

Shri Nambiar: May I seek a clarification? In future printing, can they correct it as a clerical error? Is it permissible?

Shri Jaipal Singh: It is not a clerical error.

Mr. Speaker: They cannot. When it is passed, of course, such errors can be corrected by the Speaker. But that was not before me. I could have done it if it had been passed today. In the third reading or even in the ultimate phase, it could be done. But now when it has existed so long, it can only be done by an amending Bill, not by me.

Shri Hari Vishnu Kamath: He can bring a Private Member's Bill.

16.53 hrs.

*ALLOTMENT OF C.I. SHEETS TO STATES

Shri P. R. Patel (Patan): When in 1955 the Essential Commodities Act was passed in this House, the people of the country thought that all controlled commodities will be had at controlled prices and the distribution will be equitable. If we see section 3 of the Act, we find that the intention of this Act was to secure equitable distribution and availability at fair prices, etc. These things which were aimed at, were never attained, because the administration of the Act was so bad that it could not be done. The administration had no mind to distribute things equitably.

16.54 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Let us see whether the corrugated iron sheets were ever distributed equitably. I put a question and a reply was given on 14th May, 1962 regarding the allotment of C.I. Sheets

to different states and despatches to the different States. I find therein that Gujarat was allotted in 1960-61, 22,674 metric tons of corrugated sheets. But the despatches were only of the order of 1844 metric tons much less, less by more than 20,000 metric tons. In 1961-62, the allotment to Gujarat was 37,710 metric tons and the despatches were 2,221 metric tons—less by about 35,000 metric tons.

Sir, I would like to refer to allotments and despatches to different States. To West Bengal, in 1960-61, the allotment was 21,171 metric tons and the despatches were 33,533 tons—more than the allotment. In 1961-62, allotment to West Bengal was 21,876 metric tons and despatches were 31,292 metric tons. Let us now take the case of Delhi. Allotment to Delhi in 1960-61 was 1,040 tons and the despatches were 1,923 tons. In 1961-62, the allotment was 920 tons and the despatches were 4,057 metric tons.

I do not want to take the figures of other States. But I would refer to my own district. I know what injustice has been done to my district. Injustice has been done to the whole of Gujarat, but specially to my district.

An Hon. Member: What is that district?

Shri P. R. Patel: Mehsana District.

In 1960, the allotment to my district was 1,401 tons. Indents were put, but the despatches were 'nil'. In 1961, allotment was 4,041 tons but the despatches were 'nil'. I am referring to this matter only with one view. When the Controller who receives a high salary is a responsible servant of this Central Government and he does these inequitable despatches, what am I to infer? The inference would be only that there is inefficiency or favouritism or corruption. I am not inclined to

infer in favour of the first two because I would not think that a man of the position of the Controller of Iron and Steel would be inefficient to this extent. I would not say it was due to favouritism even unless I find some record of his near relatives being obliged. So my only inference is that the unjust despatches, inequitable despatches that were done and more being given to Bengal and Delhi was only due to corruption and nothing else. If the people of Bengal, if the people of Delhi had got the advantage of more C.I. sheets, I would have been very happy. But the excess despatches that were given went into the black-market. These despatches have been given only to stockists to earn more, to create blackmarket. If this can be done by an officer of the status of the Controller, the only inference can be corruption and nothing else. We are talking that corruption is at the lower level. Here is a case where corruption is at the top. My feeling is that it is the corruption at the top that has percolated to the lower strata. If the top is honest, if there is integrity at the top, then at the lower level also there will be the least corruption. Corruption is more in the country because the top is corrupt. Here is a case which I put before the Government for taking strong action.

17 hrs.

Just after the passing of the Act, we had the Iron and Steel Control Order 1956. Under that Order, Government issued three notifications, one on 12th May, 1956, another on 2nd May, 1957 and the last one on 20th January 1962. I am referring to these notifications just to show how the loopholes were kept for corruption and to allow black-marketing. I will just refer to one clause of this notification. As the wording is the same in all the notifications I would read only one. Under this order, anybody may be

given these corrugated sheets if the stock is held for a period exceeding 90 days from the date of actual receipt by the said licensing authority of the first intimation of such stocks and it remains uncovered by permits or covered by permits but for which no financial arrangements have been made by the allottee within the period of validity of the permit issued. We know how permits are issued by the district supply officer. Only the Controller should not earn, but the lower officials at the district level should also earn. They are authorised to issue permits. They would issue permits to some persons. They must issue permits for all the stock. If the 90 days period is over, then the registered stockist is entitled to dispose of his whole stock at his own will. The only condition in the notification is that it should be at the controlled price. But he is allowed to dispose of it.

So, what they do is to issue permits to fictitious persons or persons who would never go in for these corrugated sheets. Here is a case where the registered stockist may oblige the district supply officer and the district supply officer may oblige the registered stockist. This is how the game is being played now. If the notification is amended to restrict the freedom of the stockist by saying that whatever may be the period of time, the registered stockist would not be allowed to dispose of his stock at his own will, he would not ask for more quota than he could dispose of.

This is what is happening in Delhi also. When I was to my constituency, I was hearing the weeping cries of my people that though they could not get corrugated sheets, they could be had in any quantity in Delhi.

An Hon. Member: At double the price.

Shri P. R. Patel: I was just pursuing it and I found out how these things are done. The registered stockists dispose of these to some persons who are working as commission agents. They give the bills showing the control price and thereby they save the income-tax and sales tax and can pocket the extra price or put it in their treasury. The same would be quite good for them. The commission agents who are working here take 1 per cent or 2 per cent and just get the corrugated sheets from these persons. Naturally, the control price bill is given. I am rather amazed to know and am sorry to say that the Central Government is sitting here, the Police and intelligence officers are here, the best officers of the country are here and they must be moving in Delhi. Do they keep their eyes and ears closed? When I could see these things, how did the Police and other officers not see all these things?

Then the turn of the Police officers comes. I am just narrating the story that I have got. The Controller's office is there. Then comes the District Supply Office. Now, you see in the open market after 90 days the goods are disposed of. They go to some persons. Anybody is allowed to buy and sell under the notification. There is absolutely no offence. What do the Police officers do then? I have got the record and I will give you the story.

Mr. Deputy-Speaker: He has only two minutes more.

Shri P. R. Patel: Yes, you will please give me two minutes more. I hope the House will also agree.

Some Hon. Members: Yes.

Shri P. R. Patel: I got information of the consignments of these corrugated sheets. Only from the Delhi Station from the 4th October to

the 28th October, 1961, during the period of 24 days 40 consignments had been booked. From this you can understand what a big business is going on. What do the Police officers do? The consignments are there; so, they follow the consignments. One Police officer of the CID, a responsible officer, followed the consignments and wherever he got the money he released the consignment and wherever he did not get the money he brought it to his chowki. I would like to know whether there is any offence if it is bought in the open market. There is nothing like that.

Lastly, I would say one word.....

Shri Harish Chandra Mathur (Jalore): We can sit for another five minutes.

Mr. Deputy-Speaker: Half-an-hour discussion is a 30-minutes' discussion.

Shri Harish Chandra Mathur: This has been the practice in this House that half-an-hour discussions have been prolonged to two hours.

Mr. Deputy-Speaker: I do not think so.

Shri Harish Chandra Mathur: It has been so. What does it matter?

Shri P. R. Patel: There are two enemies of democracy. Wherever democracy has failed it has failed because we could not check these two enemies. One of them is corruption and the other is blackmarketing. In Pakistan democracy failed because there was corruption and blackmarketing. Everywhere in the world you will find that failure of democracy is due to blackmarketing and corruption. Corruption and blackmarketing are two friends. They are twins. One cannot exist without the other. If there is no corruption, there will be no black market. So, the mother of black market is corruption. Our corrupt officers are responsible for

this black market and the dissatisfaction that is there in the country against the Government is created by the highly paid officers of the country.

Mr. Deputy-Speaker: There are two hon. Members who have given notice that they would like to ask questions.

Shri Harish Chandra Mathur: May I know what is the time when the notice should be received by you?

Mr. Deputy-Speaker: At least before the discussion is begun.

Shri Harish Chandra Mathur: That is, before I ask a question I must give you notice?

Mr. Deputy-Speaker: At least before the discussion begins he must give the notice.

Shri Harish Chandra Mathur: So the ruling is that it should be one minute before the discussion starts.

Mr. Deputy-Speaker: It must be a reasonable time.

Shri Man Sinh P. Patel (Mehsana): In view of the reply given to the unstarred question which is under discussion, the fact is very clear, and my friend has also said that two State Governments.....

Mr. Deputy-Speaker: What is the question? You cannot make a speech.

Shri Man Sinh P. Patel: Two States have got additional quota, than the allotted. What has happened to the remaining portion, not dispatched as per allotted quota in other States? The presumption will be, as my learned friend has well explained. I would only like to know what are the plans of the Government to supply, in right time, the allotted quota and to increase the manufacture of these to a sufficient quantum wherein we can reach a stage of de-control to which I devoted my whole attention during the ten minutes of my speech on the Demands of the Ministry of Steel and Heavy Industries.

Shri P. G. Sen (Purnea): Here in the towns we see one kind of sight and when we go out of the towns we see quite a different sight. Now, in our parts.....

Mr. Deputy-Speaker: Please put the question.

Shri P. G. Sen: In our parts fire devastations have been caused one after another, and the demands for CI sheets have been all the more pressing. I would like to know whether Government is aware of the fact and whether they are going to supply it.

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): Mr. Deputy-Speaker.....

Shri P. R. Patel: May I bring to the notice of the hon. Minister one thing, that if he wants to raid the market he will get not less than 1 lakh maunds of corrugated sheets.

Shri C. Subramaniam: Mr. Deputy-Speaker, at the outset I should say that when I passed this answer, because it referred to facts and figures I did not scrutinise it with as much care as I should have done. Perhaps, if I had done that, the suspicions which arose in the minds of the hon. Member would have arisen in my own mind.

Shri P. R. Patel: Is there no black-marketing?

Shri C. Subramaniam: Kindly wait. I did not interrupt you when you were speaking.

Dr. L. M. Singhvi (Jodhpur): Sir, the Minister also must address the Chair. He has no special privilege.

Shri Priya Gupta (Katihar): A Minister has no special privilege.

Mr. Deputy-Speaker: The hon. Minister may address the Chair.

Shri C. Subramaniam: I am sorry, Sir. I did not interrupt the hon. Member. Let him have some patience. After I have given the reply, if he still has got some doubts I am here

[Shri C. Subramaniam]

to dispel those doubts, and if there is any suspicion I would not hesitate to order any enquiry against anybody. Therefore the hon. Member need not go with the impression that he alone is against corruption and black-marketing and that all the Ministers are for corruption and black-marketing. (Interruption). Therefore, the hon. Member may kindly hear me and then, if he still should think that there is something more to be enquired into, I will not hesitate to order an enquiry. But let him hear me patiently before he wants to say anything else.

I said for anybody who goes through those figures the suspicions which arose in the mind of the hon. Member would ordinarily arise: because, *prima facie* it shows, as has been pointed out, that as far as Gujarat is concerned, as against an allotment of 22,674 tons the actual despatches in 1960-61 were 1,844 tons. And in 1961-62 37,710 tons were the allotment, and the despatches amounted to only 2,221 tons. Whereas, in the case of West Bengal, as against an allotment, which is shown in this answer, of 21,171 tons the despatches show 33,533 tons in 1960-61, and in 1961-62 as against an allotment of 21 thousand and odd, there is a despatch of 31 thousand and odd. So, naturally, anybody would draw the conclusion that there is something vitally and basically wrong. That is why this half-an-hour debate was raised and my attention was drawn to this.

I am deeply indebted to the hon. Member for having raised this matter. Therefore, I took a good deal of trouble to find out the answer for this imbalance in respect of allotments and despatches. Not only here; I went to the office of the Steel Controller at Calcutta and sat down with the officers there and tried to find out the explanation which they were able to give for these disparities with regard to allotments and despatches.

I respectfully submit that there is an explanation even though I also felt that perhaps it does not explain fully all the facts. Therefore, now, it is for hon. Members to decide. After I give what I have been able to find out with regard to the justification for this and how these disparities have arisen, then, perhaps, we may consider what to do further.

An impression has been created that despatches to certain States have been made at the expense of others by comparing the figures of allotments and despatches given in the statement. Before explaining the actual position, it is necessary to explain the procedure by which allotments are translated into despatches. Allotments are made by the Iron and Steel Controller with the approval of the Ministry under the following two broad heads: (a) Central quotas through sponsoring authorities, for example, Ministry of Defence, Railway Board, Development Wing, Central Water and Power Commission. This is what we call Central quota relating to the Central Ministries. Then, (b) State quotas through State steel licensing authorities. On receipt of bulk quotas, the Central sponsoring authorities issue quota certificates to individual consuming departments or their contractors. In respect of the State quotas, the State Steel licensing authorities issue quota certificates to registered stockists in the States as well as to individual consumers or Government departments. The parties or departments receiving quota certificates through the sponsoring authorities are then required to place orders along with the quota certificates either on the controlled stockholders anywhere in India or on the producers through the Iron and Steel Controller. After booking the orders of individual quota certificate holders, the controlled stock holders have to place bulked indents on the producers through the Steel Control along with the quota certificates. Steel Control

scrutinises the indents and the supporting quota certificates and places indent on various producers taking into account the nearness of the producer to the indenter, the sections required and the load of orders in the mills. On receipt of indent from Steel Control, the producers get into touch with the indentors direct and ask them to make financial arrangements and also the necessary trade formalities, for example, sales tax declaration, etc. After these formalities are completed, the producers book order for execution and issue works order or instructions to the works to take action for rolling and supply. This is how allocations arise.

From the above it will be clear that despatches cannot take place as soon as allocations are made. Unlike other commodities like cement, steel sections are rolled to order and to required specifications because of the large variety of the sections required. The parties receiving quota certificates must book orders. Producers have been given instructions to follow the chronology of the works orders for execution of the orders, subject of course, to priority instructions issued from time to time. Standing priority is accorded to orders emanating from Defence services, Railways, certain Irrigation and Power projects, Export promotion, collieries, etc. A certain percentage of the production is earmarked for execution of priority orders depending on the load of outstanding orders and the balance is supplied to non-priority indentors on the basis of the age of their works orders, irrespective of the States from which the indents have been received. It is in the light of what has been stated that figures of despatches furnished to the Lok Sabha have to be examined.

A reference to Note No. 3 below the statement furnished to the Lok Sabha would reveal that while the allocation figures pertain to the State quotas, despatch figures were against all quotas, Central and States, and

despatches to controlled stock-holders. The figures of despatches also represent despatches against current and outstanding orders. Galvanised corrugated sheet is an item which is very much in short supply. The producers carry a heavy back log of orders and as such there is considerable lapse of time between allotment and actual supply. If a statement is prepared with regard to actual despatches to States as such excluding despatches against Central quotas, then, the figures do not look so distorted. Therefore, I would like to give figures with excluding the Central quotas. As already explained Central quotas are given with reference to the Ministries concerned. Therefore if the dispatch against that allocation is taken out, and only the allocations to the States under the State quotas are taken into account, then the hon. Member will find that as against an allocation of 22,674 tons in Gujarat in 1960-61 the despatches have been 1422 tons, and as against an allocation of 37,710 tons in 1960-61, the despatches have been 1252 tons.

Then, if you take West Bengal, the allocation is 21,171 tons; as against this, the despatches for these quotas, that is, the State quotas alone, come to only 6,250 tons.

Shri P. R. Patel: Is the quota for the whole State, or is there any distinction made between the State and the Centre?

Shri C. Subramaniam: It is for the whole State. I am coming to that. It means the whole State quotas. I have already made a distinction between the Central quota and the State quota. The Central quotas are for the Defence Ministry, the Railway Ministry and the various other Ministries concerned with the Centre, and its Departments.

In view of the location of the various manufacturing industries in Calcutta, naturally, the Central quotas would necessarily arise mostly in

[Shri C. Subramaniam]

West Bengal. Therefore, there would be allocation of Central quotas to West Bengal much more than to any other State. That is why you will find that the despatches shown in 1960-61 were of the order of 33,533 tons. As against this total despatch figure, the despatches against the State quotas alone were only 6,250 tons. The other 27,000 odd tons were against the Central quotas, with reference to the allocations for the Central Ministries. Therefore, the hon. Member need not go with the impression that as against an allocation of 21,000 odd tons, 33,000 tons or so have been despatched, because these despatch figures include despatches against the Central quota also.

Therefore, in order to get the correct picture, we have to look into what the Central quota was and what the State quota was. If we look into these things, then this is what we find. But even then, I agree that as against 22,000 tons to Gujarat, only 1,400 tons were despatched, whereas as against 21,000 tons Bengal got 6,250 tons. Proportionately, Bengal has got more. But there are other explanations also for this. Besides the question of Central quotas and State quotas, there are also other factors which have to be taken into consideration.

The disparities in these are further attributable to any one or more of the following reasons. That is, even after taking into account the disparity arising out of the Central and State quotas, there have been disparities between States in the State quotas and the despatches to the States themselves. Those disparities can be attributed to any one or some of these following reasons.

Firstly, there is a considerable time-lag between allocation and despatches. The despatches made in 1960-61 and 1961-62 were mostly against the orders booked in 1958-59 and 1959-60, when the allotments

were completely different. Secondly, some States take a longer time to issue quota certificates, and the quota-holders in some States take a longer time to book orders after making the necessary financial arrangements. Thirdly, the quota-holders in many States book orders through controlled stock-holders, and such supplies to them are not reflected in the figures of despatches against the allotment to that particular State. Fourthly, the quota-holders in many States also book orders—and this is important—through controlled stock-holders of other States. A statement can be given with regard to various States asking their quota to be delivered at Calcutta, because there are certain manufacturing concerns, and they want these things to be fabricated there. Therefore, they direct that their quota should be delivered to the manufacturing concerns at Calcutta. Therefore, Calcutta stands at an advantage of getting, as far as the despatches are concerned, not only the quotas of its own State and the Central quotas but the quotas of some other States also; because of the concentration of the manufacturing capacity in that region, the quotas are delivered there. I have got with me figures with reference to that.

When I take all these into consideration, I find that it is not as bad as the hon. Member represented it to be. I do agree, however, that even in spite of that, the proportion is not what it should be with reference to allocation and despatches. But there is also another aspect which will have to be taken into account in this connection, because, in respect of the western States and the southern States, there is the rail transport bottle-neck. Therefore, even though the material is available, we find that there is the transport bottle-neck. Therefore, they are unable to despatch the goods. The despatches become less with reference to the southern and the western States, and to a certain extent, the

northern States and the north-eastern States are at further advantage as far as the transport question is concerned.

Therefore, taking all these into consideration, I find that it is not as if at the top the controller has become bad or corrupt or he has been a party to this corrupt practice of allocating quotas to various States in a disproportionate manner. But I do agree there could have been a better allocation even with regard to despatches and they should have taken adequate steps. That is why with reference to the previous allocations and all those things we have now laid down that a certain definite quantity should move to each State. We have worked out what should move during each month, taking into account what has been the quota, what have been the despatches and what has been the demand there. We have worked out, as far as possible, a rational formula which will give a monthly quota of despatches to each State. We have laid it down that this should be strictly followed.

But even in that, I find that West Bengal gets an advantage. As against 1,500 tons which West Bengal would be getting as a monthly despatch, I find Gujarat would be getting only 200 tons. UP would get only 600 tons and Delhi would get only 120 tons as State quota.

Shri P. R. Patel: We get less always.

Shri C. Subramaniam: Therefore, we have to find out a rational basis for distribution of this scarce commodity. As far as possible, we have taken into account the demand and the allocations during the previous two or three years and we have made a rational allocation. It is not merely allocation, but it should be despatched to the various States. Therefore, I am hoping that there would be better distribution during the coming days.

Some allegations have been made that there have been movements of GC sheets to Gujarat from Delhi.

Shri P. R. Patel: Not only from Delhi, but from Calcutta also.

Shri C. Subramaniam: Delhi, Calcutta and UP. If the hon. Member could give me some facts which may be in his possession, we shall certainly look into it and if necessary, order an inquiry into that.

Shri P. R. Patel: I put a question.

Shri C. Subramaniam: As has already been pointed out, it is not a question of corruption at the higher levels. I do agree that whenever there is control, corruption creeps in. Even if the highest level officer is honest, it is always possible to go wrong at the lower level. That is why we always try to see whether it would not be possible to avoid controls. Controls can be removed only when there is sufficient production. Therefore, I welcome the question put by an hon. Member asking what steps have been taken to increase the production of GC sheets. That is the most important thing. That alone would solve all these problems.

This is also linked, to a certain extent, to what happened in Rourkela. Rourkela was allotted for the manufacture of flat products. This is one of the categories of products which has to be taken up in Rourkela. But unfortunately, as hon. Members are aware, we got into difficulties at Rourkela. We are getting over those difficulties. Therefore, I am hoping it would be possible to get more production of sheets at Rourkela. Then perhaps the situation is bound to improve. But it cannot be done overnight. It is bound to take one or two years. But during this period, it should be the endeavour of the Steel Ministry to see that even what seemingly looks like discrimination is avoided and a fair and equitable distribution of this scarce commodity takes place.

If hon. Members are interested in it, I am prepared to make this offer. Let two or three Members form-

[Shri C. Subramaniam]

thmselves into a committee. I will let them look into all the facts and figures with reference to these despatches at the Steel Controller's office and if they find anything faulty there. I will not hesitate to take any action. It is for hon. Members to decide.

Shri P. R. Patel: I would like to know one thing.

Mr. Deputy-Speaker: The discussion closed now.

Shri P. R. Patel: I want to know from the hon. Minister whether he

knows that there is black-market in Delhi and truckloads come to Delhi daily from outside and the price in the black-market is more than double the control price.

Shri C. Subramaniam: I am a newcomer to Delhi and I have not been in touch with the black-marketeers. If the hon. Member gives any information about it, I will look into it.

17:30 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, June 22, 1962. Asadha 1, 1884 (Saka).