

consider the Zonal Councils to be superfluous in view of the meetings of the State Chief Ministers being held frequently?

SHRI MORARJI DESAI: Sir, I have still to meet them in the other three Zonal Councils. We were going to meet but on account of the floods, the meetings had to be postponed. Otherwise, the meetings would have been held much earlier. But they will be held now. And it is not a question of all the Chief Ministers meeting here. That is the National Development Council meets, or for other problems concerning the whole country for which we will meet together. But this is for specific local problems which concern only these States. That is what was considered then at that time.

SHRI S. W. DHABE: I want to know whether the question of autonomy of the States was considered in these two meetings of the Zonal Councils.

SHRI MORARJI DESAI: There was no such question raised.

DR. RAFIQ ZAKARIA: May I know from the Prime Minister as to whether there is a regular agenda for these meetings, whether any decisions are taken and whether these decisions are binding or whether it is only in the nature of a consultative body and of a recommendatory type?

SHRI MORARJI DESAI: It is a mixture of both. An agenda is circulated. The items are sent by the different Chief Ministers concerned and also by the Centre if there are any things to be considered. They are all considered. Where only recommendations have to be made only recommendations are made. But where decisions are taken by common consent, they are also binding.

MR. CHAIRMAN: Next Question.

#### Working of the Sarkar Commission

'65. SHRI ARVIND GANESH KULKARNI: f SHRI M. ANANDAM; SHRIMATI AMBIKA SONI:

Will the Minister of INDUSTRY be pleased to istate:

(a) whether the Sarkar Commission appointed to enquire into the alleged malpractices by the Birla Group of industries has been wound up;

(b) if so, what are the reasons therefor: and

(c) whether Government have received any interim report from the Commission as per the terms of reference?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (KUMARI ABHA MAITI): (a) No, Sir.

(b) Does not arise.

(c) The terms of reference do not provide for submission of an interim report.

SHRI ARVIND GANESH KUL-KARNI: Sir, this Commission was appointed, I think, about five or six years back or more. I think, it was ten years back. And I need not remind the Government that it was their Party's President who himself demanded this and this Commission was appointed particularly on the Birlas' nefarious activities brought out by that Committee's report and the Hazari Committee's report. After that, the Birlas were able in collusion with the then Government officials— this Government is here only for the last 18 months—to widen the scope of this Commission and involve every, Tom, Dick and Harry, who is an industrialist in this country, in that Commission. Thereby, the whole process was diluted and we could foresee that that was just possible.

fThe question was actually asked on the floor of the House by Shri Arvind Ganesh Kulkarni.

Now, I want to know specifically one thing from the Minister. At least, she must have seen a report in the 'Economic Times', that Justice Sarkar himself has offered to resign because there is no worthwhile co-operation in this country and the time-lag was also 10 years or 11 years. The time-lag is such that no co-operation was forthcoming from the Government, and the Birlas were able to reach and approach every High Court in the country, and wherever such connections were there, like the Calcutta High Court, the Madras High Court, the Bombay High Court, and the Kerala High Court, they were able to get stay orders. And it is not only with the industrialists, it has now become a practice even with the politicians to get stay orders and get scot-free and thus make the memory of the public forget about everything. So, Sir, I just want to know from the hon. Minister whether the Government is at all really serious, this Government which professes and which has been elected on their giving certain sound assurances to the people like those of restoring civil liberties and providing economic justice. (Interruptions). At least, if the Sarkar Commission is not going to come to any conclusions, does the Government feel that there is any other way by which the activities, rather the nefarious activities, of the industrial group, which is ruining this country's entire economic system, can be checked?

KUMARI ABHA MAITI: Mr. Chairman, Sir, the hon. Member has asked for what reasons up till now the Sarkar Commission could not give any report. There are several reasons for that. The terms of reference were very vast and varied and then public co-operation also was not forthcoming. Some other reasons are also there. There were delays in getting information, files and documents. There were also delays in the selection of personnel with adequate expertise. All these things are known to the House. In the last session also we

have discussed this thing here. After that we decided...

SHRI JAGJIT SINGH ANAND: In the last session the Minister stated...

MR. CHAIRMAN: Let her reply. Why are you interfering?

KUMARI ABHA MAITI: Then the whole thing was discussed and we have sent a note to the Cabinet.

SHRI KALYAN ROY: After that also you have been giving licences to the Birlas.

KUMARI ABHA MAITI: We sent a note to the Cabinet asking them what to do with this Commission. The Cabinet has asked the Industry Minister, the Law Minister and the Finance Minister to discuss the whole thing. They are now considering the matter and then they will come to a decision. (Interruptions)

SHRI ARVIND GANESH KUL-KARNI: Sir, I would request you to tell us the sense that is made out by the Minister's reply. What are we to understand from what she has said? Sir, you may kindly explain to me her reply.

MR. CHAIRMAN: She has said the Government is considering the matter seriously.

SHRI ARVIND GANESH KUL-KARNI: Sir, I am asking is this the way? Sir, last time I was told that I am uncharitable to lady Members. I am not attacking anybody. She is a Minister. She must give me a cogent reply with commonsense. I asked the question very specifically. She has herself admitted that files are not provided, she has herself said that co-operation is not there even though ten or eleven years have passed. I do not blame her or her Ministry. The senior Minister roars like a lion in the public while in the office, she says, discussion is going on. qf ^>f ^ffor £ jjjr ?TT^TT

JTTT 5ft ^;ft 5 So, Sir, you please ask her what is in her mind. You have understood what I want to know. You

may kindly ask her that.  
(Interruptions)

KUMARI ABHA MAITI: In the meantime, the Chairman of the Commission, Mr. Sarkar resigned. After that we have taken some decisions and we have sought guidance from the Cabinet and we have sent a note to them. (Interruptions) The Cabinet has now asked the Industry Minister, the Law Minister and the Finance Minister to see the whole thing and give their recommendations to the Cabinet.

श्री नगेश्वर प्रसाद शाही: आपको  
बताना होगा कि क्या बिड़ला सरकार के ऊपर  
है। बिड़ला की जांच...

(Interruptions)

MR.

CHAIRMAN: Will you please resume your seat? You are not allowed. Yes, Mr. Kulkarni, your second supplementary.

SHRI ARVIND GANESH KUL-KARNI: Sir, now it seems, she has admitted, if I have correctly understood her, that Justice Sarkar has resigned. First she did not say that also. But anyway, we forgive her for that because this is the process and she will also learn how to reply. The point is that Justice Sarkar has resigned and now, as the Minister says, the Cabinet has asked them what to do and what not to do. Looking to whatever we hear or read from the newspapers, her senior Minister is addressing the industrialists in the federation meetings right from rats and making any abuses on them and now everybody is really in a confusion. As Mr. Shahi said, whether and how the Birlas will be dealt with, I do not know. Whether Mr. K. K. Birla supports this, whether Mr. G. D. Birla supports that, my party is penniless sitting here and one is in a confusion as to what influence power wields. I would only request Madam—or if the Prime Minister is desirous to speak—to keep in mind that we are more interested to see that the industrialists cannot cow down this Janata

Government. This issue was brought up by Mr. Chandra Shekhar, a great friend of ours and who stood for some principles. Let the Janata Government give us justice and give justice to the people which they are demanding.

SHRI MORARJI DESAI: Mr. Chairman, Sir, this Commission was appointed eight years ago and no report is available. They have not come<sup>1</sup> to any conclusion. And then, Justice Sarkar sent in his resignation about 3-4 months ago. We have spent already Rs. 1,64,00,000 on it. That is what has been done. Now we have to consider what is to be done. We do not want to take any action which may be misunderstood. It is, therefore, very carefully being considered whether any useful purpose will be served by again appointing somebody else and finding out what is to be done. We have to carefully consider what material is there and then take a decision.

SHRI ARVIND GANESH KUL-KARNI: I only want to draw your attention to the reply given by the Prime Minister and say that it is totally unsatisfactory. He says that Rs. 1,64,00,000 have been spent. On Shah Commission they must have spent Rs. 10 crores. But money is not the criterion for getting justice. Money is not the criterion for countering the nefarious activities of the industrialists. That at least does not become of the Prime Minister when he stands for morality, culture and whatever high values one must aspire to uphold. He must say that money has no consideration. Please see that the Birlas are properly dealt with. I do not say whether they should be jailed or kept on their throne. But money should not be the criterion. If money is the criterion with this Government, then this Government belongs to the traders and not to the socialist State to which we belong.

SHRI MORARJI DESAI: The hon. Member is welcome to any conclusion that he wants to draw. On that score I have no quarrel with him. This is not a question of protection of anybody. We would like to go into it effectively and that is what we are considering as to what is to be done the way it has come. That is what we are now considering and will take a decision after a careful consideration.

SHRI ARVIND GANESH K.UL-KARNI: But money should not be the consideration.

SHRI KALYAN ROY: Mr. Kulkarni has said that the reply of the Prime Minister is most unsatisfactory. Grave allegations have been made against the Birlas about massive tax evasion, about foreign exchange racketeering and about all kinds of shady financial manipulations to the tune of several hundred crores of rupees. They had a stranglehold over the past Government. That is why in these matters, the Birlas are able to sabotage the proceedings, take the whole thing to the court and finish the whole thing. It seems the Janata Government also have come to an understanding with the Birlas. I would like to know one thing from Mr. Desai. He says that Mr. Sarkar had resigned about four months back. What has the Government been doing during the last four months? In the meantime, would Mr. Desai consider suspending the issue of licences to the Birlas which will at least make the country feel that this Government is serious in dealing with this biggest monopoly house in the country?

SHRI MORARJI DESAI: This is a fantastic suggestion that we should suspend all the licences without any evidence for suspending them. I cannot accept such a fantastic suggestion.

DR. BHAI MAHAVIR: May I know, how long this Sarkar Commission was able to carry on its work as was expected? When did it stop functioning

and for what reasons? Sir, specifically, I would like to know whether this Commission went on with or stopped its work during the course of the Emergency years. I would also like to know whether one reason was that Mr. K. K. Birla was the foremost industrialist to welcome the Emergency?

MR. CHAIRMAN: It has been replied to.

(Interruptions)

DR. BHAI MAHAVIR: Sir, I am king a specific question. From what date was the work of the Sarkar Commission made impossible and by what factors or what influences? I would like to know whether it was during the Emergency, before that or after that.

(Interruptions) SHRI MORARJI

DESAI: I do not know whether the Government hampered its work. I have no such information. Then, there was an interim injunction from the court. That is what has delayed it. There are several things that have happened in the meanwhile. Then, collecting information took all this time. They have gathered all the information from the various Ministries. This also, they said, took time. Then, he has now resigned because he thinks that his staff must be perpetuated. I do not know what he says.

DR. BHAI MAHAVIR: During the Emergency?

SHRI MORARJI DESAI: I do not know. He has made no complaint about it. I cannot say. We will have to find it out. But we are trying to see and we will not take any step without consulting the Leaders of the Opposition. This is what we have decided. We do not want to take a one-sided decision.

\*66. [The questioners (Sarva Shri Devendra Nath Dwivedi, Sitaram Kesri and N. P. Chengalraya Naidu) were absent. For answer vide col. 51 to 53 infra.]