factors.

Mr. Ahmed said there was no use blaming a particular officer or a particular Minister for not carrying out the policy. Under the Industries Regulation and Development Act, a sub-committee was set up to review the licences. The sub-committee, set up in 1952, comprised members of Parliament and cross sections of the people. The first chairman of the sub-committee was Dr. H. N. Kunzru.

At this point, the communist member, Mr. Bhupesh Gupta, insisted that the entire list of members be read out in the House. Mr. Ahmed agreed to lay on the table of the House the list of members who served on the sub-committee from 1952 to 1965. Among the members were trade union leaders, Mr. S. A. Dange and Mr. S. R. Vasavada.

Mr. Ahmed said nothing was found wrong from the proceedings of the sub-committee regarding licences. "If anything had gone wrong, the Government would have taken action on it." The presence of labour leaders also acted as a check, he added.

The Minister said the Industries Regulation and Development Act and the Companies Act could be invoked to prevent monopoly. Many members had actually made a reference to this.

TRANSFER OF LICENCES

On the question of transfer of licences, Mr. Ahmed said because of the "inherent defect" in the licensing system licences could not be prevented from being transferred. This was also "because of our inability to control such lapses." So far as the existing laws were concerned the Government was helpless.

If the House wanted these obstacles to be done away with, he assured it, it would be done. Mr. Ahmed also informed the House that the Government had decided to set up a permanent statutory monopolies and restrictive trade practices commission and hoped it would go a long way in checking the concentration of wealth in a few hands.

Mr. Ahmed said most of the licences issued were not for new undertakings, but for expansion and new products.

Mr. Ahmed said Dr. C. D. Deshmukh's allegations against certain Ministers were not found substantive by the former Chief Justice, Mr. S. R. Das. He said Mr. Birla, during his evidence before Mr. Das, had stated that there were 126 other young men in his concerns drawing the same salary as Mr. K. C. Pant who was not a Minister then.

EXPANSION AND NEW PROJECTS

Issue of licences

Both Congress and Opposition members wanted the list of 126 persons to be placed on the table of the House.

Mr. Arjun Arora insisted that the file containing Mr. Das's report to the late Prime Minister, Mr. Nehru, should be made available to members.

Mr. B. K. P. Sinha (Cong.) said this might violate the assurance given by Mr. Nehru to Mr. S. R. Das that the document would be kept a secret.

Mr. Bhupesh Gupta (Communist) and Mr. Raj Narain wanted to know if the Minister knew about the existence of such a document.

Mr. Ahmed said he had no knowledge if there was such a document.

NO SUBSTANCE

Mr. Ahmed said there was no substance in the allegation that any Congressman in his personal capacity or in the capacity of party representative had taken money from any industrialist. But as regards funds taken for the elections, it was better to have it from "our own men" than from "other people secretly."

Mr. Bhupesh Gupta said it was a lie.

Mr. Ahmed wanted to know from where the money spent on disturbances and demonstrations came.

Mr. Ahmed said he expected the Hazari report to be discussed dispassionately and in a manner which should be helpful to all of them in applying corrective methods where they had gone wrong. But they had given less importance to this aspect than to propaganda.—P.T.I.