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Challenge to Industry

Last weekend the Prime Minister made a very interesting speech to businessmen in Madras. Mrs Gandhi said that she did not believe in the philosophy of controls. But controls became necessary in the absence of strong and well-organised financial institutions, a system of professional management and an awareness of Industry's social obligations. She defined these obligations as responsibility to shareholders (through the growth of the company), labour (through humane industrial relations), consumers (through fair prices and quality control) and society (through the observance of tax laws and other regulations). She argued that if industry was willing to show a sense of responsibility to society, then government would be willing to relax controls and regulations.

Industry may find it tempting to quarrel with the Prime Minister's facts or get into a hen-and-egg argument whether the distor-

tions in industrial behaviour are a product or a cause of controls. But this is not a time to argue. The Prime Minister has laid down a challenge and it is for industry to rise to the occasion and accept it. Let all controls that encourage inefficiency and distort rational economic behaviour go and let the government ignore the retrogressive and controls-obsessed recommendations of the Dutt Committee. But in its turn, Industry must be prepared to take a cold hard look at itself, professionalize and modernise its operations and show positive proof of its social conscience. The stakes are high. If the Prime Minister wishes Industry to co-operate in peaceful change designed to give a fair deal to the poor in this country, this can only be in Industry's long term interests. Otherwise there is a danger, to quote the Prime Minister, "of violent and subversive forces" gaining ascendancy.