

MR. DEPUTY CHAIRMAN : As there is no amendment, the Bill will now be returned to the House of the People with the intimation that the Council of States has considered the Bill and has no modification to recommend.

RESOLUTION TO CONFER POWER TO LEGISLATE *RE* ENTRIES IN STATE LIST

MR. DEPUTY CHAIRMAN : We shall now take up the Resolution. Shri T. T. Krishnamachari.

SHRI C. G. K. REDDY (Mysore) : Sir, may I make a submission before the hon. Minister moves it? This Resolution is being put before us under Article 249 which is intended to be brought into play for the first time under the Constitution. Under Article 249 the Council of States has exclusive power in regard to the State and Concurrent Lists. Now this Resolution came into our hands only yesterday morning—late the day before yesterday. I should think that in a matter in which the Council of States has exclusive power, we should have been given ample opportunity to look into the implications of this Resolution. Therefore I would like to suggest to the hon. Minister to postpone the moving of this Resolution perhaps to next week so that we will have some time to go into it. Because the Council of States has exclusive power we will have to discharge this responsibility after understanding all the implications. I would request the hon. Minister to postpone the moving of this Resolution until early next week so that we have opportunity to go into it.

MR. DEPUTY CHAIRMAN : The Resolution was despatched to Members on the 16th.

SHRI C. G. K. REDDY : We received it on the 17th morning. It is not the fault of the Secretariat. It reaches sometimes at twelve in the night. We can see it in the morning only.

PROF. G. RANGA (Madras) : We see it only in the morning.

KHWAJA INAIT ULLAH (Bihar) : What did you do yesterday?

PROF. G. RANGA : It is just like the photographer asking 'what did you do last night' and everybody laughing at it and he is unable to take the photograph. We want more time to consider the matter.

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI) : The only thing I should like to mention is that 12th August is the day on which we last passed this. On 15th August this Resolution will expire. I am entirely in your hands, Sir. I can come again to this House any time the Chair directs. It is for you to decide Mr. Deputy Chairman.

MR. DEPUTY CHAIRMAN : We can have the discussion and if necessary carry on on Monday also.

SHRI C. G. K. REDDY : We can't have the discussion without knowing the implications. I may have been lazy but I have not had the opportunity and I am sure hon. Members have not had the opportunity to look into this.

SHRI H. N. KUNZRU (Uttar Pradesh) : Sir, I feel that the request of my hon. friend is a very reasonable one. Such Members of this House as were Members of the Provisional Parliament might not feel the need for more time to study the subject but I think it is only fair to the new Members that they should be given a little more time to understand its significance and its implications. After all this matter has been considered several times in the other place. A law was passed in 1945; it was amended several times. The last time I think in 1950 it was amended. It is therefore necessary that the new Members should have a little more time to study this important subject and no one, I am sure, will deny—not certainly my hon. friend Mr. T. T. Krishnamachari—that this is an important matter.

SHRI B. GUPTA (West Bengal) : I associate myself with this request because I think it is in all fairness to the Members of this House that time should be given so that they can consider the significance of the Resolution, especially because the matter relates to the exclusive powers of the Council of States.

SHRI RAJAGOPAL NAIDU (Madras) I also feel that some time should be given for this reason because when I looked into the Constitution of India which I purchased from the Sales Section here, I found that this particular Chapter was missing in that book.

KHWAJA INAIT ULLAH : I suggest the Resolution may be placed before us by the hon. Minister, and after that we will have some time and we will gain something from the hon. Minister from his speech.

PROF. G. RANGA : We will have no objection to that.

MR. DEPUTY CHAIRMAN : The hon. Minister will place the Resolution before the House and explain the import of the same.

SHRI T. T. KRISHNAMACHARI : Mr. Deputy Chairman, Sir, I beg to move the following Resolution :

WHEREAS the Provisional Parliament declared by Resolution passed on the 12th August 1950, in pursuance of clause (1) of Article 249 of the Constitution as then in force (which Resolution is hereinafter referred to as the said Resolution) that it was necessary in the national interest that the Provisional Parliament should for a period of one year from the 15th August 1950, make laws with respect to the following matters enumerated in the State List, namely:—

- (i) Trade and commerce within the State subject to the provisions of Entry 33 of List III, and
- (ii) Production, supply and distribution of goods subject to the provisions of Entry 33 of List III;

AND WHEREAS by another Resolution passed by the Provisional Parliament on the 7th June 1951, the said Resolution was continued in force for a further period of one year from the 15 August 1951 ;

AND WHEREAS it is necessary in the national interest that Parliament should for a further period of one year from the 15th August 1952, continue to have power to make laws with respect to the matters aforesaid ;

This Council do resolve, in pursuance of the proviso to clause (2) of the said Article, that it approves the continuance in force of the said Resolution, for a further period of one year from the date on which it would, but for this Resolution, cease to be in force.

Mr. Deputy Chairman, as my hon. friend Dr. Kunzru mentioned there are several hon. Members here who were Members of the Provisional Parliament and are familiar with the procedure followed in respect of this particular matter but I recognise that there are several new Members here who perhaps do not know the background and are rather over-awed by the fact that they are giving some power to Government and taking some power to Parliament itself at the expense of the power that is vested by the Constitution in the States that form the component parts of this Union.

Sir, as one who had something to do with the framing of the Constitution, I could tell this House that this Article 249 as it ultimately emerged was debated upon at considerable length and the pros and cons were discussed greatly. I don't mind telling the House about myself. I had myself some doubts about it—whether it will be proper for us to take this kind of power so far as the Centre is concerned. After a lot of discussion the Constituent Assembly decided that if the power was given for one year and if need be, the power renewed every year, no great harm would come. Sir, in the actual working of this arrangement I am happy to say that there has been no friction at all between the Centre and the States. I have here with me replies to the letters written to the Chief Ministers of the various States asking for the views of their Governments and with the exception of four States from which I have not got any categorical reply except an acknowledgement, all other States have agreed or even recommended that such a Resolution should be brought before the Council of States and the Supply and Prices of

Goods Act of 1950 should be kept in force.

PROF. G. RANGA : Would the hon. Minister be good enough to supply us with a precis of the replies received from the Chief Ministers of the States ?

KHWAJA INAIT ULLAH : It is there in the lobby.

PROF. G. RANGA : No, not the replies of the Chief Ministers. Let the hon. Minister speak for himself.

SHRI T. T. KRISHNAMACHARI : Sir, my hon. friend Prof. Ranga has got greater experience of parliamentary affairs than I have and I think he would recognise that it is not the practice to.....

PROF. G. RANGA : Can't you place in the lobby the relevant portions ?

SHRI T. T. KRISHNAMACHARI : I can give a precis of the answers given by the various Chief Ministers.

Well, this fact of the universal approval, more or less, of all the States makes it easy for me to ask the House to support the Resolution.

Coming again to Dr. Kunzru and what he mentioned, I feel that there is no necessity for me to go to the background of this Resolution as it was originally passed by the Provisional Parliament. The occasion was the immediate spurt in price level that came into being after the beginning of the Korean War. As hon. Members have been following the course of events, this spurt was almost spectacular and the Government of India and the State Governments felt that something should be done in order to arrest the spiral increase in prices. And after the passing of that Resolution and because of the power vested in the Central Government, because of that Resolution, the Supply and Prices of Goods Act, 1950 was passed. It has now been in force for over 22 months and the following commodities, mostly imported industrial raw materials and some important consumer goods have been brought within the scope of the Act,—non-ferrous metals, including brass (unwrought and semi-manufactured) ; bicycles, bicycle parts and

accessories ; cycle tyres and tubes ; electric bulbs ; caustic soda ; soda ash ; tanning materials (wattle bark, wattle extract) ; raw rubber ; casein ; infants' food, sulphur, tannery wool ; chrome ore ; textile accessories and raw jute and jute manufactures.

Sir, the nature of the exercise of this control might be briefly indicated by me.

In regard to non-ferrous metals, we have asked for submission of monthly stock returns and maintenance of record of sale transactions. In regard to bicycles, we ask for control over price, submission of monthly stock returns and exhibition of price lists. For cycle tyres and tubes we ask for control over price, submission of monthly stock returns and exhibition of price lists. For electric bulbs we have control over price, submission of monthly stock returns, maintenance of record of sale transactions and exhibition of price lists. In regard to caustic soda and soda ash, we want control over price, limitation of the quantity that may be held by consumers, ban on sale by consumers, submission of monthly stock returns, maintenance of record of sale transactions and exhibition of price lists. With regard to tanning materials, we want control over price, control over movement or distribution, submission of monthly stock returns and exhibition of price lists. Same is the case with casein. With regard to infants' foods, there is to be control over price, limitation of the quantity that may be sold on any one occasion, limitation of the quantity that may be held by consumers, submission of monthly stock returns and exhibition of price lists. With regard to tannery wool, there is to be control over movement. On sulphur there is to be control over distribution, limitation of the quantity that may be held by consumers, and submission of monthly stock returns. With regard to raw rubber, there is to be control over movement and distribution.

This indicates to the House the limited manner in which these controls have been exercised—only to the extent that is necessary to see that prices do not rise abnormally.

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The more important of these non-ferrous metals are copper and lead. Zinc is outside the international allocation. Copper and lead are still within international allotment and though we have been getting some allocations, they have not always been sufficient for our purposes. With regard to sulphur control, the world stock position is not very satisfactory and I think last half-year the allocation we got was insufficient. It is not merely a question of allocation, for what we actually got was less. Copper prices are rising. There has been a phenomenal rise recently and we know that copper, besides being needed for various industries, copper vessels form a very important part of the stock-in-trade of every household. So the control of the price of copper is very necessary. In the case of caustic soda and soda ash, the position is not very happy. Local production is far below what we need and imports have become necessary. Though very recently the market has a fair amount of stock of caustic soda, the tendency now seems to be for the prices to harden, apparently as stocks are getting lower and the continuation of price control in respect of this commodity is necessary.

SHRI S. P. JAIN (Bombay) : The soda ash imports are rather more than what is necessary.

Shri T. T. KRISHNAMACHARI : Well, it may be so. I cannot dispute a statement made by my hon. friend Shri S. P. Jain, for he knows more about soda ash than I do. But the fact remains that we are not always able to achieve equilibrium between our needs and the imports. Sometimes the imports go down and the market prices go up steeply and we do not know whether we should keep to the limitation of imports. Governments are not infallible and I for one would never claim infallibility to Government and a certain amount of dislocation will be there and I am afraid it is inevitable.

The working of the Act is largely through powers delegated to the various State Governments, and as I have said,

we get summary of reports of the working of the Act and they are placed on the Table of the House. I, however, understand that these summaries were not circulated to all hon. Members. But I will take advantage of this additional time which we have gained to see if these summaries could not be sent to hon. Members.

KHWAJA INAIT ULLAH : Including the list of the commodities.

SHRI T. T. KRISHNAMACHARI : That you find in the Act itself. The only thing I would like to mention further about the working of this Act is that whatever we do under this Act is essentially preventive. It just has a certain amount of deterrent effect on blackmarketing. I do not, for one moment, seek to postulate that we have done away with all evils of blackmarketing and, in regard to the Bill that we considered before, as my friend Dr. Ramaswami Mudaliar mentioned, it is not a question of blaming any community as such, because there are always anti-social elements in every community and not all Acts that we pass would ensure that we could do away with all the evils prevalent in private trading.

SHRI S. MAHANTY (Orissa) : May I know how many persons have been detained under this Act ?

SHRI T. T. KRISHNAMACHARI : I am afraid I have not got the information for this year. I was in the same position as the hon. Member last year and I asked for the information. I think it is about 234 or so. I am speaking subject to correction.

SHRI S. MAHANTY : Throughout India ?

SHRI T. T. KRISHNAMACHARI : I will furnish this information to the hon. Member.

SHRI B. GUPTA : Is there any resistance on the part of the State Governments to taking such preventive measures ?

SHRI T. T. KRISHNAMACHARI: We can only deduce whether there is any resistance or not. From the manner in which they have agreed to delegate the powers to the Centre and to accept the working of the Act that has been passed as a consequence, I must say unilaterally every State has accepted this Act very cheerfully. They have been very loyal. The hon. Member may find in a particular isolated pocket, in a tehsil, some official may not be prepared to work ; but ; that does not mean that the State Governments are not co-operating. I can only give the hon. Member a summary of the reports that have been received from the various Chief Ministers ; but, if I could show you the entire letters that I have got from them, they would reveal that they are very anxious to have this Act and are very anxious to see that it works. Sir, the mechanism of associating public opinion with the working of this Act is done by means of a Prices Advisory Board which advises Government in regard to fixation of prices and other matters connected with this Act. Unfortunately, in the initial meeting of this Board, as there were no complaints in regard to the manner in which prices were fixed and as there have been no serious variations, there was no necessity to consult the Board thereafter.

As regards the goods produced in this country, the formula adopted for price fixation is cost of production *plus* a reasonable profit margin to the producer as well as to the dealer. Where the industry concerned has already been investigated by the Tariff Commission, or Tariff Board as it was then called, the ceiling price recommended by the Tariff Commission afforded the basis for this purpose. Where the industry has not been investigated by the Tariff Commission, the prices prevailing in the pre-Korean War period was taken as a reasonable basis provided the cost of production had not appreciably changed thereafter. In regard to imported goods, the basis for price fixation was the landed cost *plus* a reasonable margin of profit for the trade. This margin depended on the nature of the commodity and the trade

interests concerned with that commodity were always consulted before fixing prices. In cases where the prevailing prices compare favourably with the world prices and there was no immediate danger of the Indian prices going out of alignment with international prices, there was generally no need to fix ceiling prices. All that was necessary was to keep a watch on the trend of prices with a view to introducing control if they showed a tendency to rise unduly.

As regards the scheduled goods of the third category, viz, goods which are partly produced in the country and partly imported, like bicycles, non-ferrous metals, caustic soda, etc., the prices of the imported goods are generally higher than those of the indigenous. Where the difference in price between the imported and the indigenous types is justified by the quality and the two types can be distinguished from each other, it was felt that it would be sufficient to prescribe the maximum for imported goods only. Where the disparity in price cannot be so justified and the two types can be distinguished from each other, it would be advisable to prescribe ceiling prices for both the types. In cases where the imported type could not be easily distinguished from the indigenous, a common ceiling was prescribed where necessary.

Sir, summing up, I should say that a review of the position does not indicate any room for complacency. I think it is an opinion which is shared by those who are responsible for the administration of the various States and we do not feel that we are in a position now when we can relax control over commodities. In fact, two months back we felt that we were almost on the verge of a very serious recession or slump ; but, now, it looks as though prices are hardening and perhaps the recession in prices would not exist for long. It may be it might go back again ; but, we can only go by what is happening at present.

Sir, in deciding on the articles over which control should be continued, Government would be guided by the

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 advice received from State Governments and as hon. Members will see for themselves there is surprising unanimity in regard to the catalogue of the articles which State Governments want to control under the Act. Of course, in the case of commodities where controls are no longer necessary, it is our intention to cancel the Notification. That, Sir, sums up in the main the reason why we have come before this hon. House to pass the Resolution in terms of Article 249 so that the Supply and Prices of Goods Act, 1950, can be kept in force.

Sir, I think I have, by way of preliminary remarks, said all that I could possibly say and perhaps hon. Members who had opportunities of studying the working of this measure at leisure might be able to throw some criticism on the working of the Act and, if it is possible, I shall try to meet those criticism when they are made.

Sir, I move.

MR. DEPUTY CHAIRMAN : Resolution moved :

WHEREAS the Provisional Parliament declared by Resolution passed on the 12th August 1950, in pursuance of clause (1) of Article 249 of the Constitution as then in force (which Resolution is hereinafter referred to as the said Resolution) that it was necessary in the national interest that the Provisional Parliament should for a period of one year from the 15th August 1950, make laws with respect to the following matters enumerated in the State List, namely :—

- (i) Trade and commerce within the State subject to the provisions of Entry 33 of List III, and
- (ii) Production, supply and distribution of goods subject to the provisions of Entry 33 of List III ;

AND WHEREAS by another Resolution passed by the Provisional Parliament on the 7th June 1951, the said Resolution was continued in force for a further period of one year from the 15th August 1951 :

AND WHEREAS it is necessary in the national interest that Parliament should for a further period of one year from the 15th August 1952, continue to have power to make laws with respect to the matters aforesaid ;

This Council do resolve, in pursuance of the proviso to clause (2) of the said Article, that it approves the continuance in force of the said Resolution for a further period of one year from the date on which it would, but for this Resolution, cease to be in force.

The debate will be continued on Tuesday, Monday being a non-official day.

THE MAINTENANCE ORDERS ENFORCEMENT (AMENDMENT) BILL, 1952

THE MINISTER FOR LAW AND MINORITY AFFAIRS (SHRI C. C. BISWAS) : Mr. Deputy Chairman, I beg to move :

That the Bill further to amend the Maintenance Orders Enforcement Act, 1921, as passed by the House of the People, be taken into consideration.

This is a very simple and non-controversial measure which was passed by the House of the People practically without any opposition. The main Act to facilitate the enforcement in India of Maintenance Orders made in His Majesty's Dominions and Protectorates and *vice versa* was passed at a time when India was under British rule, and therefore the only territories in respect of which this reciprocity was established were the U. K. and other parts of His Majesty's Dominions. Now, consequent upon the attainment of independence by India, it is necessary that the provisions of this Act should not be limited merely to the U. K. or any part of His Majesty's Dominions. The object of the amending Bill is to make this Act applicable to all foreign countries outside India with whom India may be willing to enter into reciprocal arrangements. The effect will be that Maintenance Orders passed in countries outside India will be allowed to be enforced here provided Maintenance Orders passed in India are allowed to be enforced in those other countries. So on the basis of reciprocity there will be this exchange of facilities in respect of execution and enforcement of Maintenance Orders. That is the object of the Bill. Sir, I move.