Annexure 11

Deputy Chief Minister P.M. Pradhan's confidential note to the Chief Minister, R.N. Singh Deo on 10 December, 1970.

Chief Minister.

In the meantime, I think, the Chief Minister might have read paper publications regarding giving concessions to some kendu leaves purchasers and agents. Groups of people are often coming to me and asking me to tell the story about these concessions. I did not know that such a concession of such a heavy amount of money has been given to two persons. I am told that these concessions have been given to the purchaser of kendu leaves Unit Nos. 6, 6A, 47, 48A, 54 and 54A. The purchaser of these Units has got 20% relief of the purchase price for three years while the Agent of these Units has got relief for short fall for one year. I was told by those complainants, that the concessions for these Units involve a sum of about Rs. 13 lakhs. These concessions have been given to one Shri D.C. Patel group. Further I am told that another kendu leaves contractor namely Shri Bithal Patel has got concessions of this kind, to the tune of little over 4 lakhs. Altogether by granting concession to these persons, there was been a loss of near about Rs. 18 lakhs to Government. The order has been given, it is told, on the 28th November, 1970.

I clearly remember that when discussions about these cut-throat competitions regarding kendu leaves unit bids were going on, it was decided that the units would be
broken and that the greater the number of bidders and the
greater the competition would be, the greater the benefit
would accrue to the State. Hence the bidders went on bidding
even at the late stage of the season. Government did not press
any body to take any Unit with the understanding that when some
body would be put to difficulty for any reason, Government would
grant concessions. I know that two or three groups of kendu
leaves contractors made whole-hearted intrigues with officials
and politicians from the very beginning of carving out Units,
calculating quantity of leaves to be produced and giving
exorbitant bids to prohibit others to get some best Units. I
got a scent even from that, that some people would try their
level best to intriguingly create situations for availing
concessions on this or that flimsy grounds. In my opinion,
Government will not be at all responsible for any loss of any
kendu leaves contractor. When some body has given the highest
bid for purchase price and was willing to be agent to collect
the stipulated quantity of kendu leaves, he (some body) should
comply with the conditions, I do not know what has happened in
these cases.

The concession amount of money is not few
thousands,. It is a coolossal sum of ₹.17 to 18 lakhs. There
has been publications in almost all the Press. My party people
are very critical about this. The Cuttack and Puri Jana Congress
District Committee have already expressed their concern over
this colossal relief to two persons.
No-body knew that there would be relief to these kendu leaves contractors. Had it been known to others by now, almost all the contractors would have created atmosphere on flimsy grounds to get concessions. After knowing about this concessions, almost all the kendu leaves contractors will demand the same. I apprehend that Government cannot but comply with their demands more or less and whatever excess income the coalition Government got in comparison to the income derived in the previous Government may be lost in granting these concessions.

The kendu leaves business and the Government’s action especially in granting concessions has always been the focal point to criticism and legal and commission inquiries. People have gone against Government’s decisions and concessions to High Courts, Supreme Court, Kshsana Commission and Madholkar Commission. Remarks of the Supreme Court and Commissions are not favourable for Government.

Under the circumstances, it may not kindly be deemed my interference if I very humbly suggest to the Chief Minister that the execution of the order of concession may kindly be immediately stayed and the matter may be discussed at least in the Cabinet or in the minimum with seven Members of the Cabinet.

For kind consideration.

P.M. Pradhan.
10.12.1970
Deputy Chief Minister.