

<i>Names of the Institutes</i>	<i>No. of books</i>
Central Building Research Institute, Roorkee.	28
National Physical Laboratory, Delhi.	182
Central Water and Power Commission, New Delhi.	222
Central Food and Technological Research Institute, Mysore.	74
Institute of Mines and Applied Geology, Dhanbad.	127
Geological Survey of India, Calcutta.	68
National Chemical Laboratory, Poona.	145
Central Leather Research Institute, Madras.	50
Total	1,393

TRANSLATION SECTION IN THE MINISTRY OF LAW

293. MOULANA M. FARUQI: Will the Minister for LAW be pleased to state:

(a) the present strength of translators working in the Translation Section of his Ministry;

(b) whether any assistance is obtained in connection with translations from outsiders; and

(c) whether there are any translators having knowledge of Persian in that section?

THE MINISTER IN THE MINISTRY OF LAW (SHRI H. V. PATASKAR): (a) Seven.

(b) No.

(c) Two translators have knowledge of Persian.

†NICOTINE FROM TOBACCO-DUST

240. SHRI M. VALIULLA: Will the Minister for NATURAL RESOURCES AND SCIENTIFIC RESEARCH be pleased to state:

(a) whether the scientific research laboratories were asked to investigate the possibilities of manufacturing Nicotine from tobacco-dust;

(b) if so, what is the result achieved; and

†Postponed from the 24th March 1955.

(c) whether the manufacture of such Nicotine is to be undertaken on a commercial scale; if so when?

THE MINISTER FOR NATURAL RESOURCES (SHRI K. D. MALAVIYA): (a) Yes, Sir. The work was carried out at the National Chemical Laboratory, Poona.

(b) A simple process, which renders recovery of nicotine sulphate from Indian tobacco wastes an economic proposition, has been successfully developed. Patents for this process have been obtained in India, U.S.A., Turkey and Cuba.

(c) Arrangements have been made by the National Research Development Corporation to license the process to Messrs. N. Krishnaswami & Co., Madras, who are floating a company under the name of "Tobacco Bye-Products Limited" for commercial exploitation. The firm expects to go into large-scale production by the middle of this year.

PAPER LAID ON THE TABLE

PROCLAMATION BY PRESIDENT REGARDING ANDHRA

THE DEPUTY MINISTER FOR HOME AFFAIRS (SHRI B. N. DATAR): Sir, I beg to lay on the Table, under clause (3) of article 356 of the Constitution, a copy of the Proclamation issued by the President on the 28th March 1955, under clause (2) of the said article, revoking the Proclamation issued by him on the 15th November 1954, in respect of the State of Andhra. [Placed in Library. See No. S-102/55.]

THE ESSENTIAL COMMODITIES BILL, 1955—continued

THE DEPUTY MINISTER FOR COMMERCE AND INDUSTRY (SHRI N. KANUNGO): Sir, resuming where I left yesterday, I would submit that this particular Bill is in the nature of a reserve power for Government and it will enable them to take some action so that a condition as happened

[Shri N. Kanungo.]

in 1944 and 1945 will not repeat itself.

Sir, today we are supposed to be quite well placed as far as food is concerned but that is not a condition where we have to be complacent. The failure of a couple of monsoons may result in scarcity which we cannot imagine now. We must also remember that we have just finished the period of five years, the period of the first Plan, and we are on the threshold of the Second Five Year Plan and unless economic activities, particularly those relating to the life and the essential requirements of life of the entire population, are constantly under observation and steps are taken in time to prevent catastrophic happenings, the community cannot get along.

I would also like to submit, Sir, that this Bill should not be considered as a measure for industrial development or for industrial planning. For that purpose, we have other pieces of legislation and other administrative efforts of Government. The one question which the House has got to decide in view of the past happenings is whether it is necessary that Government should be armed with ample powers to take steps as and when desired, to prevent emergencies and when emergencies unfortunately occur, to tide over those emergencies with the least disturbance to the population concerned.

I shall not discuss in detail the particular items which have been mentioned for inclusion, because other speakers have just dealt with them. I would only point out that the last sub-clause provides for powers to the Government to include any item if and when they feel it necessary to do so and such powers, according to the provisions of this Bill, will have to be reviewed by both Houses of Parliament. Mr. Sinha was very right when he said that the attention of Government should not be confined to urban areas only, and that is very true,

because the bulk of the population do not live in the urban areas. Perhaps in the past years, which were hectic years, there have been mistakes or there have been miscalculations, but I am sure that with the experience of the last 10 years of handling controls, the administrative machinery, the policies would be such as to see, first of all, that there are no emergencies and then, if unfortunately, they do occur, we would know how to tide over them with the least disturbance to the life of the community.

One important point that Mr. Sinha made out was about the trial by the panchayats of offences arising out of the various orders under the Act. Well, I do not see any difficulty in it, in the sense that if any panchayat proves its worth and is found reliable by the State Government, it could surely be empowered with first-class powers. But as it is, when Government takes rather sweeping powers, it also owes a responsibility to the community, and to the House also, to see that those powers are exercised moderately and the citizen gets as much protection as is possible under the circumstances. Therefore, the offences have been categorised into two types.

First, there are the rather minor ones where the maximum punishment has been put as one year, and the other the major ones. Such offences, unless they are tried by competent judicial officers, may result in hardship and, therefore, the usual provision of the Criminal Procedure Code will take care that the citizen or whoever is hauled up as an offender has the chance of getting the best justice possible in this country.

A suggestion has been made that orders under this Act should be placed before this House, prior to their promulgation. Sir, it is all very well to do so at the present time, and in peaceful periods. But I would beg to draw the attention of hon. Members to the hectic days of 1944 and 1945 when officers had to take action immediately. And so whether they exceed the powers or whether they are

hasty is for the Government to judge. In such matters, ample discretion has got to be left to the man on the spot. Things happen suddenly. It does not happen all over the country. It sometimes happens in certain pockets of the country. Even today, there are pockets in the country where food-grains are in short supply and prices do rocket up. In various places, you find sugar just vanishing from the market. In such cases, the man on the spot has got to take action immediately. But as the hon. Minister assured the Lok Sabha, all such orders as are passed by the Central Government and the Central Government's officers and such of the orders of State Governments as would be available, would be placed before the House, and if the House, after considering them, considers any of them as injudicious or improper, then the Government will certainly abide by the decisions of the House.

Objection has been taken to the provision in clause 9 dealing with offences by corporations.

SHRI RAJENDRA PRATAP SINHA (Bihar): It is clause 10 and not 9.

SHRI N. KANUNGO: I am sorry, I stand corrected.

I may, however, draw the attention of hon. Members to the provisions of the Act as it stood and I believe that with the experience of things happening, we can say that the present provision is a considerable moderation of the provision as it stood before. Sir, corporations as such do control a great deal of the trading in this country and in the context of emergencies and possible emergencies, unless adequate powers are there, preventive action cannot be taken, preventive action in the sense not of penalising any person or anybody, but of issuing orders which would prevent a catastrophe happening. That being so, Government must provide themselves with powers to see that such orders are obeyed. If orders can be disobeyed with impu-

nity, then the orders will lose much of their purpose.

It will be seen that the Bill, as it is framed, puts the onus on the prosecution to prove that the particular person, who is being prosecuted, was in charge or was in material charge of the transactions; the particular affairs of the concern, when the disobedience of orders took place. This onus being on the prosecution, they cannot prosecute all and sundry. They have, first of all, by investigation and by evidence, to satisfy themselves that there is reasonable chance of the Court accepting the evidence which they have collected; and again the Court will go into the matter and decide whether the accusation of the prosecution has been sufficiently proved.

12 NOON

In the matter of neglect, it has been said that this is a very wide term. In fact, it is not so wide in the context of this particular piece of legislation. Take, for example, any trading concern dealing with sugar or drugs. If a person, who is illiterate and who does not understand the control orders, is appointed as manager of a branch then obviously it is the neglect of somebody, either the General Manager or the Managing Director and it is right that the person concerned should be punished. He should not be allowed to escape under the guise that he was not directly concerned with the affairs of that particular branch. It is known that some of the trading concerns have got innumerable branches, even hundreds. Even a small medium-sized concern has got a dozen branches or so. Now, each branch ought to be manned by a proper person who would understand the responsibilities and the prosecution has all the time to prove that the neglect attributable to a person who is being prosecuted is of such a nature as to warrant conviction.

SHRI C. P. PARIKH (Bombay): Where is the clause which puts the onus on the prosecution? Where is it? It is not mentioned in the clause.

SHRI N. KANUNGO: It is not mentioned but it is obvious.

SHRI C. P. PARIKH: It is not obvious.

SHRI N. KANUNGO: I shall read the clause as it stands: "If the person contravening an order made under section 3 is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly."

SHRI C. P. PARIKH: "Provided...."

SHRI N. KANUNGO: "Provided that nothing contained in this subsection shall render any such person liable to any punishment if he proves....."

SHRI C. P. PARIKH: ".....if he proves....."

SHRI N. KANUNGO: "..... that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention."

SHRI C. P. PARIKH: ".....if he proves....." That is the difference.

SHRI N. KANUNGO: Taking these two, no prosecution worth its name will go on sending up people who are not responsible for the offence.

As regards the quantum of punishment, it has been said that it is rather barbarous and harsh. I would remind the House of the discussions in both the Houses as also outside when a demand was made for capital punishment without trial. There was a piece of legislation in which detention without trial was provided for this sort of offences.

SHRI C. P. PARIKH: Can it be taken that the onus lies on the prosecution as an assurance from the hon. Minister?

MR. CHAIRMAN: No.

SHRI N. KANUNGO: I cannot give any assurance on behalf of the courts. No Government can.

The maximum punishment according to the Act which was working before was 7 years for any offence, right from failure to submit accounts to perhaps what you would call blackmarketing of the worst kind. Now it has been categorised into minor offences for which the maximum punishment is one year, and major offences for which the maximum punishment is only three years, and personally I am not sure whether this is deterrent enough even in the case of minor offences. It may be said: how does it matter if a person does not supply the necessary information or the necessary accounts? For example, one has to find out the stock of salt available in the country. We ask the dealers for information. If the dealers do not supply us with information or if they give wrong information, the result will be that in framing our policies and in arranging supplies and transport and all that, everything will go awry.

SHRI H. P. SAKSENA (Uttar Pradesh): Does the hon. Minister mean to suggest that the salt dealers will, in a body, fail to supply the return so that the figures will not be available to Government regarding the stocks of salt?

SHRI N. KANUNGO: Not at all, Sir, but those who do not conform to the orders, who do not supply the returns and that too correctly, must be punished so that the honest ones should not suffer due to the fault of others.

Shri Kailash Bihari Lall expressed some doubts and said that Government will delegate its powers to all

and sundry. Number one, they cannot, and number two, they have to be credited with a certain amount of common sense. He asked for the categories of officers to whom powers should be delegated. That is rather an impossible task in this vast country of ours because, under certain circumstances, powers may have to be delegated to the panchayat presidents, to revenue officers and so on because action has got to be taken regarding procurement, movement and price reporting in remote parts of the country. That is exactly why powers will be delegated as and when necessary.

Certain comments were made about delay in the disposal of cases. That did happen but it is tied up with the pressure of work on particular courts in particular areas. In the previous Act there was a special provision about speedy trial but with the improvement of conditions, not only in the economic sphere but also in the disposal of cases, this provision has been taken out and we hope that with the experience of the past, a number of infructuous cases will not be sent up for prosecution and such cases as are sent up for prosecution will be assiduously pursued in the courts and speedy trial would be assured.

SHRI RAJENDRA PRATAP SINHA: What about summary trials, Sir?

SHRI N. KANUNGO: It all depends upon the discretion of the Magistrate. If the offence is of a petty nature, the court may order or not but as the sentences are heavy, summary trials are not desirable.

SHRI P. S. RAJAGOPAL NAIDU (Madras): You want summary trials?

SHRI N. KANUNGO: Doubt was expressed about including fodder as one of the essential commodities. If the history of Gujarat during the last few years were considered, it would be seen what havoc shortage of fodder creates. I believe one of the hon. Members of the House did emphasise

the matter. Although fodder is not of such an essential nature in all parts of the country, where animal husbandry has developed and where there is shortage of fodder, fodder has been found to be of utmost importance in times of emergency.

I believe, Sir, I have replied to all the points that were touched upon in the course of the debate. I also believe, Sir, that the present Bill is a rather moderate measure and with the checks and balances provided and the vigilance of both the Houses, the administration of the Act will not repeat the irksome happenings of the past years.

Above all, Sir, I hope that if Government are armed with these powers, emergencies of the type which we saw in the past will not be repeated.

DR. RADHA KUMUD MOOKERJI (Nominated): What is the purpose of control over 'paper', I do not understand.

SHRI N. KANUNGO: Well, I would just submit that the hon. Member may recall to mind the conditions in 1945 when many schools had to go without paper. And today the production of paper in this country is not enough for the purposes of our requirements.

Sir, I commend that the Bill be taken into consideration.

MR. CHAIRMAN: The question is:

"That the Bill to provide, in the interests of the general public for the control of the production, supply and distribution of and trade and commerce in, certain commodities, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: We will now take up clause-by-clause consideration of the Bill. Clause 2. There are seven amendments. Mr. Sekhar is not here. Therefore, the first two amendments go.

SHRI KISHEN CHAND (Hyderabad): I move:

3. "That at page 1, lines 10-12, 14-15, 18-19 and 21-22 be deleted."

SHRI RAJENDRA PRATAP SINHA: I move:

4. "That at page 1, at the end of line 15, the following be added, namely:—

'but shall not include medicinal preparations called by the name of Syrups or Sharbats, prepared according to the Ayurvedic, Unani or any other recognised system of medicine;'"

SHRI KISHEN CHAND: I further move:

5. "That at page 1, after line 22, the following be inserted, namely:—

'(ixa) sugar-cane;'"

6. "That at page 2, line 1 be deleted."

7. "That at page 2, line 8 be deleted."

Mr. CHAIRMAN: Clause 2 and the five amendments are now before the House. Yes, Mr. Kishen Chand.

SHRI KISHEN CHAND: Mr. Chairman, we have just now heard the speech of the hon. Minister who has sponsored this Bill. I beg to submit that the hon. Members who have spoken on this Bill have been misled by the idea that this Bill is only giving general power to Government to control certain commodities. The idea of this Bill emanated in war-time and the tradition behind it is that there should be complete control of distribution, purchasing, production, supply, price, etc., of all articles which are considered to be essential. At the present time, until and unless we are satisfied that certain articles are in short supply, that there is a likelihood of their prices going up and so for their better distribution it is essential to control them, there is

no justification for their inclusion in this Bill. Sir, I have proposed that item No. (i) cattle fodder, including oilcakes and other concentrates, should not be included in it. One hon. Member pointed out that in his particular area sometimes this cattle fodder is very scarce. For that there is power in the hands of the State Government to supply fodder from one area to the other area. But this Bill is only applicable if, for instance, there is all-India scarcity of cattle fodder and the Government of India is going to control the entire distribution of cattle fodder.

As I pointed out, Sir, every Bill has a history behind it and other countries have got similar Bills and laws and there we find that this type of Bill arises only in times of emergency when the entire production is controlled, the entire distribution is controlled. In a big country like India, if one or two districts have shortages of some articles, this type of Bill is not required for it. Therefore, I submit, Sir, that cattle fodder is not an essential commodity. I admit that the poor cattle cannot lodge a complaint against Government if they are deprived of fodder because they are dumb-driven cattle, but to include it in a Bill of this nature is to give undue importance to cattle fodder and if the entire distribution of cattle fodder is controlled by Government, it will involve such a tremendous amount of expense that the cost of fodder will go up.

Then, Sir, I submit that coal is now an article of extra production. So here also there is no need to control it.

Then again in the matter of cotton and woollen textiles, an hon. Member pointed out that there is over-production of cotton and woollen textiles in our country and he wanted the production of cotton textiles for the mill industry to be controlled so that handloom may have a bigger share. For that we have got separate Bills. There is a Bill which is restricting the production of *dhoties* by

mills, and so on. To bring cotton textiles here would only be necessary if there was a shortage of cotton textiles and we were controlling its distribution and controlling its price.

[MR. DEPUTY CHAIRMAN in the Chair.]

Therefore I submit, Sir, that to offer the argument that because the handloom industry wants some sort of help and we want some control on the production of certain lines of cloth by the textile industry, is no justification for including cotton and woollen textiles in this Bill. The other Bills will take care of it.

Similarly, I want to preclude foodstuffs including edible oilseeds and oils from this Bill. We do not want a repetition of those days of control as we know to what amount of hardship the country was put when there were controls. In a free market we have found that there is plenty of production of foodstuffs and nobody is suffering from their shortage. Therefore I submit, Sir, that foodstuffs should not be included.

There is a misunderstanding of this Bill on account of the fact that in clause 3 there is a sub-clause (2) (c) 'for controlling the price at which any essential commodity may be bought or sold.' This only means controlling the maximum price at which a thing can be sold or bought. It is never used for controlling the minimum price because controlling the minimum price has no meaning. If you fix a minimum price, until and unless there is a purchaser what is the good of fixing a minimum price? In other countries where they want to have a minimum price, it is not called controlling a minimum price; it is considered to be a price support. That means the Government declares that if such and such article is available at such and such price the Government is prepared to purchase it in unlimited quantities. That is called price support. You can never fix a minimum price without providing an agency for purchasing the

surplus produce, and for that the Government will have to bring a separate Bill; under this Bill the Government cannot fix a minimum price. Then, Sir, in the case of a minimum price the Government has got to provide funds; it is a charge on the Consolidated Fund of India and for that separate sanction has to be obtained because money has got to be paid for the purchases made. So I beg to submit, Sir, that hon. Members have to be very clear about the scope of this Bill and try to understand that this Bill is not applicable to cases where the minimum price has to be controlled.

Similarly, Sir, in the matter of paper. The hon. Minister pointed out that in 1945 there was scarcity of paper and certain schools had to go without text-books. I say, Sir, during war-time not only was there shortage in the matter of paper, but there was shortage of foodstuffs also. Therefore, to say that in 1945 there was shortage of paper, and because of that in 1945 certain schools had to go without text-books, is no argument for saying that paper should be considered an essential commodity to be controlled by this Essential Commodities Bill in 1955. It is quite possible that ten years hence there may be a war—God forbid it—when all these articles may become very scarce and only then there will be need for this Essential Commodities Bill. But we can never provide by law for every eventuality that may happen at any future date. Therefore, I submit that there is absolutely no justification for including paper board and straw board in this list.

Then I come to raw cotton. Here also an hon. Member pointed out that the Government of India last year fixed a minimum price and purchased 3 lakh bales of cotton. I agree that if the price goes below a certain figure, the Government should come forward and purchase the produce. In fact I moved a Resolution to that effect in this very House four months back for fixing a minimum price for agricultural produce and to give a

[Shri Kishen Chand.] price support for them. But the purchase of 3 lakh bales of cotton, as was done last year, cannot come under this Bill. For that the Government of India will have to come forward with another Bill. Then I submit that raw jute also does not require to be included in the category of essential commodities.

Now, under (b) it has been said that food crops include crops of sugarcane. I want that sugarcane should be mentioned separately, because if we remove foodstuffs, then sugarcane will not be there. On the other hand, I find there is some sort of a scarcity in sugar and that is why I have specifically sought to include sugarcane by my amendment No. 5. I agree that if in any article there is scarcity, there is need for control and that article should be included in this Bill. I do not oppose the idea of the Essential Commodities Bill. It is welcome. But what I am saying is that articles which are not in scarcity at present should not be included in it. Therefore I move all my amendments for which I have given sufficient reasons.

DR. W. S. BARLINGAY (Madhya Pradesh): Mr. Deputy Chairman, I want to.....

MR. DEPUTY CHAIRMAN: You have spoken already.

DR. W. S. BARLINGAY: I am speaking on this amendment. I just want to make a few observations on the amendment which Mr. Sinha has moved.

In my view this amendment proposed by my friend Mr. Sinha is not strictly necessary at all but apparently it has been proposed with a view to making clear the interpretation which we want to put upon certain provisions of this clause 2 and to see whether that interpretation is correct or not. If the hon. Minister clears up that misunderstanding I suppose the amendment could easily be withdrawn. There will be no difficulty at

all about that. I am referring to clause 2(a) (v)—foodstuffs, including edible oilseeds and oils. The preamble says that this Bill is to provide, in the interests of the general public, for the control of the production, supply and distribution of, and trade and commerce in, certain commodities. As I said yesterday, the object of this Bill really is, if any of these commodities are in short supply, then the provisions of this Bill would be used. Obviously, if I am correct in this, then foodstuffs really ought to mean basic foodstuffs and not manufactured products of those basic foodstuffs. For instance, I take it that foodstuffs will not include biscuits or such things as you get in the restaurants, like *chapatis*. Wheat is certainly an essential commodity but *chapati* is not an essential commodity within the meaning of this clause. If this is made quite clear, I suppose this proposed amendment could easily be withdrawn. I would in this connection draw the attention of the hon. Minister to sub-clause (vi) where you will find the phrase 'manufactured products of iron and steel' separately mentioned. There is a distinction drawn in this case between iron and steel and manufactured products of iron and steel. In the same way there should be a distinction drawn between foodstuffs including edible oilseeds and oils and the manufactured products of these foodstuffs. The manufactured products of these foodstuffs should not be essential commodities within the meaning of this Bill, while the basic products like wheat or rice or things of that kind would undoubtedly be essential commodities. If the hon. Minister makes that quite clear, I suppose there is no point in moving this amendment which we have done and I hope the hon. Minister will surely agree to this interpretation of mine.

SHRI N. KANUNGO: Sir, the effect of Mr. Kishen Chand's amendment will be that the Bill will become infructuous and it is better that it be thrown out of the House.

SHRI KISHEN CHAND: Why, the Bill will still have some items.

SHRI N. KANUNGO: That is my interpretation. I would not want to take the time of the House in repeating the arguments which I have made earlier. I will again submit this. Let us not be carried away by the illusion of plenty today. Failure of a couple of monsoons may create havoc which you cannot imagine today. As I have said, these powers are sought to be taken because from time to time with close vigilance it may be possible for the Government to take such steps as are necessary without disturbing the economic life of the country to prevent any catastrophe or any major emergency coming in in the supply of any of the commodities which are essential to the life of the community.

About *Sharbats*, I have already said yesterday that *Sharbats* and other Ayurvedic preparations will certainly not come under foodstuffs.

DR. W. S. BARLINGAY: What about biscuits?

SHRI N. KANUNGO: Biscuits do and as I said, even today the prices of biscuits do sometimes go up and down rather dangerously.

DR. W. S. BARLINGAY: But is it an essential commodity? That is the point.

SHRI N. KANUNGO: Biscuits as food are sometimes essential. So these powers are necessary so that steps may be taken in time and so that invocation of larger powers may not become necessary later. I have nothing more to say. Sir, I oppose all the amendments.

MR. DEPUTY CHAIRMAN: The question is:

3. "That at page 1, lines 10-12, 14-15, 18-19 and 21-22 be deleted."

The motion was negatived.

SHRI RAJENDRA P R A T A P SINHA: Sir, I would like to withdraw my amendment No. 4.

†The amendment was, by leave, withdrawn.

MR. DEPUTY CHAIRMAN: The question is:

5. "That at page 1, after line 22, the following be inserted, namely:—

'(ixa) sugarcane;.'

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

6. "That at page 2, line 1, be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: †Amendment No. 7 is consequential, so it falls through.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

MR. DEPUTY CHAIRMAN: Clause 3. There are amendments.

SHRI KISHEN CHAND: Sir, I move:

8. "That at page 2, lines 24 to 28 be deleted."

9. "That at page 3, lines 1 to 5 be deleted."

10. "That at page 4, lines 26 to 27, for the words 'as soon as may be, after it is made' the words 'before it is notified in the Gazette' be substituted."

SHRI RAJENDRA P R A T A P SINHA: Sir, I move:

11. "That at page 4, at the end of line 27, the following be added namely:—

'and shall come into force only after it has been considered and

†For texts of amendments, *vid* col. 3433 *supra*.

[Shri Rajendra Pratap Sínha.]
approved by both the Houses of
Parliament’.”

MR. DEPUTY CHAIRMAN: Clause
3 and the amendments are open for
discussion.

SHRI KISHEN CHAND: Mr. De-
puty Chairman, amendment No. 8 re-
lates to the deletion of lines 24 to 28.
The original clause reads as follows:

“(b) for bringing under cultiva-
tion any waste or arable land,
whether appurtenant to a building
or not, for the growing thereon of
food-crops generally or of specified
food-crops, and for otherwise main-
taining or increasing the cultiva-
tion of food-crops generally, or of
specified food-crops;”

The underlying idea of this is that the
present area under food-crops should
be maintained or increased. The
word ‘maintained’ is very important.
It means that it should not be allowed
to go down. Our Government is
trying to ensure by better methods of
agriculture the produce of more food-
grains from an acre of land than at
present. And, therefore, if this ten-
dency is carried on and there is pro-
per planning of food-crops, proper
rotation, we should be able to get
more produce from a smaller area
and be able to divert some part of
the area under food-crops to other
cash crops, etc. because the ideal of
our State is a higher standard of liv-
ing for the common man and that is
only possible if we increase the pro-
duction of foodgrains from our land
by better cultivation. This clause, to
my mind, restricts the scope of the
area under food cultivation and,
therefore, I think it should be delet-
ed.

Then there is amendment No. 9, i.e.,
at page 3, lines 1 to 5 be deleted.
Sub-clause (2) reads as under:—

“(g) for regulating or prohibit-
ing any class of commercial or
financial transactions relating to
foodstuffs or cotton textiles which,

in the opinion of the authority mak-
ing the order are, or, if unregulat-
ed, are likely to be, detrimental to
the public interest;”.

I want these lines to be deleted be-
cause at present or in the near future
there is no danger of any scarcity
arising. There is no danger in the
case of cotton textiles also and,
therefore, I think these lines should
be deleted.

And then I come to the most im-
portant clause here which is sub-
clause (6) of clause 3, which
reads:—

“Every order made under this
section by the Central Government
or by any officer or authority of
the Central Government shall be
laid before both Houses of Parlia-
ment, as soon as may be, after it is
made.”

What is the good of laying an order
before both Houses of Parliament
after it has been promulgated and
has been in operation for any length
of time, because there is a clause “as
soon as may be”? It is quite possible
that the interval between the promul-
gation of an order and its laying be-
fore both Houses of Parliament may
be as great as three months, because
Parliament is not sitting always and
between the budget session and the
autumn session there is a gap of
about three months. It is possible
that an order may be promulgated on
the last day of the previous session
of Parliament and it will be laid be-
fore both Houses of Parliament in
the following session. That means
that there is a gap of three months
and during the gap of three months,
naturally it could have done any in-
jury to the economic life of our coun-
try that it may be capable of doing.
Therefore, I submit, Sir, that Parlia-
ment is the supreme body and Parlia-
ment must keep a careful check
and control over all executive orders
promulgated under the authority of
this Bill. And, therefore, I think it
is very essential that all orders which

are going to be promulgated should be laid before both Houses of Parliament before they are promulgated. I do not stipulate for the sanction of Parliament, because if no objection is taken there is an implied sanction. But the information must be given in advance. Therefore, in so far as it is very essential that the executive authority should consult people's representatives at every stage, where their acts directly or indirectly influence the life of the people, I think that my amendment should be accepted by this House.

SHRI RAJENDRA PRATAP SINHA: Mr. Deputy Chairman, as I pointed out the other day, this measure is before us largely to implement the recommendations of the Committee over which you presided. In the Report of the Commodity Control Committee, at page 20, para 36, you have suggested that we must have a single permanent consolidated law on the subject of controls. This was a very valuable suggestion put forward by the Committee over which you presided. It was pointed out by you that too many laws on the subject created confusion and, therefore, now we have this measure to consolidate two Acts which dealt with control measures, *viz.*, Essential Supplies (Temporary Powers) Act, 1946, and Supply and Prices of Goods Act, 1950.

This clause 2(a) (xi) was not in the Essential Supplies (Temporary Powers) Act. This clause has been borrowed from the Supply and Prices of Goods Act, 1950. The Essential Supplies (Temporary Powers) Act gave powers to the executive Government to control certain essential commodities and this power was given to the Government by Parliament after due deliberations. Of course, the Supply and Prices of Goods Act had a similar provision as clause 2(a) (xi). And now that the two Acts are being consolidated, this provision has found its way in this measure. But I would like to emphasise, as has been done by my hon. friend who

preceded me, the importance of consulting Parliament before imposing any control on any essential commodity. At the same time, I recognize the weight of the argument advanced by my friend, Mr. Parikh, the other day regarding the difficulties of the executive Government in placing all such notifications before Parliament before enforcing them. To meet such a situation, the hon. Commerce and Industry Minister gave an assurance to the Select Committee—and he also repeated it in the other House—that it is the intention of Government to consult, at least informally, the consultative committee for the Ministry of Commerce and Industry before making such an order. In the Select Committee Report it has been stated that “The Committee have noted the assurance given by the Minister of Commerce and Industry that all orders made under section 3 of this Act shall, from time to time, be placed before the Informal Consultative Committee for the Ministry of Commerce and Industry.” I think, Sir, that it may be very inconvenient to consult Parliament before such an order is passed, but it would not be difficult for the Government to consult the Informal Consultative Committee before at least issuing a notification under clause 2(a) (xi), that is to say, before including any commodity within the purview of this measure. Sir, if the Government is really serious to keep up the promises and the assurances that it has given, I would not like to press my amendment. But to my great regret I find that the professions and the performances of the Government do not tally.

Sir, this Informal Consultative Committee has been in existence for some time now, and such committees have been constituted for more than one Ministry. I learn from several friends of mine who are serving on different committees of the different Ministries that the other Ministries have been consulting their committees off and on, but I am sorry to say that the Commerce Ministry has

[Shri Rajendra Pratap Sinha.]
not yet called a single meeting of this committee. I am one of the members of that committee. As far as I understand, the main purpose of these Consultative Committees is that they will be given a chance to discuss the Bills and to advise the respective Ministers as to how they could be improved upon before they are placed before Parliament. That is, I think, the main function of these committees.

Now the *Essential Commodities Bill* that we are now considering is a very important measure. It was but right for the Commerce Minister to have placed this measure before the Informal Consultative Committee before placing it before this House. Therefore I submit that if Government really mean to implement the assurances that they have given, I do not propose to press this amendment.

SHRI N. KANUNGO: Sir, I have very little to say on that thing. I do not know whether the Consultative Committee is designed to give its prior approval to Bills.....

SHRI RAJENDRA PRATAP SINHA: It is not the question of approval, it is the question of consultation.

SHRI N. KANUNGO: Consultative Committees are meant for discussing the policies not only with regard to legislative measures, but also with regard to the administrative matters of the Government.....

SHRI RAJENDRA PRATAP SINHA: And also the main principles of the Bills.

SHRI N. KANUNGO: And if I am not mistaken, the meeting of the Consultative Committee is being convened this week. It was not convened earlier simply because the material for the same, i.e., the Ministry's report, was not available, and none of the members of the Committee had suggested any item for discussion in the committee.

With regard to the other suggestion which Mr. Sinha has made for making available to the public as well as to the Government servants and the officers concerned a consolidated list of up-to-date orders and notifications of the Government, we have taken note of it, and we hope that it will be possible to do that, because it is after all necessary.

Then, Sir, with regard to prior approval to be given to orders under clause 3 and other clauses, I only repeat the assurance of the Minister in the Lok Sabha. In this connection, I would remind the House that this being in the nature of subordinate legislation, there is a committee of Parliament continuously in session, and which goes through this subordinate legislation. That committee will have an opportunity of scrutinising such orders, apart from the House as a whole scrutinising them. Therefore, Sir, I am sorry I cannot accept the amendment.

MR. DEPUTY CHAIRMAN: The question is:

8. "That at page 2, lines 24 to 28 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

9. "That at page 3, lines 1 to 5 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

10. "That at page 4, lines 26 to 27, for the words 'as soon as may be, after it is made' the words 'before it is notified in the Gazette' be substituted."

The motion was negatived.

SHRI RAJENDRA PRATAP SINHA: Sir, I beg leave to withdraw my amendment.

†Amendment No. 11 was, by leave, withdrawn.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

MR. DEPUTY CHAIRMAN: Now we take up clause 5. There is one amendment by Shri Kishen Chand.

SHRI KISHEN CHAND: Sir, I beg to move:

12. "That at page 4, at the end of line 42, the following be added, namely:—

'but every such order shall be made with the previous sanction of the Central Government.'

MR. DEPUTY CHAIRMAN: The clause and the amendment are open for discussion.

SHRI K I S H E N CHAND: Mr. Deputy Chairman, I am surprised that the hon. Minister has given unlimited powers to any officer who may be notified as exercising these powers. One hon. Member said yesterday during the discussion that not only the petty officer who accepts any concession is guilty but the merchant or the petty trader who offers any bribe is equally guilty. I agree, Sir, that both are equally guilty, and it is difficult to say as to who makes the beginning. And yet by giving this type of unlimited power to petty officers and giving them power to promulgate any order, even without the permission of the Central Government, we are really putting them in the circumstances of too much temptation. It is possible that an order will be passed only for the sake of giving trouble to any merchant, any petty trader, and then

if that order is referred to the Central Government, it is quite possible that the Central Government may not approve of it and even cancel it, but during the interval, a great deal of harm will be done. My amendment only says that the order should be referred to the Central Government and if the Central Government approves of it, then it should be notified and become effective. Sir, we often complain that in our services there is corruption, and therefore, when we make our laws, we should be very careful that power to harass is not given to our officers. It is really from a motive of harassing, from a motive of gain, that sometimes petty officers who are empowered under this clause, will exercise their power and promulgate orders which will lead to harassment of merchants, and to avoid being harassed, it is possible that some sort of temptation may be offered to these officers. It is only right that these petty officers should refer their orders to the Central Government. Even the Ministry consults the Consultative Committee before issuing orders. Therefore, the hon. Minister should gladly accept my amendment.

SHRI N. KANUNGO: I would just explain that sub-clause (2) (f) of clause 3 says:

"for requiring any person holding in stock any essential commodity to sell the whole or a specified part of the stock to such person or class of persons and in such circumstances as may be specified in the order;"

Now, if there is a flood, and if stocks are to be requisitioned and issued to people, if my hon. friend's amendment is to be accepted, the very purpose of this provision will be defeated. Therefore, I do not accept his amendment. If there is harassment or anything like that, it is open to this House and it is open to the public to put the blame squarely at the doors of this Government and turn it out, but such powers must be there whichever Government is functioning in the country.

†For text of amendment, *vide* cols. 3440-3441 *supra*.

MR. DEPUTY CHAIRMAN: The question is:

12. "That at page 4, at the end of line 42, the following be added, namely:—

'but every such order shall be made with the previous sanction of the Central Government.'"

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

MR. DEPUTY CHAIRMAN: There are no amendments to clause 6.

Clause 6 was added to the Bill.

MR. DEPUTY CHAIRMAN: Clause 7. There are two amendments.

SHRI KISHEN CHAND: Sir, I move:

13. "That at page 5—

(i) in line 10, for the words 'one year' the words 'one month' be substituted; and

(ii) in line 13, for the words 'three years' the words 'three months' be substituted."

14. "That at page 5, line 29, for the words 'three years' the words 'three months' be substituted."

MR. DEPUTY CHAIRMAN: The clause and the amendments are now open to discussion.

SHRI KISHEN CHAND: Mr. Deputy Chairman.....

MR. DEPUTY CHAIRMAN: You have already spoken at length.

SHRI N. KANUNGO: Moreover they are self-explanatory.

SHRI KISHEN CHAND: I will just say a few words. I want to submit that the hon. Minister speaking on clause 10 said that the onus of proof lies on the prosecution, and he read it out; but I submit that in this clause the onus of proving absence of negligence lies on the officer in charge of the company. Here by this law we are asking the innocent officers to prove that they have not been negligent. When there is no emergency, in these petty matters, the punishment to be imposed under this clause is too strict. It is too excessive in my opinion. I submit that our aim is not to establish a police State, not to award punishment for every little thing. Here an imprisonment of one year or three years is envisaged. Probably our Government is thinking of wholesale crimes and jails full of people who have been convicted under this Bill. I submit that the ends of justice will be met if this one year is reduced to one month, because in peace-time, if at all there is a mistake, it will be only a technical mistake and not any intentional mistake, and for a technical mistake any punishment in excess of one month or in excess of three months is not fair. Therefore I move my amendments.

SHRI H. P. SAKSENA: Sir, I rise to support the amendment moved by Mr. Kishen Chand. My support is due to the fact that I failed in my attempt to convince the sponsor of the Bill that the punishment of imprisonment should be excluded altogether from the purview of this Bill. Now, I find that a lesser thing has been suggested by my hon. friend, Mr. Kishen Chand.

I feel that the hon. the Deputy Minister who has sponsored this Bill has no sympathy with our Finance Minister. He does not want the coffers of the Finance Minister to be filled with money. Here was an excellent opportunity for the sponsor of the Bill to substitute imprisonment by a huge sum of fine, so that people

whose pockets are full with illgotten money may be asked to part with some of it. Here comes our friend, Mr. Parikh, who knows the tricks of the trade, nicely supporting the Bill. If the sponsor of the Bill had any sympathy or any regard for our depleted finances, he would have very eagerly and readily accepted my suggestion that the punishment of imprisonment should be substituted by a very large and big sum of fine. Since that suggestion of mine has not been accepted, I support the lesser one suggested by my hon. friend, Mr. Kishen Chand.

SHRI N. KANUNGO: I only want to say that demands have been made in this House and outside that the punishment for such offences should be nothing short of the capital punishment.

MR. DEPUTY CHAIRMAN: The question is:

13. "That at page 5—

(i) in line 10, for the words 'one year' the words 'one month' be substituted; and

(ii) in line 13, for the words 'three years' the words 'three months' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

14. "That at page 5, line 29, for the words 'three years' the words 'three months' be substituted.

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 7 stand part of the Bill."

The motion was adopted.

Clause 7 was added to the Bill.

Clauses 8 to 16 were added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI N. KANUNGO: Sir, I move:

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill be passed."

(*Shri Rajendra Pratap Sinha rose to speak.*)

MR. DEPUTY CHAIRMAN: You can begin at 2.30.

The House stands adjourned till 2.30 P.M.

The House adjourned for lunch at one of the clock.

The House reassembled after lunch at half past two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

SHRI RAJENDRA PRATAP SINHA: Mr. Deputy Chairman, I am very happy that my esteemed friend the mover of this Bill has recognised the importance of the country-side in the matter of administering the control measures and it has been very heartening to have an assurance from him that in future whenever an emergency will arise to clamp the control on any commodity, the interest of the rural areas will not be overlooked and adequate attention will be paid for administering proper control in the villages. I would like that my hon. friend may conceive the importance of having two sets of rules which will govern the administration of this law in the big towns and cities on the one hand and the vast country-side on the other, the importance of having two methods of controlling big industries and big undertakings of production and distributions and small centres of production in the villages and small distributions in the villages. I have my own experience of how the control measures and the control laws which are primarily designed to administer controls on big industries or undertakings in the big centres of production are practically useless or else they play havoc in the country-side.

[Shri Rajendra Pratap Sinha.]

I will illustrate my point only with one or two examples. In the old days there was control over stocks of foodgrains. Now you will find that under the Essential Supplies (Temporary Powers) Act, if a person possesses more than 5 maunds of the controlled foodgrains, he was punished very heavily, with heavy imprisonment of 7 years and a fine amounting to 20 times the value of the hoarded goods. This is all very good if such hoardings are found in big cities or in big mills where the distribution in a big way takes place. That is a heinous crime but if an ordinary cultivator keeps mere 5 or 10 maunds more than the required quantity, to inflict such punishment on him is merely, I would say, scandalous. Therefore, I submit that there should be two sets of provisions or rules to impose the control measures in the different areas. My hon. friend just mentioned that it will be very difficult for these measures to be enforced through the medium of village panchayats and he said incidentally that those panchayats which were found fit to be invested with first-class magisterial powers could be invested with such powers and then they could administer these measures. I hold this opinion that the only way you can administer these controls in the villages is through the medium of panchayats. You cannot find a better agency than the panchayats and you must frame your laws in such a manner that the control measures could be administered by the panchayats and if it amounted to having two sets of provisions in the laws, you should go in for that. You cannot deal with the two sets of situations by a single law. I would therefore urge upon the hon. Minister, now that he has got the sense of the House and he himself realises the importance of enforcing the control through the medium of panchayats, that the laws on this subject should be so framed that the panchayats can deal with the control measures effectively.

One more point I would like to say and that is with regard to summary trials. I put him a question while he was replying: "What about summary trials?" He said that the summary trials could be resorted to if the courts so wished. I don't know how it is possible when we are dropping altogether section 12 of the original Act. I also heard him saying that the summary trials were meant for petty offences. I beg to differ from him. Summary trials are meant for heinous crimes—for crimes committed by big people, for crimes of very great magnitude, and this can only be committed by big undertakings and it is there that it is very important that the summary trials should be resorted to. It does not very much matter what we do with regard to petty trials. I would like them to be entrusted to the panchayats. They know best how to administer such controls. I don't think it is very important that a village tradesman who is dealing in a few pairs of dhoties and a few yards of cloth or a few maunds of foodgrains should be made to give all kinds of returns which are required under the law. Mostly they are illiterate persons. The cultivators were also, in those days, asked to fill in returns and submit to the regulations. This is absolutely impossible. That was impracticable. Now, if you leave all those things in the hands of the village panchayats, they know their village tradesmen or cultivators very intimately—how many pairs of dhoties he is bringing, and how many yards he is bringing and to whom he is selling and at what price, whether at a fair price or at blackmarket price—and for the village panchayats there is no necessity of having all kinds of returns. Therefore I submit that there should be two sets of laws and the summary trials should be kept for the purpose of speedy disposal of the cases.

SHRI P. S. RAJAGOPAL NAIDU:
I did not want to inflict a speech in the third reading but I want to deal

only with one aspect of this Bill. I find that it has become the practice on the part of Government to introduce certain provisions in the Bill to make the work of the executive easy. I am referring to the provision made in clause 13 of the Bill where the burden of proof is thrown on the accused. I wish to lodge my emphatic protest against the inclusion of this provision in the Bill. There was some reason if such a provision found a place in the war-time laws when commodities were in short supply. There was some reason why we should have found such a provision in the Defence of India Rules. There was also some reason for such a provision to find a place in the Essential Supplies (Temporary Powers) Act of 1946. But I would like to know now why this provision, which is opposed to all principles of natural justice, which is opposed to the ordinary provisions of the Criminal Procedure Code and of the Indian Evidence Act, why such a provision should find place in this Bill. If you turn to the various commodities that are mentioned in this Bill, I do not think any one of those commodities is in such short supply that we should resort to this kind of a legislation. There were days when one had to wait with a ration card before the ration shop to get a measure of rice. There were days when one had to wait for hours and hours before the petrol pump to get a few gallons of petrol. In those days, certainly there was some justification for such a provision made in the Bill and when a person had committed an offence in this respect, then the burden of the proof was rightly thrown on the accused to prove that he was innocent and that he had not committed that offence. But in this Bill which protects the interests of the general public in this country, on the production, distribution and supply of certain essential commodities which are mentioned in clause 2 of the Bill, I do not think that we should resort to the old war-time laws, especially in the matter of putting the burden of proof on the

accused. It is high time the Government gives up such provisions. We are in normal days and we should not resort to such a provision which is, as I said, opposed to the ordinary principles of natural justice, to the ordinary provisions of the Criminal Procedure Code and to the provisions of the Indian Evidence Act.

MR. DEPUTY CHAIRMAN: It is only in the case of companies, I think.

SHRI P. S. RAJAGOPAL NAIDU: No, Sir. It says here:

"Where a person is prosecuted for contravening any order made under section 3.

SHRI H. C. DASAPPA (Mysore): It is present clause 14.

SHRI P. S. RAJAGOPAL NAIDU: And section 3 deals with essential commodities and so it governs all offences; it governs not only the companies but everybody. If it governed only the companies, then I should have no objection at all. But as I said, it makes a big sweep against all and it is opposed to the ordinary provisions of the law.

I remember that I protested once before also, when a similar Bill was introduced, if I remember aright, it was the Telegraph Wires (Protection) Bill or something like that. There also there was such a provision. They just seem to give a blank cheque to the executive and all that the executive has got to do is simply to put a man in the dock and say he has committed the offence, and it is for that man to prove that he is innocent. Sir, I do not think that we in the year of grace 1955 should resort to such a provision, and let it go on record that I voice my emphatic protest against a provision like this being made in this Bill.

SHRI H. C. DASAPPA: It is in clause 14 that.....

SHRI P. S. RAJAGOPAL NAIDU: No, clause 14 is for giving protection to the officers who took action.

SHRI N. KANUNGO: Mr. Naidu is right.

SHRI P. S. RAJAGOPAL NAIDU: Clause 14 only covers the officials who are in charge of this thing. I am quite aware of that.

(Shri Kishen Chand rose.)

MR. DEPUTY CHAIRMAN: No, I had called the hon. Deputy Minister, even before Mr. Rajagopal Naidu stood up.

SHRI N. KANUNGO: Sir, I shall take up the last point first. Sir, clause 13 is not so bad as it has been made out to be. It only makes provision that when an order is placed before the court and if it is challenged on technical grounds, the correctness of the order is presumed.

SHRI P. S. RAJAGOPAL NAIDU: I have not been understood probably.

SHRI H. C. DASAPPA: Sir, there is some confusion. Mr. Naidu refers only to clause 14 of the Bill as it has emerged from the Select Committee and not to clause 13.

SHRI N. KANUNGO: Anyway.....

MR. DEPUTY CHAIRMAN: He read out clause 14.

SHRI H. C. DASAPPA: The burden of proof is dealt with in clause 14.

SHRI N. KANUNGO: Yes, and if you refer to it, even then you will find that the onus of proof is there on the accused. But what does it mean? He has got the licence and other things and he will be in possession of the documents and so it is there. Of course, it militates to a certain extent against the accepted canons of natural jurisprudence.

SHRI P. S. RAJAGOPAL NAIDU: Entirely.

SHRI AKBAR ALI KHAN (Hyderabad): And the Law of Evidence.

SHRI N. KANUNGO: It does. But considering the events as they had

happened before and as they might happen in the future, these provisions have been put in there for speedy and effective action to be taken to prevent anti-social activities. For such activities, other penalties and much severer ones have also been provided. But we will hope and pray that none of these provisions may be invoked, that the economic conditions in the country may be such that they need not be invoked at all.

As for Mr. Sinha's suggestion about having two types of laws or notifications or things like that as a matter of fact, these orders and notifications under this Act will be not only two, but may be twenty, for they will vary from time to time, according to the necessity, according to the circumstances and according to the place.

And then, he also referred to the panchayats. Of course, the existence of panchayats will take a great load off the present machinery of the Government in the administration of such controls, and perhaps they will be found more useful and more effective. But what I mentioned was about the trial part of it, I only meant about the judicial part being exercised by the panchayat court. As for the administrative work, even in the earlier days when there were the nominated Union Boards and Presidents, they were doing a good bit of the administration of the control orders. And in the future, with panchayats of experience and elected bodies, having the confidence of the people, they will certainly be the best machinery to carry through Acts like this. With these words Sir.....

MR. DEPUTY CHAIRMAN: And you have it also in clause 5(b):

"such State Government or such officer or authority subordinate to a State Government."

SHRI N. KANUNGO: Yes, it is about administration.

Sir, with these words, I request that the Bill be passed.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

THE MEDICINAL AND TOILET PREPARATIONS (EXCISE DUTIES) BILL, 1955

THE MINISTER FOR REVENUE AND DEFENCE EXPENDITURE (SHRI A. C. GUHA): Sir, I move:

"That the Bill to provide for the levy and collection of duties of excise on medicinal and toilet preparations containing alcohol, opium, Indian hemp or other narcotic drug or narcotic, as passed by the Lok Sabha, be taken into consideration."

Sir, this Bill is intended to help the pharmaceutical industry. Though this Bill is being piloted by the Finance Ministry and has also been styled as a Bill dealing with excise duties, in fact, the Central Government has got no revenue motive in piloting this Bill.

Under the 1935 Constitution, this item was in the Provincial List and the Provincial Governments were imposing duties on these articles at varying rates. There was no uniformity and the rate of duty was varying from one Province to another. I shall be able to give you an idea of the rates of duty. The rate of duty for spirit contained in chloroform was Rs. 5 in Ajmer, Assam and Bombay, Rs. 40 in Bengal and Orissa, Rs. 17/8 in Madras and Madhya Pradesh and Rs. 24/6 in Delhi and Punjab. This was the condition before. The industry was feeling it very difficult and the Government of India was also faced with this difficulty. In 1937, there was a conference of the Excise Commissioners of different Provinces; they made

certain recommendations but those recommendations were not implemented and, in the meantime, war also intervened. There was another conference in 1949. By that time, the Constitution was also passed and the framers of the Constitution took this difficulty into account and this entry was put in the Union List, i.e., List I, as entry 84 of the seventh schedule. After the passing of the Constitution, at the 1949 conference of the Ministers of different States, it was possible for them to make certain recommendations so that the Central Government could take proper action in the matter.

This conference set up an expert committee to look into the whole question. The expert committee submitted an interim report in 1951. The Central Government communicated these recommendations of the committee to the different State Governments which, more or less, implemented those recommendations and a sort of uniformity has thereby been effected. But that is only with the willing co-operation of the different States. There was no binding force; there was no legal authority behind this uniformity. In the meantime, another complication arose, namely the policy of prohibition. Different States have been showing varying degrees of enthusiasm and zeal for prohibition and naturally the policy and the rates of duty on these articles were varying from State to State. It has, therefore, become necessary for the Government to take legal authority so that the Government can control the rates of duty.

I should mention here that the pharmaceutical industry is an important industry of the country. We have about 1700 big or small pharmaceutical units with near about Rs. 25 crores invested and the Government cannot allow the fortunes of that industry to be endangered through different policies of the different States. Now, the Constitution has given the Central Government authority to fix the rate of duty on these