

RAJYA SABHA

Friday, the 1st December, 1978
10th Agrahayana, 1900 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Supply of Pig Iron at a Concessional Price to the Small Scale Industries

*181. SHRI ARVIND GANESH KULKARNI:†

SHRI S. W. DHABE:

SHRI NARASINGHA PRASAD NANDA:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have received any complaints about the high prices of pig iron being charged from the small scale industries and the rebate of Rs. 175 not being passed on to such industries; and

(b) if so, what steps Government propose to take to make pig iron available at a concessional price to the small scale sector?

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): (a) Representations have been received requesting rebate of Rs. 40/- per tonne in the sale of pig iron to the SSI units from the SSI Corporations as in the case of Steel. At present, supplies of pig iron are being made to SSI Corporations at JPC prices which are Rs. 93/- per tonne less than the stock-yard prices, but it is understood that in most cases no relief on this account is passed on to the Small Scale Units by the SSI Corporations.

(b) The representations are being examined by Government in consultation with the J.P.C. and a final decision is expected to be taken shortly.

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

1507 RS—1.

SHRI ARVIND GANESH KULKARNI: As the Minister has rightly pointed out, whatever concessions and rebates are given to the SSI Corporations, they are not passed on to the small-scale sector. That is the biggest complaint. And he desires to rectify this; it is quite good. But it should be rectified immediately. But, Sir, the difficulty is in the case of pig iron which forms part of steel. I do not want to take much time; I do not also want to quote because I may be accused of taking more time of the House. The Oxford Illustrated Dictionary states that steel includes pig iron. The Government's notification is that on steel they give this amount of Rs. 93 or Rs. 175. But actually the benefit is not passed on, on account of pig iron. When I approached the SSI Corporations as the representative of the small-scale industries in Maharashtra and Gujarat, they told me that the Steel Ministry officials are unable to pass on this benefit to pig iron. I said I would inquire into it. It is for Mr. Patnaik to listen to this and to rectify this mistake. They say, when the Steel Ministry and the Finance Ministry had a discussion about passing on this benefit to the small-scale sector, they worked out a certain figure which amounted to Rs. 6 crores. But the officials of the Steel Ministry or the Finance Ministry forgot to add supplies of pig iron to it. Now, they want to take the small-scale industries for, what you call, a ride, and also take their own Minister for a ride, and that is why the difficulty has come. If Mr. Patnaik assures me that this concession will be passed on to pig iron also, I have got no objection and will be more than satisfied.

SHRI BIJU PATNAIK: I would welcome my friend, Mr. Kulkarni, to join the ride. Nevertheless, as I have explained, the Small-Scale Industries Corporations obtain pig iron for the small-scale industries' consumption at what is called the JPC prices, which are Rs. 93 per tonne less than the

stock-yard prices, whereas steel supplies to the Small Scale Industries units are at Rs. 40 less than the stock-yard prices. It is a pity that the Small Scale Industries Corporation of his State does not pass on the benefit to the small-scale units. This is what I am going to look into, as to why they cannot pass it on. It would be interesting for Mr. Kulkarni to know that the total offtake by the Maharashtra Small-Scale Industries Corporation during 1977-78 has been only 7,600 tonnes. So, why they cannot pass on this benefit that we are giving to the Small-Scale Industries Corporation is not understood. Therefore, I have called a meeting of these people to find out what is the position. And as I have said in answer to part (b) of the question, a final decision is expected to be taken very shortly.

SHRI ARVIND GANESH KULKARNI: Sir, Mr. Patnaik has stated that the consumption is only 7,000 tonnes. In that year it was only 7,000 tonnes because, Sir, the industry works only as an ancillary industry to the big industry. But whatever might be the consumption, as Mr. Patnaik has already assured that he is calling a meeting and he will give them the benefit, I am satisfied. Now, my second question is whether the Minister is aware that even the State Small Industries Association, not only of Maharashtra but of many other States also, have severely complained in our Small-Scale Industries Board meeting and the federation's meeting that this pig iron or steel is usually not available without making some arrangement with the Controller's office at Calcutta etc. Corruption is rampant there in the Steel Ministry itself at Calcutta's level. This is number one. Secondly, for allotment of wagons, there is another type of corruption going on. So, if Mr. Patnaik really wants to rectify and really wants to come to the rescue of the small-scale industry, he has to see that there must be some fool-proof system. I know, corruption cannot be rooted out anywhere because

it is a part of politics; it is a part of the game...

SHRI JAGJIT SINGH ANAND: It is a part of the capitalist system.

SHRI ARVIND GANESH KULKARNI: No, in Russia also there is corruption. Mr. Anand, even in Russian or Polish system or in any other country . . .

MR. CHAIRMAN: Leave him.

SHRI ARVIND GANESH KULKARNI: Yesterday also Sir, he interrupted me while I was putting my question....

MR. CHAIRMAN: You put your question now.

SHRI ARVIND GANESH KULKARNI: Perhaps, his knowledge of the Russian scheme or any Communist country's scheme is very old . . .

SHRI JAGJIT SINGH ANAND: My knowledge is very very first-hand; I am very up-to-date. In Russia, for any corruption, the punishment is capital punishment.

SHRI ARVIND GANESH KULKARNI: Capital punishment is for those who are not liked by the Politburo, and not for everybody.

SHRI JAGJIT SINGH ANAND: No, it is for everybody. Let me give him the benefit of my advice.

MR. CHAIRMAN: Mr. Kulkarni, forget him. No, you don't discuss between yourselves. Mr. Anand, let him put his supplementary.

SHRI ARVIND GANESH KULKARNI: To my supplementary I want to add for Mr. Anand's benefit that when tobacco was supplied to Russia, Russia paid hush money to these capitalists in Andhra Pradesh and that has come out in the press.

SHRI JAGJIT SINGH ANAND: That is twenty years old.

SHRI ARVIND GANESH KULKARNI: Sir, my supplementary is,

this corruption is there. As I have said, the Government should have some foolproof system. Even in the State Industrial Associations which are semi-Government associations manned by I.A.S. officers, an I.A.S. officer, giving a hush money to another I.A.S. officer in the Controller's office looks very awkward at least to a person like me. So both these things have to be rectified and the benefits are to be passed on for supply of pig iron as well as steel, as he has promised.

SHRI BIJU PATNAIK: He has moved from pig iron to steel. For his information, I would like to say that during the period April-October 1977, the total supply of pig iron was 4,87,000 tonnes . . .

SHRI ARVIND GANESH KULKARNI: Is it for Maharashtra or for the whole country?

SHRI BIJU PATNAIK: It is for the country, and this year, for the same period, it is 6,77,000 tonnes, nearly 40 per cent more. In Maharashtra, as I said, Sir, their off-take has been very small: as I said for 1977-78 it is only 7,600 tonnes as against Gujarat where it is 1,25,000 tonnes.

SHRI ARVIND GANESH KULKARNI: Without payment of money, they cannot get in Gujarat. They very well know their practice. They know everything.

SHRI BIJU PATNAIK: of course, nobody can get any goods without payment of any money. Then, in regard to Punjab, it is 38,700 tonnes. In regard to Maharashtra, for which my hon. friend is pleading, it is only 7,600 tonnes.

SHRI AMARPROSAD CHAKRABORTY: What is the figure in regard to West Bengal?

SHRI BIJU PATNAIK: It is only 243 tonnes. I am talking about the Small Scale Industries Corporation.

SHRI ARVIND GANESH KULKARNI: This is because of the CPI (M) Govern.

SHRI BIJU PATNAIK: We are discussing about the distribution by the Small Scale Industries Corporations. There are people who are directly taking rake loads. The problem is not the problem of corruption as the hon. Member thinks. But the problem is, the Railways have rejected any further single wagon movements because of their movement difficulties. Wherever they want to move steel materials, they want rake loads which is at least 1500 to 2000 tonnes at a time. This is causing us considerable difficulties. As of today, I have more than 2,75,000 tonnes of steel materials lying in my steel mills unable to be moved, whereas there is shortage of steel at different points. There are inherent difficulties in our structure. We are collectively trying to remove these difficulties. Therefore, there may little shortage here and there now and then. But as a policy, I am giving this Small Scale Industries Corporation of India nearly two and a half times more materials than they received last year, both steel and pig iron. This the hon. Member will admit. I thought he will give me some kudos. But now, I hope, he will cease attacking at random. But as I said this question of difference in price which is to be passed on to the small scale units is being looked into by me personally, and as I said earlier, very soon, we should be able to take a decision which, I have no doubt, will satisfy not only the hon. Member, but the consumers as well.

SHRI ARVIND GANESH KULKARNI: You should involve Members of Parliament. Let him involve Members of Parliament also so that they will be able to keep a watch on this.

SHRI S. W. DHABE: Sir, I congratulate the hon. Minister for saying that he has increased the quota of both steel and pig iron to the small scale industries. He had said this. He

has also said that there is now a concession of Rs. 93 in the quota issued for this purpose. Now, this concession is not being passed on to the small scale industries in any part of the country through the Small Scale Industries Corporations. So, my question is, why should not the concession which should go to the small scale industries be directly passed on to the small industries and why should the Small Scale Industries Corporation or any other Government machinery come in the way? This concession is meant only for the poor people who are engaged in foundry and such other small scale industries which employ many people and it is they who should get the benefit. May I know from the hon. Minister when this direct link will be established so far as this concession is concerned?

SHRI BIJU PATNAIK: It is not possible to have this direct link for small tonnage supplies and that is why the State Small Scale Industries Corporations have been formed. I am sure the State Governments will be more interested in the development of the small scale industries. It is their business. They should look into it and they should also ensure that the small scale industries are benefited according to the concession which the Central Government is passing on to them for this purpose.

SHRI NARASINGHA PRASAD NANDA: I am glad the hon. Minister has been pleased to extend this benefit of Rs. 175 to pig iron also. I would like to know from the hon. Minister by what date precisely this benefit is likely to be extended to the small scale industries and, secondly, whether the in-take by the various units has lapsed because this benefit has not been extended to the small scale units.

SHRI BIJU PATNAIK: There is no question of not giving the benefit. But the question is, why this benefit which has already been given is not being passed on to the Small Scale units by the Small Scale Industries Corporations. This is what I am ex-

amining at the moment. Unless and until I examine why this is so, I cannot give a date by which this will be done.

MR. CHAIRMAN: Yes, Mr. Mohanty.

SHRI SURENDRA MOHANTY: My question is answered.

SHRI JAGJIT SINGH ANAND: May I ask the hon. Minister, how long he will take, rather the Railway Minister will take to see that wagons are allowed to be moved and not these rakes only? That is one of the main impediments, as he himself has pointed out. After all, a commodity like steel cannot be moved on a large scale on trucks either.

MR. CHAIRMAN: He will pass on the information to the Railway Minister. Next Question.

SHRI JAGIT SINGH ANAND: Will you do something about it? After all, it is going to be in your own interest.

SHRI BIJU PATNAIK: I will pass on the suggestion of the hon. Member to the Railway Minister.

SHRI JAGJIT SINGH ANAND: It is in your own interest to see that this information is passed on.

Exemption from the payment of minimum bonus

*182. SHRI NARASINGHA PRASAD NANDA:†

SHRIMATI AMBIKA SONI:
SHRI S. W. DHABE:

Will the Minister of PARLIAMENTARY AFFAIRS AND LABOUR be pleased to state:

(a) whether it is a fact that a number of industrial establishments have applied to the Central and State Governments for exemption from the payment of minimum bonus of 8.33 per cent for the year 1977-78, under the

†The question was actually asked on the floor of the House by Shri Narasingha Prasad Nanda.