

tion (2) of Section 3A of the Foreigners Act, 1946.

- (4) A statement (Hindi and English versions) explaining reasons for not laying simultaneously the Hindi version of the Notification mentioned at (3) above [Placed in Library. See No LT-4310/79]

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE DEPARTMENT OF ATOMIC ENERGY, ELECTRONICS SCIENCE AND TECHNOLOGY (PROF SHER SINGH) I beg to lay on the Table a copy of the detailed Demands for Grants (Hindi and English versions) of the Department of Electronics for 1979-80 [Placed in Library See No LT-4311/79]

12 10 hrs

PUBLIC ACCOUNTS COMMITTEE
HUNDRED AND TWENTY-FOURTH REPORT
SHRI P V NARASIMHA RAO (Hanamkonda) I beg to present the Hundred and twenty-fourth Report of the Public Accounts Committee on Action Taken by Government on the recommendations of the Committee contained in their Twentieth Report on Purchase of Tents Assembly Springs, Angola Shunting and Gun Metal Ingots

12.11 hrs

COMMITTEE ON PUBLIC UNDERTAKINGS
FORTIETH REPORT

SHRI JYOTIRMOY BOSU (Diamond Harbour) I beg to present the Fortieth Report of the Committee on Public Undertakings on Action Taken by Government on the recommendations contained in the Seventy-Fifth Report of the Committee (Fifth Lok Sabha) on National Coal Development Corporation Limited

PROF P. G. MAVALANKAR (Gandhinagar): Mr Speaker, Sir, I want to make a submission in respect of item No 7. The order paper says, Shri H M Patel to make a statement regarding the situation in Jamshedpur. The foot note says that it is to be made at 5 PM and to be followed by a discussion. My submission is that if the statement is made at this point of time then we will be able to consider it, and then we can have a meaningful discussion. But if it comes at 5 PM followed by a discussion then it may not be possible to have a meaningful discussion.

MR SPEAKER I do not have any objection if the statement is ready I shall request the Minister to make the statement at 2 P M

THE MINISTER OF PARLIAMENTARY AFFAIRS AND LABOUR (SHRI RAVINDRA VARMA) I will check up and let you know

SHRI SAUGATA ROY Sir, I have another request that the discussion time be not limited to two hours (Interruptions)

MR SPEAKER Although it is not on the Order Paper yet I have permitted Mr George Fernandes to make a statement regarding the Commission of Inquiry on Large Industrial Houses headed by Justice Shri A K Sarkar as it is of urgent public importance

12 13 hrs.

STATEMENT RE COMMISSION OF INQUIRY ON LARGE INDUSTRIAL HOUSES (SARKAR COMMISSION)

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES). Sir, As the Honourable House is aware, the Commission of Inquiry on Large Industrial Houses (Sarkar Commission) under the chairmanship of Shri A. K. Sarkar, formerly Chief Justice of Supreme Court was appointed by Government of India by a Notification issued on 18-2-1979. According to the

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notification appointing the Commission its report was to be submitted to Government within a year from the date of its notification viz., 17-2-1971. The Commission could not complete its enquiry and its tenure has been extended by Government year by year. A total expenditure of Rs. 1,64,00,946 has been incurred on the Commission from 1970-71 to 1978-79, and the current year's expenditure on the Commission is estimated at Rs. 21 lakhs. The Commission has not so far submitted any report though it has been in existence for more than 9 years.

After the Commission was set up in February 1970 it issued a notification in August 1970 as provided for in the rules framed under the Commissions of Enquiry Act inviting the public to furnish information. As the response of the public to this notification was poor and as the Commission felt that it was practically of no assistance, the Commission itself started to collect the facts concerning the allegation with the help of an investigating organisation of its own. It started examining the files of the Government of India, Financial Institutions and also the records of the concerns under enquiry. So far more than 10,000 files have been gone into. This methodology of work adopted by the Commission resulted in considerable delay in the working of the Commission. Even after securing the records the officers of the investigating organisation of the Commission had to spend a lot of time in analysing the information with a view to ascertaining whether there were irregularities which needed enquiry so as to pinpoint the persons, concerns or institutions *prima facie* responsible therefor. Even after the preliminary investigation was over and the investigation report was considered by the Commission persons likely to be adversely affected had to be given. Opportunity to be heard and produce evidence in their defence. At these hearings the relevant facts were

presented by the Commission's counsel and the persons likely to be adversely affected were given an opportunity to present their case in defence by evidence or otherwise themselves or through counsel. The procedure thus followed as well as the voluminous papers which were involved took considerable time to get going.

The notification appointing the Commission itself gave a vast and varied nature for its terms of reference covering the entire gamut of industrial licensing in respect of large number of industrial undertakings during the period 1956 to 1966. The Commission was required *inter alia* to inquire into and report in respect of:

(i) instances of irregularities, lapses or improprieties pointed out by the Industrial Licensing Policy Inquiry Committee in its report.

(ii) The financial assistance given to larger industrial houses by financial and other institutions.

(iii) Allegations mentioned in detail in a schedule attached to the notification regarding the Birla Group of concerns.

(iv) A series of allegations regarding the Birla group of concerns in respect of which further investigations were to be made in public interest.

(v) Measures, whether procedural or otherwise, which in the opinion of the Commission are necessary or desirable in public interest in order to ensure that such irregularities, lapses or improprieties do not recur in future.

(vi) Such other allegations or matters which may come to its notice being matters connected with or arising out of matters referred to earlier.

Such a vast and varied nature of the terms of reference of the Commission itself is one of the contributory factors for the inordinate delay of over 9 years which has taken place in the submission of the report of the Commission.

Industrial Houses (St.)

Another contributory factor for delay in the Commission's work has been a large number of writ petitions which have been filed mainly by the Birla group of concerns in High Courts of Calcutta and Punjab and Haryana. Thirty concerns in all moved the High Courts for granting stay against the proceedings of the Commission. Interim orders on writ petitions and/or petitions for stay were granted by the High Courts of Calcutta and Punjab and Haryana on different dates ranging from 10-9-1970 to 25-9-1974. No adequate action has been taken by Government to get these stay orders vacated nor were urgent steps taken for expediting hearing of these cases till March 1977. When the present Government took over in March and April, 1977 urgent consultations were held to expedite the hearing of these cases and for vacation of stay orders. The writ petition filed in the High Court of Punjab and Haryana was dismissed with costs. The writ petitions filed in the Calcutta High Court were also taken up for hearing. The writ petition filed in the Calcutta High Court by Orient Paper mills was heard and judgment was delivered on 28-9-1978 striking down Nos. 2, 4, 9, 11, 12 and 13 of Schedule C of the Notification appointing the Commission of Inquiry and the High Court made the rule absolute.

In view of the inordinate delay which was taking place in finalisation of the report by the Commission there has been criticism both within Parliament and outside. This is also the subject matter of several Parliament questions and many Members of Parliament have expressed their anxiety over the delay in submission of the report by the Commission.

In the light of these facts the Commission was consulted whether it could give any time limit within which it could give its final report. The Commission had informed Gov-

ernment that it would not be possible to complete its work even by 1981. Even an interim report would take more than 18 months during which period Government would have to continue to bear heavy expenses of nearly Rs. 20 lakhs per year. It was reluctant even to agree to submit an interim report within six months on the work which had already been done by it. In the meantime Justice Sarkar also submitted his letter of resignation to the Prime Minister.

Taking all these factors into consideration Government had to consider the following possible lines of action.

- (i) to continue the Commission indefinitely even though it was evident that it would involve substantial expenditure from the public exchequer without any assurance that useful results could emanate from it;
- (ii) to wind up the Commission immediately leaving its work as it was; and
- (iii) to accept the resignation of Justice Sarkar and wind up the Commission in its present form but also identify individual cases where *prima facie* evidence was available for prosecution to be taken up by further investigation by existing Government Departments/agencies. Along with this Government could also identify problems that have raised in regard to Large Houses in general arising out of the work done by the Commission.

Since this was a matter of great public concern and subject matter of several Parliament Questions I had also taken the opportunity of inviting Leaders of Opposition for meetings to discuss the future course of action which could be followed in relation to the work of the Sarkar Commission. To facilitate these discussions, the life of the Commission was ex-

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tended twice by one month from February 1979 to March 1979 and March 1979 to April 1979. I had explained to them the full background how the matter had initially been raised and the subsequent setting up of the Commission, and also the alternatives open to Government which have been mentioned above.

In the light of these discussions and after considering the relevant issues Government have decided to follow the course of action mentioned at (iii) above. Accordingly Government have accepted the resignation of Justice Shri A. K. Sarkar and have issued a notification winding up the Commission from today. Government propose to take over all the records of the Commission including the investigation reports so far completed by it and to forward these to the concerned Ministries/Departments to take further action according to law taking into account the preliminary conclusions/findings arrived at by the Commission in its enquiries.

In conclusion I would like to reiterate that Government's policy towards Large Houses has been fully explained in its Statement on Industrial Policy which was laid before Parliament on 23rd December 1977. In its licensing policy, Government will regulate the activities of the Large Houses to bring them in line with the country's socio-economic goals. It will be the policy of Government to ensure that no unit or business group acquires dominant or monopolistic position in the market. The present industrial activities of the Large Houses will also be scrutinised so that unfair practices arising out of manufacturing inter-linkages are also avoided. In order to ensure social accountability, the financial institutions whose support is vital for setting up and running of large scale enterprises will be expected to assume a more active role in overseeing the activities of units financed by them in order to ensure that management

is increasing professionalised and conforms to national priorities.

I am sure that Government can count on the support from all sections of the House in the implementation of this policy.

12.14 Hours

MATTERS UNDER RULE 377

(1) SPREADING OF DESERT AREA IN RAJASTHAN

श्री हरी रत्न मन्कोहर मेघरा (बीकानेर) :
केन्द्रीय मृक क्षेत्र गवेषणा संस्था जोधपुर के वैज्ञानिकों के मतानुसार राजस्थान में रेगिस्तान निरन्तर बढ़ता जा रहा है। इन रेगिस्तानी क्षेत्र में रेत की मात्रा बढ़ रही है और हाल के कुछ वर्षों में यह भयावह रूप धारण कर गया है। यह स्थिति कितनी भयंकर हो गई है इसका अनुमान हमें हाल में लगाया जा सकता है कि बाड़मेर नगर के उत्तर पूर्व में एक पहाड़ी बालूय बर्तन पहले रेत से पूर्ण मुक्त थी किन्तु अब वह स्थान रेत में डूब गया है। बाड़मेर, जालौर और जोधपुर जिलों में पहाड़ियों की छाट में भारी मात्रा में रेत एकत्र हो रही है। जोधपुर से रेत राई सागर पर भी रेत का जमाव बढ़ता जा रहा है और कनेक स्थलों पर रेत की टीले बन गई हैं। जोधपुर नगर के चारों ओर रेत की ढेरियाँ प्रकट होने लगी हैं और प्रति दिन उनका आकार बढ़ रहा है। जोधपुर औद्योगिक राजमार्ग पर रेत की गहनता हमनी विकसाल हो गई है और इस मार्ग को रेत ने इनका ढक लिया है कि इसकी दिसा बदलना आवश्यक हो गया है। जलसंधि से मोम को जाने वाला मार्ग कुछ ही वर्षों में रेतियों टीलों में विलीन हो जाएगा। पीकरन, मेरगढ़ और सोमियाय में प्रतिदिन रेत की टीलों का जमावट हो रहा है। बाड़मेर में शिवदीयक स्थान और बीकानेर जिलों में जलसंधि और मोरवा के मंत्रालय में भी इसी ही अवस्था में हो जायेगी। पीरानपुर, मीरगढ़, हिसार, बीकानेर, मेरगढ़, जयपुर, बीकानेर और जालौर जिलों में भी रेत की मात्रा बढ़ रही है। इन क्षेत्रों में विशेष कुछ वर्षों में रेत का घेरा तेज गति से बढ़ रहा है। हमारे देश में रेत के एकत्र होने की गंभीरता और विस्तृत प्रभाव में इसका फैलाव किसी विभीषिका से कम नहीं है। यदि समय पर इसे रोकने के लिए कदम नहीं उठाए गए तो इसके गम्भीर परिणाम होने जिन की कल्पना से हृष्य कंप उठता है। मैं अपना कर्तव्य समझता हूँ कि इसे महत्वपूर्ण समस्या को प्रति सरकार का ध्यान आकृष्ट कर और इस सम्बन्ध में सरकार का कार्रवाई कर रही है इससे सदन की क्षमता कायदा है।