

### RESULTS OF ELECTION TO UNIVERSITY COURTS

MR. CHAIRMAN : I have some election results to declare :

(i) Having secured the largest number of votes in the election to the Court of the Aligarh Muslim University, Dr. A. Rtnaswami Mudaliar is declared duly elected to be a member of the said Court.

(2) Having secured the largest number of votes in the election to the Court of the Banaras Hindu University, Shrimati Lakshmi N. Menon is declared duly elected to be a member of the said Court.

(3) Shri Mukand Lal Puri being the only candidate for election to the Court of the Delhi University, I declare him to be duly elected as a member of the said Court.

(4) Major-General Sokhey being the only candidate for election to the Indian Council of Medical Research, I declare him to be duly elected as a member of the said Council.

### PAPERS LAID ON THE TABLE

#### (1) AGREEMENTS BETWEEN THE RESERVE BANK AND THE RAJPRAMUKHS OF MADHYA BHARAT AND TRAVANCORE-COCHIN

#### (2) FINANCE MINISTRY NOTIFICATIONS

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH) : Sir, I lay on the Table the following papers :

(1) A copy each of the Principal and Supplemental Agreements executed under section 21A(i) of the Reserve Bank of India Act, 1934, on the 30th June 1952—

(0 between the Rajpramukh of Madhya Bharat and the Reserve Bank of India. [Placed in Library. See No. P-32/52.]

(tt) between the Rajpramukh of Travancore-Cochin and the Reserve Bank of India. (Placed in Library. See No. P-31/52.)

(2) Ministry of Finance (Revenue Division) Notification No. 3-Central Excise, dated the 26th February 1952.

<sup>1</sup> (3) Ministry of Finance (Revenue Division) Notification No. 4-Central Excise, dated the 8th March 1952.

(4) Ministry of Finance (Revenue Division) Notification No. 6-Central Excise, dated the 24th May 1952.

(5) Ministry of Finance (Revenue Division) Notification No. 7-Central Excise, dated the 17th May 1952.

(6) Ministry of Finance (Revenue Division) Notification No. 9-Central Excise, dated the 7th June 1952.

(7) Ministry of Finance (Revenue Division) Notification No. 10-Central Excise, dated the 14th June 1952.

[(Placed in Library. See No. P-37/52) for Nos. (2) to (7).]

### RESOLUTION CONFERRING POWER TO LEGISLATE KE ENTRIES IN STATE LIST.—*continued*,

MR. CHAIRMAN : The other day the following Resolution was moved by Shri T. T. Krishnamachari:

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:—

(z) Trade and commerce within the State subject to the provisions of entry 33 of List III, and

(ji) Production, supply and distribution of goods subject to the provisions of entry 33 of List III j

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.

This is now open for discussion.

SHRI H. D. RAJAH : (Madras) : Sir, this is a Resolution which has been brought before this House for consideration and adoption. While opposing

this Resolution, I wish to inform the j House that the trade policy followed by the Government of India has been very J detrimental to the States and not only their unwanted interferences have created a chaotic condition in most of the important States with regard to trade, but their policy of control or regimentation \*has also resulted in utter ruin of the majority of the citizens of j the States. I am talking about the present conditions of Madras State. I Sir, due to the want of a definite policy of export on the part of the Government of India, the hancloom industry of my State has been completely ruined. The main features as to how it has been ruined is a matter for history and for correspondence between the Madras State and the Government of India. During the peak period when the handloom industry was flourishing the most finely developed products that human hands can produce have been going to the far flung corners of this earth fetching sterlings, dollars and other allied important requirements of my country. And what hzs been done by the Government of India? These people thought overnight that it is desirable to put an export duty on the handloom products. The export duty which has been conceived by the Government of India only in the selfish interest of revenue has virtually killed the market of Madras State. Look at Malaya and Indonesia; I had an occasion to go to these countries. There our products were sought after for centuries together. Now what is the result? Look at Malaya; look at Burma; look at Indonesia; look at Stem and look at many other far eastern countries where lungis and so many other handloom products of this country were sought after. Those markets have been closed to us; those markets have gone into Japanese hands and by the wayward policy of the Government of India tliat industry, which has been feeding one-sixth of the population of Madras State, equivalent to 75 to 80 lakhs of people who are now made to remain idle, has been killed. And with what catastrophic result? You will see from the report of the Economic Adviser to the Government of Madras that the average income of a citizen of Madras State is cmething

in the region of Rs. 250/- per year. That Rs. 250/- multiplied by about 85 lakhs of the handloom-industrially employed people will amount to something like Rs. 200 crores. This sort of chaotic condition which has resulted in the matter of this export policy—*(Interruption, by hon. Members.)* I am not prepared to yield for any interruption.

SHRI C. P. PARIKH (Bombay) : On a point of order, Sir, the handloom industry is under the Escential Supplies Act and it dees not come under the purview of this Resolution.

SHRI H. D. RAJAH : This Resolu- ' tion deals with Trade and Commerce. I am talking of handloom industry because that is a matter in which trade is interested, and so it is entirely within the scope of this Resolution. I am not prepared to yield my ground to my other comrade. Ke may talk about anything as he likes when his time comes.

MR. CHAIRMAN : Order, order.

SHRI C. P. PARIKH : Cotton wool and woollen textiles come under the Essential Supplies Act, 1946 and not under the Act covered by this Resolution, i.e., the Supply and Prices of Goods Act, 1950.

SHRI C. G. K. REDDY (Mysore) : May I say the hon. Member is mistaken. This Resolution deals with the question 'of taking over of powers by Government regarding Trade and Commerce in the State. Since Mr. Rajah is talking about the trade position of a particular commodity, I think it is well within the purview of the Resolution. He is trying to say, I think, that Government cannot te entrusted with additional powers in view of the fact that Government have utterly failed to give aid and relief to the handloom industry in his State.

SHRI H. D. RAJAH : Sir, let me continue my speech.

SHRI C. P. PARIKH : Then we will te discussing another Act. There are 15 items mentioned under the Essential Supplies Act and handloom product is one of them.

MR. CHAIRMAN: He is not discussing so much the Act as the powers, of the Government.

SHRI H. D. RAJAH : We are discussing the policy of Trade and Commerce and about the powers that Government of India seeks to take in respect of it. Let us therefore see what kind of interference the Government of India is making with regard to this particular matter and how it is ruinous and detrimental to the citizens of the State.

Now, Sir, I have here before me the *per capita* national income of certain States, especially, Madras Bombay and West Bengal. You will see from here that the *per capita* income is Rs. 250-8-1 so far as the Madras citizen is concerned, while it is 369-4-0 for a Bombay man and Rs. 153 for West Bengal. In the case of U. P. it is Rs. 209-1-3. Now with this national income which if divided by 12 will come to about Rs. 20 per month, the citizens of India are living. Now if even this income is denied to them, with what will they live ? They, the Government are not concerned with the over-all position of the prosperity of a citizen as such, but they are concerned only with their duty and revenue. Now these 90 lakhs of people of my State who are solely employed in this trade had a prosperous time when this industry was thriving and, as I said, Sir, every sixth man in the Madras State is a handloom weaver. So this income of Rs. 250-8-1 multiplied by 90 lakhs of people—this is the loss which has been sustained by the South Indian people for the last two years. And, Sir, added to that, due to the recent slump in the market for which I have to cross swords with Shri Chinta-man Deshmukh, Finance Minister, you will see that my countrymen have lost, all told, a sum of Rs. 500 crores of national income.

Sir, our trade, including our exports, have been Rs. 106 crores coast-wise trade Rs. 4,413 crores, earth-borne trade Rs. 8,163. If all these are added together, you will see that our export trade from Madras State had been in the region of Rs. 255 crores. These

Rs. 255 crores have been reduced to Rs. 105 crores during the last one year. Due to the present slump the citizens of Madras State have lost in the region of Rs. 100 crores. All these losses work up to about Rs. 500 crores. This result of the slump, this want of export of market and the fall in the national income have reduced the Madras State to utter poverty. With Rs. 500 crores of national income lost to the country, with about a crore of people being left in starvation, with this Government of India like a Nero fiddling, wanting to have powers and more powers and not being responsible to this miserable plight of the citizens of this country, do you expect, Sir, that anybody with common-sense would arm them with more powers. What is wanted, Sir, is a method by which you must orientate your policy, allow the States to have the fullest freedom in respect of Trade and Commerce, make them get such powers with a view to helping the people and then see that the national income is preserved. Is there any wonder, Sir, that the Communists, who try to make capital of every form of human misery, get into positions of responsibility and get elected on account of the mad policy of the Government of India ?

SHRI GOVINDA REDDY  
(Mysore) : I rise on a point of order, Sir. The Resolution refers to two matters subject to the provisions of entry 33 of List III. The scope of the Resolution would be widened, and it would then become a general Budget debate, if the general foreign trade policy is to be discussed. Further, the hon. Member is referring to the responsibility of the Government—this Government not being responsible to the people and so on. This is outside the scope of this Resolution, and if this is permitted it will become a general Budget discussion.

SHRI H. D. RAJAH : (*Turning to the Chair*) This point has already been settled by you, Sir.

MR. CHAIRMAN : You must conclude now.

SHRI H. D RAJAH . The position, as I have explained, is that the national income of my countrymen has been reduced due to the bad policy adopted by the Government of India. That is the issue. I have already explained with the details that are before me that the total national income lost to the country is to the extent of Rs. 500 crores. Now, Rs. 500 crores to be lost by a State in its Trade and Commerce in the course of a period of one to one and a half years is a loss which nobody can stand. The people are in abject misery. They are faced with starvation. And added to this, the vicissitudes of nature have brought famine in regard to which this Government has followed a niggardly policy of concessions. When I spoke during the Budget debate, I brought to the notice of this House through you the fact that the famine conditions are so appalling that the people of South India require at least Rs. 5 crores as subsidy from this Government. But they never gave this amount.

*(Time bell rings.)*

Only two minutes more, and I will finish.

With a view to seeing that this national income is restored, I have to make some constructive suggestions. I earnestly plead with the Government of India that it is time you created a Board, in which you allow representation to all the States, in each of the areas where you are spending lots of money in the form of diplomatic corps and undiplomatic corps. In such areas, please open up avenues and vistas of trade so that the best products of India will go out again into those countries. Give facilities. Subsidise those industries and see that their trade survives and men are made to live as human beings and are not made victims of communist mischief.

SHRI B. C. GHOSE (West Bengal) :  
Mr. Chairman.....

MR. CHAIRMAN : Be more sober; be more relevant.

SHRI B. C. GHOSE : Yes, I will be sober and I will be relevant. Sir, this Resolution is in the nature of an extraordinary measure because powers which belong to the State Governments are sought to be taken over by the Centre. I had read the discussions that took place in the Provisional Parliament when this Resolution was first brought, and I found that the justification for this Resolution was that there was a situation created by the Korean War when there was rampant inflation in the country. With a view to keeping a check on prices it was considered necessary that power should be taken by the Government of India in the interests of the consumers. Now, before we give this power to the Government again we have to satisfy ourselves that that emergency exists, because otherwise it would not be right for us to invest the Government with extraordinary powers, particularly as it appears that there is a proneness, once a piece of legislation is on the Statute Book, to continue it there, whether it is this Resolution or the Preventive Detention Act or whatever it may be.

Does the emergency still continue ? Everybody, I believe, is agreed that conditions have changed completely from what they were in the pre-Korean War stage. As the Finance Minister pointed out during the course of the Budget discussion, the back of the inflation has been broken. Everybody realises it, and even the "Statesman" Financial Correspondent pointed out that except perhaps in the matter of food, a buyer's market has established itself all over the world. So, there is no question now of an inflationary trend. On the contrary, as the Commerce Minister himself must be aware, many of the industries are facing a situation in which they have surplus stocks, prices are falling, and they are faced with a very difficult situation. So, what is the urgency in these circumstances to have these extraordinary powers to be given to the Government of India ?

There is one more reason why, unless there is an emergency, these powers should not be given to the Government,

[Shri B. C. Ghose,]-and that is this. As we all know, this kind of legislation is absolutely annoying and worrying and expensive to trade and commerce. As those of us who may be associated to a certain extent with trade and commerce know, and know to our cost, we have to submit forms and returns and statements of all kinds to the Government, which is very expensive. And very often nothing is done with the statements that go to the Government. When the Resolution was passed and these powers were taken over, action was taken in regard to certain industries for which there was no need. I refer to it because I know something in regard to the electric lamp industry which also came under the provision of this Resolution. Prices were fixed, although the prices had not risen at all. As a matter of fact, if you take even pre-war prices, the post-war prices of electric lamps probably would not have been more than 25 or 30 per cent, higher than those ruling in pre-war years, and there was no shortage in the market. Yet that commodity was brought under the purview of this Resolution, so that traders and industrialists in that particular line had to submit all sorts of statements to the Government for which there was no need. And, as we all know, nothing was done about these statements. I think the Central Government does not obtain from State Governments periodical returns as to what happens in regard to the measures that they may take under this Resolution.

Even though there was a shortage which would justify the taking of such powers by the Centre, even then I was going to say that it was not quite certain as to whether action under this Resolution would be very effective. I was reading the discussion on this matter in 1951 in the Provisional Parliament, and it appears that although the present Commerce Minister then supported the Resolution, he was not quite sure of the effectiveness of measures taken under this provision, because what he said was this :

"But in the vast list of commodities that are used by the consumers, it is a very difficult

thing and if Mr. Sidhva has the experience of people who have the experience of trying to control prices even to the extent that they can and find ultimately that it ends in a failure, we have only to sympathise with the Government and hope for better times." (7th June 1951)

That is, he was not very sure that measures would bring about the desired results. But even so, I believe, he did not want to oppose the Resolution and therefore he gave it his general support. I have also seen the papers which have been circulated to us, which contain the opinions of State Governments. I find from these opinions that the State Governments say that there is not much difficulty in obtaining goods nowadays—which would imply that there was no great necessity for this measure. I am aware that the State Governments say that they would like this measure to continue, but I do not know definitely as to whether they were asked in precise terms as to whether they would like the Government of India to enact this measure or as to whether they did not consider it would be sufficient for them to take action under entries 26 and 27 of the Second List in Schedule VII to the Constitution without giving the Government of India these powers. For if there is any shortage in any particular State, that State can take action under the Constitution. So, what is the urgent necessity for investing the Central Government with these powers ? Have the State Governments categorically stated that they would prefer that the Central Government legislate in this matter ?

The last point that I want to make is this, that if there is no emergency and if the Central Government can do something without taking these powers, then it would not stand to reason to give the Central Government these powers.

Now I should like to submit, Sir, that the Central Government has sufficient powers under items 33 and 34. Of course I am aware that when the Resolution was first brought in 1950, it was stated that the Central Government had power only in respect of the products of industries in this country,

that under item 33 imported goods could not be brought under the purview of the legislation enacted by the Centre. Now as I said there is firstly no shortage today and secondly in respect of many indigenous commodities, the Central Government has already taken power under, I believe, the Control of Industries Act and thirdly under item 34, which refers to price control, the Centre can take action under the Third List which is a list of concurrent powers. Then where is the necessity of having this Resolution? Because all that we want to do under this Resolution is I believe to control prices so that prices may not go very high. Of course I speak subject to correction. I believe that that power can be exercised under item 34 of the Third List. So for all those reasons I do not think, Sir, that we should give this power to the Centre.

I would just want to say this that I am aware that opinion has been elicited from the State Governments and they have been in favour of this Resolution. But I am afraid that that opinion is usually submitted by people who are interested in the administration of this legislation and that staff is always interested in keeping this legislation in force because they are directly affected. And really if you enquire into the matter, you will find that probably there is nothing more than that. In view of all those facts, I do not think, Sir, that this power should be taken over by the Central Government.

SHRI C. P. PARIKH : Sir, this Resolution is absolutely essential in so much so that it empowers the Government to pass laws and regulate the Supply and Prices of Goods Act passed

which covers so many commodities; essential for the consumer. Unless the Centre assumes this power, it will not be possible to attain uniformity in prices of commodities and the regulation of the production and distribution of essential commodities. The Essential Supplies Act of 1946 governs many commodities and they are under Central control but this Resolution was drafted at the time of the Korean War and at that time the hon. Members know that the cost of

living index had risen to 456. At the termination of war the index was 244. In 1948 it was 360. In 1949 owing to devaluation it again jumped up to 382. Fortunately owing to these two controls exercised under these two Acts the index has again come down to 380. The hon. Member, who has just spoken, said that there is no emergency existing at present. I do not think, Sir, he has understood rightly the explosive international situation which is existing at present. What may happen in one month or even in one week is not known. It is not only the national situation but the currency situation is also there. The nations contemplate to change their currencies, devalue or revalue them. And when these powers are not existing with the Government it is difficult to arrest any rise in prices and when the Government is thinking of preventing a rise in prices, every Member of this House should be anxious to bring down the prices and if you just bring down the index to the extent of 250 which existed in 1945, we shall have achieved a great deal. We should endeavour for a period of 5 years to bring down the index gradually 30 points lower every year. Therefore, Sir, I submit that this Resolution is necessary and this Resolution is only for a period of one year. The happy situation which has been created is on account of the adequacy.....

SHRI H. D. RAJAH : Unhappy situation.

SHRI C. P. PARIKH. Whether it is happy or unhappy, the hon. Member has to study what is existing at present. He has to study what are the requirements of our country and how they can be imported from foreign countries.

He studies that, he will find that the happy situation is created by many measures which have been enacted by the present Government. Now in spite of this, the controls may have failed somewhere. I am not going to go into that. But the main thing is that our Government is exercising a watch over the rise or fall in prices with a view

[Shri C. P. Parikh.] to bring down the cost of living index to the lowest possible level.

Sir, there are three points in respect of this Resolution. Whatever is deficit in the country can be imported from 1 foreign countries. The present is the happy situation in the world markets | and most of the commodities which the hon. Minister has mentioned under this Act are in adequate supply in foreign countries and I think, Sir, if adequate supply is maintained of these commodities, these controls will Vir relaxed or made ineffective. But these controls are necessary in order that an emergency may not arise and may not be retarded in bringing down the index. Now these commodities which are regulated are produced in the indigenous market and their deficiency is supplemented by imports from foreign markets. From foreign markets you can get these things in ample quantities. The whole difficulty lies in the matter of exchange and I think, Sir, that the present is the opportune time to make these controls although their existence is ineffective and not irksome or burdensome for the consumers.

Now, Sir, with regard to this I have to say that these commodities which are available in the foreign markets are produced partly in this country and partly they are being imported from foreign countries and if we import our requirements to the extent of 105, when our actual requirements are 100, then our deficiency will be fully supplied and as I said the control will remain ineffective. But if on the other hand our requirements are 100 and we import the commodity to the extent of 95 for our internal supplies, then the scarcity is created. It is this 5 per cent, excess or 5 per cent, deficit that creates abundance or scarcity in the country. And thus the evils of controls start. Therefore I have to request the hon. Minister to get these commodities in full supply in order that these controls may remain only on paper. Even if it is necessary we could cut off some of our luxury imports and give preference to importing essential commodities because they are very essential for the average man.

Sir, I will now say something with regard to the production side : these goods can be classified into two categories—goods used for industrial production and consumer goods. Now those goods which are used for industrial production have also to be controlled in the matter of price, distribution and production in order that the cost to the consumer when these articles are manufactured is as low as possible. With regard to the consumer goods, when they arrive in the country from foreign countries or when they are produced in this country, they have to be controlled. Some of the commodities under this Act are such which even though adequately produced in the country are exported from this country and sometimes the export market prices are very high and in order that the prices of such of our commodities may not rise in this country owing to the rising export market, these controls are also necessary for commodities which are abundantly produced in this country.

9 a.m.

<sup>1</sup> PROF. G. RANGA (Madras) : What are those commodities ?

SHRI C. P. PARIKH : Raw rubber is there and it has to be controlled. Then there are other articles, like raw jute and jute manufactures. These three commodities are controlled although all of them are adequately produced in this country. But external prices in foreign countries have no relationship to internal prices and therefore this control is necessary. The external prices are regulated by the levy of export duties, and import duties and export duties are corrective because they regulate and control the cost of living index as well as the level of prices of any commodity in this country.

Now, Sir, with regard to production, many commodities are gradually being produced in this country, produced adequately beyond the imagination of many. Sir, even in the old difficult days of British rule, we had built up our trade. We had built up the cement industry, the sugar industry and the textile industry and we have exporting

capacity in these commodities. Therefore, industrialisation in India is not wanting. After the war, many industries have been started in this country. I think we have reduced the imports of many commodities which were previously being imported into the country and given favourable conditions, in about five years' time we shall be having many new industries.

SHRI C. G. K. REDDY : Would the hon. Member let the House know what are the industries that have come into being in India after the war ?

SHRI C. P. PARIKH : Let the hon. Member please see the import list and that will be an eye opener of the number of industries which have come into being after 1945. I do not want to lose my time in answering such questions. On another occasion, I will answer him. The hon. Member himself may be using some of these commodities.

SHRI C. G. K. REDDY : Not dalda, I suppose.

SHRI C. P. PARIKH : Now, do the States require this controls or not ? The States have agreed that these controls are necessary according to the note circulated by the hon. the Commerce Minister. The States require these powers to be exercised by the Centre for the sake of uniformity and every State is willing that these power should be continued to be exercised.

With regard to the production side, the production of these commodities is increasing in the country. An hon. Member was just now asking me a question. I will answer him. Bicycles, electric bulbs, caustic soda, soda ash, cycle tyres, all these industries have been started and 50% of our requirements is produced in the country, and in course of time we will be producing all our requirements for these commodities within the country. This answers his question.

SHRI B. C. GHOSE : Under which Act ?

SHRI C. P. PARIKH : Under the Supply and Prices of Goods Act of

1950, the continuance of which is authorised by this Resolution.

SHRI B. C. GHOSE : These industries were not started under this Act. They are only controlled by this Act.

SHRI C. P. PARIKH : With regard to the controls, I will say that if controls have failed, they have failed in the matter of distribution, not in the matter of production. They have failed in the distribution sector because we have such a large area to cover. We are 2,000 miles in length and 2,000 miles in breadth and it is difficult to exercise control in distribution of all the commodities to the degree that we desire, and therefore, Sir, whatever criticism is levelled, it can only be levelled against the absence of effective control on distribution and this is bound to happen so long as commodities are short. The administration has limited power for exercising control over distribution over such a vast area with lakhs of people engaged in the retail trade. There are blacksheep everywhere, in any country and in any political party but they are few, and as practical men we should, see what we can do about the matter of distribution. I am offering a suggestion about what we can do as Members of this Council. The administration has limited power to scrutinise the control over distribution machinery. The State Administrations also have limited power to bring about effective control over distribution. Effective control over distribution can be exercised only by public co-operation, public enthusiasm and public consciousness. But how can these be attained ? Now, under adult franchise Members are elected, one for every 75,000 of the population. It is the responsibility of the members of State Legislatures as well as the Central Legislature to see how they can exercise their influence in the effective control of distribution in their own areas. If we fail to do that, then there is no use abusing the Government that they have failed. Then, there are municipal councillors, members of other local bodies, and so many others who can help in this task. Instead of evelling criticism against the



[Shri. C. P. Parikh.] Administration, critics should realise that it is their responsibility also. Especially it is the responsibility of those critics who believe in a better social and economic order to start co-operative societies, to influence people along the right lines and bring about effective equitable distribution in times of scarcity, if they actually have the influence which they claim to have. It is the proper sphere in which they should exercise their influence so that our Administration might be strengthened. It is our duty to help the Commerce Minister. It is our duty to put our heads together and evolve methods by which we can help in the regulation of controls and the equitable distribution of commodities which are short.

With these words, Sir, I support the Resolution.

PROF. G. RANGA : Mr. Chairman, if one were to judge the manner in which these controls have been administered and are being administered in the States, one would be rather disinclined to pass any such motion as is now brought before this House. My hon. friend, who has just now sat down, wants us to remember that after all when there are only a few blacksheep in every group of people, we should not make that a grievance and therefore refuse to give powers to the Government, but he seems to forget the fact, or he ignores it, that it is not a few people but a large majority of people in every group that has come to be interested in the administration of these controls. That is not playing fair with society, it is deceiving both on the one side and the Government on the other, and that is the reason why on almost all occasions not only the general public but also responsible people are anxious to resist any attempt made by Government to take some more powers or continue to retain their old powers to have these controls. The trouble is that as a result of this reaction to bad administration and the bad response from a very large section of businessmen and others also, we are inclined to deny Government even

these limited powers which they must have in order to cope with situations as they arise.

Coming to these things before us, I am not inclined to oppose it totally. Because it only seeks the permission of this House to let this Government have emergent powers to utilise them if and when they find the need therefor. To that extent we would have no quarrel but unfortunately during the last two years when they have had these powers in their hands, they have not been able to tell us that they have made good use of these powers and as a result they have come to decide upon giving up this control over more and more of these commodities and they wish to continue this control only on fewer and fewer commodities. If they had been able to say that, we would have had greater satisfaction indeed in thinking of extending this power to the Central Government. I do recognize the force of the argument advanced by my hon. friend when he said that the State Governments severally cannot themselves impose all these price controls.

Therefore if there were to be any price control over any of the commodities that would be circulating as between different States in the country, the State Governments as well as the Central Government should agree and for that reason we should have some such power like this in the hands of the Central Government. To that extent I am prepared to agree with him and to that extent only I am also prepared to accept this proposition which is placed before us by my hon. friend the Minister for Commerce and Industry. But what is it that he is able to say to us ? Is he able to say that he exercised these powers for the commodities—let us say two years ago—and he has found that as a result of experience in the last two years it has become unnecessary to continue to exercise these powers for two or three commodities and therefore he wishes to continue this for the next year for the remaining six or seven commodities ? If he is able to make out a statement like that, it would certainly give us greater satisfaction.

Then I find, as I go through the replies given by the different States, that every important State has said that the supply position is very easy and things have not been difficult. They have not been obliged to make many prosecutions. Therefore there is no complaint that the supply position is so difficult and therefore they must necessarily have all these controls. Under these circumstances, what is it that the Government of India wish to do for relaxing these controls on more and more of these commodities ? I find only three commodities which are mentioned here—non-ferrous metals, caustic soda and sulphur (which appear almost in the list provided here for every State) in regard to which the State Governments are rather anxious to continue this control.

AN HON. MEMBER: Infant food also.

PROF. G. RANGA: Infant food also. In regard to the rest there is no uniformity. Some States would like to have control over some commodities and some other States want control on some other commodities. Therefore it varies from State to State. But who are these authorities who prepare these replies and send the information to the Union Government ? I would like to know whether the Union Government and my hon. friend the Minister have taken sufficient care to see that these officers, those whom you call Heads of Departments placed in charge of the administration of these controls, do not work up these replies off their bat in order to maintain their own stocks, their own administration and keep up this rather handsome racket in their possession. Would it not have been better if my hon. friend had called a Conference of these Provincial Ministers and consulted them and formed his own impressions after having had detailed discussions with them .....

SHRI H. D. RAJAH: Will my hon. friend explain what he means by racket ?

PROF. G. RANGA: .....instead of depending upon these replies given  
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by these Directors of Controlled Commodities. As things are now, it is difficult for us to be convinced that really the State Governments and their Cabinets and the Ministers have given their serious consideration before these replies had been sent up. One would get the impression that in regard to most of these commodities there is no longer need—even according to the supply position that is stated to be in these different States—for this control on all these commodities.

Then there are two other considerations. It is not only a question of price control. There is the question of distribution control too. Every merchant is not free to sell these commodities subject to these price controls. Any merchant who wants to deal in these commodities has got to get himself licensed. It is not easy for everyone to obtain these licences. There again this racket comes in and so many people have to be satisfied before anyone gets a licence and then what happens ? As my friend Mr. Kamalaswamy said the other day, there are several merchants who are forced to take delivery of certain quantities of certain commodities which they do not want and for which they know there is no local market and yet they must take it on pain of losing their licences and in this way there is bad distribution of many of these commodities. In places where the stuff is not needed, there is more of it and in places where more is needed, there is less of it. Because of bad distribution as between these merchants, as between the different States, there is short supply and so black-market comes to prevail and so many other troubles come to be experienced. Sir, I need not go into greater details because my hon. friend, the Commerce Minister was till the other day one of the business men and he knows more about the evils of these controls than any one is expected to be.

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI): The "other day" was long ago.

PROF. G. RANGA: It is quite possible he had retired from business

[Prof. G. Ranga.] during the last few years but he had not retired from the business of understanding business and he is at present on the other side. He is now trying to deal with it from the Governmental end. Therefore I thought he would give us really a more satisfactory statement than what he did the other day. He should give us an inkling into his his own mind as to how these things have been administered, how he thinks with his good and valuable experience of business he would try to improve the administration of these things so that this House as well as the country would derive greater satisfaction from the fact that they have given these powers to the Union Government.

Then I come to another point. My friend said in all good intentions that the Members of this House and the Members of the other House, the Municipal Councillors and Local Boards should take a hand in seeing to it that there is proper distribution. Well, in one province I know an attempt was made in this direction with the result that today the people are happy that these M.L.A.s and M.P.s are kept away from anything that may have to do with these controls. We don't want these so called public representatives to come in between the Administration on the one side and the people on the other and develop their own profiteering. The proper role that we people who have come over to Parliament and also the other legislatures in the country can play is by being the watch-dogs on behalf of the Government and also on behalf of the public and see to it that the Administration as well as the businessmen play their role properly and there is no dishonesty in the Administration of these controls. Of course there may be some among the so-called public representatives who are able to keep within the law and still play mischief, by developing underground partnerships.

SHRI S. MAHANTY (Orissa): A particular variety of representative only.

PROF. G. RANGA: There is no special variety about these public representatives. When there are oppor-

tunities it is quite possible that there may be people in every party of public representatives who would like to take advantage of the opportunity that exists. That is why we say we do not want such opportunities or temptations to be placed before the public. In fact there used to be a time when a large number of persons—they were also called M.P.s—of the previous House used to loiter in the corridors of my hon. friend's Secretariat, not to fight for any public cause, not to fight for any public rights or against any injustice, but in order to get a licence or permit here and there for this friend and that friend.

SHRI C. G. K. REDDY: Sir, I would appeal to the hon. Member not to dilate on this point because it is an aspersion on the House.

MR. CHAIRMAN: Yes.

PROF. G. RANGA: Sir, I mean no aspersion and there is none in what I have said now. It is just a reply to what my hon. friend said. He said that more privileges should be given to Members. I say privileges ought not to be given as they are likely to be abused as they have been abused in the past. I submit that such temptations should not be placed before legislators.

Lastly, I come to the question of industrial development. My hon. friend thinks that through this mechanism of price control incentive should be given for more and more industrialists to create new industries and develop existing ones. I do not like our industrialists to depend upon this vicarious method of developing their own industries. The Fiscal Commission has also deprecated this method. It would be much better if our industrialists would seek protection whenever they want it by going before the Tariff Commission and then getting them to support their claim and afterwards reaching this Legislature as well as the Government and getting the necessary protection. In that manner it would be easier to control and develop our industries.

MR. CHAIRMAN: Your time is over. I am calling upon Mr. Hegde.

PROF. G. RANGA: Just one sentence more, Sir, and I have done.

Therefore while supporting the motion before the House I request the hon. Minister to take early steps to give this House a satisfactory account of how the controls have been administered and how they are likely to be administered in the future in a better way.

SHRI K. S. HEGDE (Madras) : It is regrettable that there is a lack of clarity in certain parts of the House in examining the proposition before it. They have been so busy counting the trees that they have lost sight of the wood. The plain question before us is whether or not the Central Government should be given these powers which under the Constitution are ordinarily conferred on the States. The question of trade and commerce and also the subject of production, supply and distribution fall under items 26 and 27 of List II—the State List. Of course it is a matter of doubt with many whether it was at all right or appropriate for the Constituent Assembly to have made them entirely State matters, or whether it should not have put them in the Concurrent List. Anyway I am not happy in seeing them put in the State List. They ought to have been in the Concurrent List. However, under Article 249, powers have been given to this House consisting of the representatives of the States, in certain circumstances, to confer upon the Central Government some powers which otherwise are vested in the State Governments. In this particular matter, the Minister for Commerce and Industry has consulted all the States and their opinions have been circulated to us. Every one of the States, barring perhaps Manipur which perhaps said it was not interested in a legislation of this nature, has said that such a measure like the one before the House is absolutely necessary. Therefore the only point for consideration now is whether each and every

one of the States should enact legislation of a similar nature or leave it all for a unified legislation to be enacted by Parliament. That is the only question for consideration now. It is clear that it is the desire of the States that the Centre should take powers under Article 249 and enact a uniform and unified legislation and it is but proper that we should carry out the wishes of the States and empower the Centre in respect of these commodities. Of course the position has improved in recent times, but there are still signs of danger and I do not think we should leave the country to free trade, especially in view of the international and internal position prevailing at the present day. It is far from happy.

My friend Shri Bimal Comar Ghosa was arguing in two different voices. In the first instance he said the Centre should not have this power. And then again he argued that under List III, item 34, the Centre has got the power. I frankly don't know what he meant. If the Centre had this power, then this Resolution would not have been necessary. I am afraid he has not read item 34 of List III correctly. This item provides for certain powers for the Centre in certain contingencies only. Anyway, this is not the place to enter into the niceties of law. And this matter has been discussed over and over again and on an earlier occasion a legislation has been passed empowering the Centre to enact certain legislations. I would only add that it is appropriate that we empower the Central Government in the manner suggested in the Resolution. It is too early in the day to leave things free, because chaos is bound to set in. And things, we should remember, have only improved because of the powers conferred on the Central Government. There have been lapses in the working of the measure in the past. But that is not peculiar to this country. That has been the complaint in other countries also. For the matter of that even in the United Kingdom and the U.S.A. whenever controls were worked they were not worked in the spirit

[Shri K. S. Hegde.] in which they were enacted. That is because there are black sheep in all societies and in all countries. These anti-social elements do not belong to any one particular political party. In fact they are there in every party and the more we succeed in controlling these anti-social elements, the nearer we approach the ideal of a social State.

With these words, Sir, I have great pleasure in supporting the Resolution.

SHRI C. G. K. REDDY: Sir, before I give my reasons for opposing this Resolution, I should like to appeal to all the Members of this House not to make this a party question, because I feel that though we have been elected as Congressmen and others, we are essentially representatives of the States and therefore, especially in so far as this Resolution is concerned we have the exclusive power to give certain authority to the Government in certain respects. Therefore I appeal that as representatives of the States and the guardians of the rights of the States we should consider this Resolution.

Sir, I oppose this Resolution because I believe that there has been too much centralisation and I do not think that more centralisation which is the objective of this Resolution would do us much good. That is one of the reasons why I oppose this Resolution most vehemently.

Secondly, I find that there is a certain amount of inconsistency so far as the Treasury Benches are concerned. Hon. Members will recall that when the Finance Minister was replying to the debate on the Appropriation Bill, he referred to controls and such things and he said that the monetary and fiscal policy of the Government of India would look after these prices and he gave certain examples. When the Finance Minister, who really ought to know and ought to be in the know of such things more than the Commerce and Industry Minister, says that he believes that control or decontrol is quite irrelevant to the present economic set up and that his monetary and fiscal

policy would be able to achieve the results, I don't see why the Commerce and Industry Minister seeks to take upon himself certain powers which rightly belong to the States.

Secondly, Sir, apart from the decentralisation of power and authority—which on principle I should like to have and, therefore, oppose this Resolution—I would also say that there are certain practical difficulties if the powers that rightly belong to the States are taken up by the Centre. My hon. friend Prof. Ranga referred to it—not in very much detail—but he said something about the maldistribution between State and State and the imposition of things which a State may not require. I may quote an example, Sir. So far as my State is concerned, in so far as distribution of cloth is concerned, I am told by the traders who deal in cloth, that they are forced to accept something which the people of Mysore do not want. They have made a certain arbitrary policy of distribution by which the cloth which is produced by certain mills is imposed on the population of Mysore whereas if those people want cloth produced by other mills which is freely available in other States, they cannot get it. This way, there is a certain amount of maldistribution. If the purpose of taking over this power is to have an integrated policy of distribution and control of trade and commerce, then there may be a case for it. We have seen two years of working of these powers. The Centre has had such powers for the last 10 years and we have seen that, on the one hand, they have taken away, shall I say, the choice of the States in the matter of the goods that they want and, on the other, they have made the distribution so very bad that they have imposed things that the States do not want. Really, the case for control of trade and commerce in a State should be that instead of making it take things not wanted by them, distribution should be so controlled so that each State gets a fair share of the goods that are produced in the country. We find that that is really not the case and I

have already quoted an example where distribution is much worse than what it could have been if these powers were not enjoyed by the Centre.

So far as price control was concerned, I quoted the Finance Minister's opinion in the matter. I would go a little further and say again that for two years we have had the powers at the Centre and I should like to know from the Minister in charge what are the effects that have been produced because of the Centre wielding such powers. Secondly, Sir, in the matter of the administration of these controls, and in the matter of the apprehension and punishment of offenders, I am afraid the powers which we are giving, are sometimes even abused and, certainly, are not being used for the good of the country. I do not want to quote very extensively, but I should like to ask the Minister for Commerce & Industry as to how far the Government have been successful. Probably he would say that some of the responsibility rests on the States. You cannot have it both ways. If you are going to have the power to control production, distribution, supply and prices everywhere, then it is necessary that you should take the entire responsibility of seeing to it that anybody who violates these things is punished. It is no use saying that we have asked the States to look after certain inconvenient responsibilities. I should like to ask the hon. the Commerce & Industry Minister to let us know in what manner he has been able to put down these anti-social elements which this Resolution seeks to curb.

Lastly, Sir, so far as the concentration of power in Delhi is concerned I would say this. Supposing an act is done by the Central Government which affects a State adversely or affects a group of people adversely, it is not possible because of the distance and inconvenience for them to represent their cases and to get adequate relief quickly. I should like also to quote examples but I don't think there is much time. There has been much ground for the complaint from the people—I am not very much interested

in commercial interests, but certainly from the common people—about the Centre wielding so much power and its inaccessibility. Then, Sir, the Delhi Secretariat may not be posted, even if they had the intention of using these powers in a good way, or may not have the facility even of finding out the opinion of the people concerned about the administration of the powers that they seek to take for themselves. Before concluding, Sir, I should like to refer to an unfortunate matter that my hon. friend Mr. Ranga referred; that is the one regarding the M.P.s and the level of their character. I request the Government to see, whether they are M.P.s or people much higher placed than M.P.s if they abuse the privileges, that they do not enjoy these privileges and positions any longer.

I once again appeal to the hon. Members on this and on the other side also, not to make this a party question but to bring their mind to bear on it as representatives of the States and not as representatives of the particular party. This Resolution seeks to curtail certain powers which rightly belong to the States and which have been given by the Constitution to the States. For the first time, as direct representatives of the States, we have been asked to consider this Resolution. Let us consider it not as party men but as representatives of the States and if we are firmly convinced that the people are going to benefit by this Resolution, let us by all means adopt it; otherwise, let us throw it out and I hope we will throw it out.

SHRI H. P. SAKSENA (Uttar Pradesh): The hon. Member has made an unfair charge against us. The States have agreed and have recommended that the controls must be continued. We, as representatives of those States, do say that these should be continued.

SHRI KRISHNA MOORTHY RAO (Mysore): Mr. Chairman, I submit that the hon. Members who have opposed this Resolution have not studied the scope of the Bill. This Resolution refers only to certain articles as listed

[Shri Krishna Moorthy Rao.] in the Act of 1950, which has been passed before. I would like to read out the Schedule, Sir. The items are: non-ferrous metals, bicycles, bicycle parts and accessories, cycle tyres and tubes, electric bulbs, caustic soda, soda ash, tanning materials, raw rubber, casein, infants' foods, etc. Five more articles have been added to this list, i.e., sulphur, textile accessories, mill stores, raw jute and jute manufactures. This list, Sir, shows clearly that it refers only to articles which are raw materials for industry or industrial products which are in short supply in this country. I come from the same State as Mr. Reddy does. I know what difficulty Mysore State has felt regarding the supply of sulphur, regarding the supply of casein and regarding the supply of non-ferrous metals.

But for this control, I am sure there would have been a racket in the prices of these articles and the development of the industries would have been lopsided. And that is why it was laid down that powers can be taken under Section 249 in the national interests for the supply and control of certain commodities which are essential to the industrial development of India. The States have also reported on the working of the Supply and Prices of Goods Act, 1950, which was passed on the strength of the Resolution passed earlier by the Provisional Parliament. There are two reports which have been furnished to us by the hon. Minister; one is as regards the working of the Act and the other is as regards the necessity for further continuance of the Act. In the summary of reports furnished to us every one of the States has said that the supply position of controlled commodities is generally satisfactory and every one of the States has said that controls should be continued. This is what Madras says: Control should be continued on caustic soda, soda ash, sulphur, infants' foods, raw rubber, non-ferrous metals and tanning materials. Similarly, Bombay: Control should be continued on non-ferrous metals, wattle bark, raw rubber, infants' foods, sulphur, caustic soda and soda ash.

West Bengal: Control should be continued on non-ferrous metals, caustic soda, soda ash, tanning materials, raw rubber, casein, infants' foods and sulphur. Madhya Pradesh: Control should be continued on infants' foods and sulphur. Uttar Pradesh: Control should be continued on non-ferrous metals, sulphur, tanning materials, raw rubber, casein, caustic soda, soda ash and infants' foods. Bihar: Control should be continued on non-ferrous metals, sulphur, caustic soda, soda ash and infants' foods. Orissa: Control should be continued on soda ash, non-ferrous metals and infants' foods. Assam: Control should be continued on non-ferrous metals, sulphur, tanning materials, raw rubber, casein, caustic soda, soda ash and infants' foods.

SHRI P. V. NARAYANA (Madras): Sir, these have been circulated to Members. He is reading it from there.

SHRI KRISHNA MOORTHY RAO: For the information of Members who have not read.

AN HON. MEMBER: We are very glad that you are reading it.

MR. CHAIRMAN: Order, order.

SHRI KRISHNA MOORTHY RAO: Similarly, every one of the States has justified that controls should exist. Of course, there is some variation as regards the recommendations made by each State. That is probably because their industrial programmes differ. Probably some of them are not industrially developed; some of them may not have the necessity for raw materials as some others.

Now, my friend, Mr. Ranga made a very unfair remark that the Chief Ministers might not have considered carefully the necessity for control and that the hon. Minister should have called a conference of Chief Ministers. I submit, Sir, that this is very unfair that responsible Ministers—responsible to their legislatures in the States—when the Centre calls for a report would not give due consideration to the pro-

blem. They have expressed their opinion and I think we should take these opinions as having been given after due consideration. I submit, Sir, that in the present circumstances when raw materials are in short supply, when we have drawn up an industrial programme under the Five Year Plan, when some of the industrial production in our country is very low and when we are still in need of industrial products from outside, there should be control. Otherwise prices will shoot up and our industries will not be able to develop and there will be chaos in the industrial development of the country. I submit, Sir, that this Resolution is very limited in its scope and it is absolutely essential for our progress to proceed on a planned basis and I submit to the House that this Resolution should be accepted.

SHRI B. GUPTA (West Bengal) : Mr. Chairman, I am opposed to this Resolution not only in principle but also on grounds of practical considerations. I concede that a situation might arise in the country when the Central Government would have to assume certain extraordinary powers and make use of such powers in an extraordinary manner. But in the context of the situation today, this Resolution is repugnant to the spirit of our Constitution, even though there is an Article in the Constitution empowering Government to assume such powers provided that there is a Resolution of this House. It is not enough to say that certain State Governments are satisfied with the control measures. I wish the hon. Minister before coming here to press his Resolution had asked the State Governments whether they would like these powers to be assumed by the Central Government. We have got no such indication in the papers that we have received.

Now, Sir, I would not be in a position to talk on this subject with the natural warmth and inspiration of small and medium businessmen like Mr. Rajah, nor is it possible for obvious reasons for me to raise the bogey of the Communist Party to melt the heart of the Government

None of these very convenient devices would be available to me. Yet, Sir, on one principle I would like to make a few submissions. We are supposed to be in possession of a Federal Constitution. As we know, Sir, too much power has been concentrated in the hands of the Union Government—a practice which is usually not followed in countries where they have Federal Constitution—and as my hon. friends on the Government side are very much enthusiastic about the American Constitution, I would like to tell them that the American Constitution does not give so much powers to the Federal Government. Here we find that certain powers are normally given to the States and the States are expected to exercise those powers in consultation with the legislatures that are there. It should be conceded that the State Governments are more close to the people in the sense that they are functioning in the respective States. Here we have got the Central Government which has got enough powers. Why should it encroach upon the field of the States when such matters can be easily left to them ? It would be much easier and also wiser for the States concerned to study the operation of such measures, consult the various interests concerned and then go before their respective legislatures with proposals so that public opinion can have a regular say and an effective say in the matter.

Now, Sir, we were given a copy of this Resolution only the other day and we do not have much time even to consult the States. We shall only be speaking according to our own lights and from whatever little experience we may have got. But though such powers are being mostly abused in practice, I am prepared to concede that this sort of powers may have been somewhat beneficially used, in some cases, but in point of principle I am dead opposed to it because whereas we should decentralise powers, whereas we should create a constitutional practice by which State Governments should take more and more initiative to develop their financial policies, to develop their fiscal policies, to build



[Shri B. Gupta.] up their finances in consonance with the desires of the people, the Government of India is steadily coming into the picture where they should not at all come. That is why I am opposed to it and in practice, Sir, we find that these powers are abused. Now my hon. friend Mr. Ranga made a speech in which he made certain suggestions and pointed out the doings of certain people. In our State, I would like to inform the House, we have a number of people who ply between Delhi and Calcutta, whose sole job is to secure a contract here, a permit there and dispose of them in such manner as would yield them dividends. Now, these are also a set of underground people, but there is no Preventive Detention Act to apprehend them. That is how things are going on. The Central Government is responsible for the passing of measures imposing certain restrictions and controls. But when it comes to operation, we find that another group of people come into the picture pulling strings from Calcutta to Delhi, and then from Delhi to Calcutta, with a view to frustrating the objects with which such measures are introduced.

If I had had enough time to consult other interests in the State, I would have presented to the House ample materials to indicate and show how these powers are being abused. I am sure almost all the representatives of the States will agree with me when I say that there are at least some abuses which are going on in the country with regard to these measures.

Now, the other aspect of the question is this, that in the present situation it is very necessary for the Union Government as well as for the State Governments to come before the country and tell us as to why they should take extraordinary powers and why they should assume powers of control, because we want all interests to review past experiences before we pronounce on this subject. When we pass the measure in this House, the State from which I come—West Bengal—would not be knowing as to why it has been passed, and many of the people would not

not be knowing, and even the legislators would not be knowing, as to why and on what justification these measures had been passed. Yet in many States the composition of the existing legislatures is different from what it was in the past. We have got a virile opposition in most of the States, at least in some of the States like Madras and West Bengal; and in all fairness the Government should place matters before the State Legislatures. I would have very much appreciated it if the hon. Minister had consulted the Bengal Government with instructions that the Bengal Government should sound the opinion of the Legislature there. I do not know if such steps were taken. I understand that they were not taken. At any rate I know that most of the Opposition parties do not know anything about it.

Therefore, my whole case against this Resolution is based on principle. I am not digressing into the practical details and the implications. I feel the time has come when the Government should give up the tendency to assume more and more powers in almost every sphere. We find one hon. Minister after another hon. Minister rising to assume powers—to arrogate to himself certain powers which should normally belong to the States. This is not very helpful to our present-day constitutional development. After all, we have got a written Constitution. Very much will depend, I submit with all humility, on how we develop the practice and conventions. We now find that we are, in the field of practice, in the reverse gear. The Americans developed their Constitution by creating such conventions as led to the extension of the rights of the States, the Bill of Rights, for instance, was included as amendments to the Constitution there. Here, exactly the opposite steps are being taken: the powers of States are being restricted and controlled, and they are being concentrated in the hands of the Central Government. That is something which bids not very well for the future.

SHRI RAJAGOPAL N A I D U Madras) :  
Mr. Chairman when this Resolution was circulated in the House

last week, I was of the view that this Resolution should be opposed. But after the explanation of the hon. Minister on Friday and after going through the explanatory note that has been circulated to the House and also after going through the various opinions of the Chief Ministers of the States, I feel convinced that this Resolution should be passed by this House, and for this reason. It should be admitted that the various articles listed in the Supply and Prices of Goods Act, 1950 are in short supply in almost every State in our country. There are some States which are of the opinion that some commodities alone which are listed in the said Act should be controlled. But it is the unanimous opinion of almost all the States that the control should continue for a period of one year at least. I have particularly seen the opinion of Madras State, whose Chief Minister is always for gradual decontrol and he has taken a very bold step in decontrolling food grains, the result of which of course is yet to be seen. It is only the opinion of the Madras Government that has made me all the more feel that this Resolution should be passed by this House.

I would make only one suggestion, namely, that in the distribution of these controlled commodities cooperatives should be taken into confidence by the Government. I feel that the Government is not doing full justice to the various co-operatives. I have first-hand knowledge that when a particular licence was issued and a co-operative society competed for the licence with a particular individual, the Madras Government had naturally preferred the individual ; and when the Government was asked as to why that individual was preferred as against the co-operative society, the reply was that normal trade channels should not be ignored. Well, Sir, in that particular case the "normal trade channel" argument could not be put forward. That individual had been given a licence for the first time in the matter of the distribution of food grains only in the year 1947 or 1948, whereas the co-operative society had been in existence since the year 1943 or 1944

doing the same business. Well, I ask this question : What is the definition of normal trade channels" ? Is not a co-operative society which has been doing the business from the year 1943 right up to the date of applying for licence, a normal trade channel ? And is the political sufferer, or whosoever he is to whom this licence is given, who came into the business for the first time in 1947, to be deemed to be a normal trade channel ? I say this with authority because I as the president and director of various cooperative institutions in my district feel from the bottom of my heart that co-operatives are very much ignored by the State Governments.

I feel, Sir, that these controlled commodities do not reach the villages because most of the merchants to whom licences are given are living in urban areas, and that is one of the reasons why I say that co-operatives should be preferred. For, almost every village in the State of Madras, and, I believe, in the other States also in the country, is served by a co-operative society. If licences are given and co-operatives are preferred, the controlled commodities will naturally reach the innermost corners of every village in the country. It is only for this reason if not for any other reason that I feel that co-operatives should be preferred.

I also feel that somehow this matter of controls should be left to the State Governments ; they should be free to decide whether to control or not to control the commodities which are listed in the Supply and Prices of Goods Act. That will be the first step that will be taken by the Central Government because the Central Government had exercised these powers for two years and at this stage I feel, Sir, that these powers should be delegated to the State Governments as the first step of decontrol in this matter.

10 a.m.

And secondly, Sir, out of the various articles that are listed, I find bicycles is one and having seen thousands of bicycles in Delhi city I feel, Sir, that time has come that we should not think of any control on bicycles. And there

[Shri Rajagopal Naidu.] are certain other commodities like electric bulbs. I do not know how far we will be justified in controlling these commodities also. While concluding my brief speech. Sir, I would request the hon. Minister that much care should 'be taken in seeing that all the unwanted and unnecessary articles are not controlled and this control should be exercised only in respect of the articles which are absolutely necessary for humsn consumption.

SHRI M. C. SHAH (Bombay) : Mr. Chairman, I rise to support the Resolution moved by the hon. Minister for Commerce and Industry wholeheartedly. This Resolution is absolutely necessary under the present circumstances. When this was introduced in 1950 our Government was accused of having introduced that at a late stage. The circumstances have certainly " changed. Still we are not out of the wood. Then there was the Korean War. Prices were going up and it was very difficult for the consumers to get the most-needed consumer goods at reasonable prices. So this Resolution was brought in and it was adopted by the Provisional Parliament. It was then extended in 1951 and it is sought to be extended now for one year more.

It is said, Sir, that the Government are taking extraordinary powers. The Opposition has opposed this Resolution mainly on the ground that the Government of India are taking extraordinary powers and there is an encroachment on the powers of the State Governments. I feel, Sir, that these arguments do not hold water. As a matter of fact the framers of the Constitution have advisedly put items 26 and 27 on the State List with a specific proviso " Subject to the provisions of item No. 33 of List No. III ". Then it was thought that some ab-normal situations might arise when it will be necessary that the powers to legislate on a uniform basis throughout India must rest with the Indian Govern-" ment. As a matter of fact by passing this Resolution we are not taking away the powers of the State Governments. These two items have been

taken from the exclusive State List to the Concurrent List so that the Indian Government may pass appropriate legislation on the subject. The State Government also can pass appropriate legislation on the subject and if there is any conflict between the two legislations—the State legislation and the Union legislation—then certainly the Union legislation will prevail. I submit, Sir, that there is no extraordinary power taken by the Union Government. At the same time there is no encroachment on the powers of the State. Let me assure my hon. friends on the Opposition side that we on this side, the representatives of the States, are as jealous as they are in seeing that the powers of the States are not encroached upon.

As a matter of fact from the papers that have been circulated we find that no State Government opposes this Resolution. They were consulted. When they were asked as to how this Resolution has acted there, every State had shown satisfaction. None of them has protested against this Resolution being passed. I do not think, Sir, there can be any objection-in giving these powers to the Union Government by this Resolution. I know, Sir, that the situation is easing and with the end of Korean War in sight I am sure that the position will be such that the Indian Government will have no reason to have legislation in the form of this Resolution. The supply position has very much improved. The imports are coming in and as a matter of fact we have got an adverse balance of trade. We will have rather to impose restrictions on free imports of so many things and as a matter of fact we have heard that the goods are being sold below control prices. Though for some time—for the last 2, 3 or 4 weeks the prices have taken an upward trend, yet I am sure that the Finance Minister and the Minister for Commerce and Industry will keep a watchful eye over that trend and by the measures that they adopted before, they will just see that the prices do not go up, do not shoot up and the consumers are not at all affected by this upward trend. So I submit, Sir, that the Opposition has

not advanced any convincing argument or any convincing reason to ask us to vote down this Resolution.

One hon. Member said that it should not be a party question and the Members of the party should be allowed to vote as freely as they like. I can assure him that the Members on this side have considered this question very carefully and they think that the Resolution ought to be supported, ought to be supported rather unanimously. Much lengthy speeches are not necessary on this Resolution because the Constitution itself has given these powers. The framers of the Constitution have advisedly put these words in the Concurrent List —items Nos. 26 and 27. So I submit, Sir, that there ought not to be any opposition for the mere sake of opposition but we must give our consent to this Resolution.

Then, Sir, one or two points were raised by the hon. Member from Mysore, regarding sale of cloth. I understand, Sir, that control on cloth has been relaxed by the Minister for Commerce and Industry of this Government and I understand that 80 per cent, of the cloth production is allowed free sale so that any State can purchase the goods according to its requirements. Only 20 per cent, has been kept for the State nominees and it is a very small percentage. And I am sure that after this 80 per cent, of free sale, if that scheme is working very satisfactorily, the Minister for Commerce and Industry will not hesitate to allow even 100 per cent, free sale with control prices. So today there is no cause for complaint. It may have been some time back. But since last April that complaint has been removed by the Minister for Commerce and Industry.

Sir, the hon. Member, Mr. Rajah, spoke about this handloom industry and all these things. But as a matter of fact the handloom industry suffered not because of the export trade that it commanded but because there was shortage of yarn. Yarn was not supplied in sufficient quantity. Our textile manufacturers did not produce sufficient quantity of yarn and so there was that difficulty. As a matter of

fact today there was so much yarn supply that those people wanted permission to export yarn from this country to other countries and I understand that some sort of concession also was given by the Minister for Commerce and Industry. So, I believe that all the eloquence that was coming from Mr. Rajah is beside the mark and had nothing to do with the Resolution. This Resolution only empowers Government to pass legislation in regard to the supply, distribution and production of commodities, generally in regard to commerce and industry. I think that if he had cared to understand the implications of this Resolution, he would not have opposed it. So, I submit that we should pass this Resolution and give powers to the Government of the Union for passing legislation on this subject. As I have said, circumstances are fast changing, and if the international situation improves, as we all hope it will, then this Resolution will be a dead letter and next year we will not be faced again with another Resolution for extending these powers to the Government. Sir, with these words, I commend the Resolution to the House.

SHRI K. B. LALL (Bihar) : Sir, I also rise to support the Resolution. I would not have taken part in this debate but for the fact that I have to make one or two suggestions to the hon. Minister. We have heard the arguments from both sides of the House and I will only tell the Opposition members who have opposed the Resolution on the plea that they are representing States—and they have made an appeal to this side of the House also that we should be zealous to safeguard the interests of the States—their attitude only reminds me about a saying :

मुद्दई सुस्त गवाह चुस्त

It means that when the plaintiff himself is unmindful of his case, the witness is over-enthusiastic. We have seen the papers circulated to us in which the Chief Ministers of the States have agreed these powers should be exercised by the Central Government. When the

[Shri K. B. Lall.] States themselves are agreeable to this, the Opposition members are so enthusiastic about the interests of the States

Now, Sir, I will only make a submission to the hon. Minister that in exercising these powers, the Government should not rest content with making laws or putting into effect this Resolution. I have had occasion to bring to his notice one specific case of how a certain State chose to go against the wishes of the Central Government. If such cases occur, the hon. Minister has to see that the State concerned is properly checked. As a matter of fact, there is some truth in the Opposition argument that there are some elements who begin to trade in control itself, and this is a very serious thing. If the States function in this way, then there will be no use even taking these powers in the hands of the Central Government and exercising it for regulating trade and commerce, and I will make a humble suggestion that the hon. Minister should see that there is some machinery to see that the controls that are imposed by the Central Government, or the decontrol that is being given effect to by the Central Government, are obeyed by the State Governments. I do not know what shape that machinery should take. It can be some Inspectorate of Controls may have to be appointed by the Central Government, members of which have to go to the different States to see how the State Governments are functioning with regard to the Acts that are passed by the Central Government. I have got specific instances but I would not like to develop them. It may be that the State Governments have not done so intentionally but the fact remains that there have been abuses, and when such abuses take place, the sole responsibility is cast upon the Congress Governments. People do not make any distinction between the officers of the State Governments and the officers of the Central Government. They only begin to abuse the Congress Government just as even in this House our friends on the Opposition side are only too ready to heap any abuse on the Congress itself, or the Government

or the party in power. Very few people even in the party know what is happening in the States or what the State Governments are doing. Very few people know what is being done by the Central Government even, but all the same, so far as the abuses have to be borne, we are taken as a whole and we have to suffer it. So, in order to remedy this sort of thing, I want to bring to the notice of the hon. Minister that he must devise some machinery, some agency, to see that the Acts that we pass are given effect to by the State Governments and they are carried out in the spirit and in the letter. This will save us from a good many abuses that are heaped on us. This is the only suggestion that I want to make to the hon. Minister. With these words, I support the Resolution before the House.

SHRI S. MAHANTY : Mr. Chairman, Sir, the principle of this Resolution is unexceptionable. In pursuance of the Resolution that was passed last year on the 7th June the Supply and Prices of Goods Ordinance was promulgated and then the Ordinance was replaced by an Act on the 23rd December 1950. Now, Sir, under this Act, non-ferrous metals, cycle parts and accessories, cycle tyres and tubes, electric bulbs, soda and soda ash, tanning materials, raw rubber, chrome ore, etc. were included. When supplies are unrelated to the demand, when in fact the demand is far in excess of the supply, surely control both in price and in distribution is essential, but apart from that, we have to see how far the powers acquired by the Government have been used. Last year, our hon. Minister of Industry and Commerce was very much interested to know, because probably he was not at the time in the Government Benches, how many persons were detained under this Act, but this year when I had the occasion to ask him how many persons have been detained under the Act, -he said he was not in possession of the figures. That underlines the fact that the Government, though all eager to acquire power and more power, are not interested in seeing whether the powers are used or abused.

SHRI T. T. KRISHNAMACHARI : On a point of explanation, Sir. The information that the hon. Member wants is now available and if he wants, I will give the information during the course of my speech.

MR. CHAIRMAN : The information will be given to you in the course of his speech.

SHRI S. MAHANTY : All thanks to him. On going through the summary that has been circulated, I find that throughout India there have been only 174 prosecutions under this Act and the convictions are only 52. I refuse to believe that the businessmen all over India have turned saints overnight and that they are not doing blackmarketing in these goods which are in heavy demand. I do not know what conditions are obtaining in other States but so far as Orissa is concerned, I know definitely that blackmarketing is going on in these controlled commodities. I know it was a condition that the shops where the goods are sold should display the price list of the controlled goods. So far as Orissa is concerned, I do not know of any shop where these price lists are displayed and I would request the Minister to verify these allegations. Another fact that emerges from this report is that a number of State Governments have recommended that the enforcement is handicapped as Sub-Inspectors of Police are not empowered to investigate into the offence. Not only Orissa has made these recommendations but other States have also made these recommendations too. The Ministry's comment on this is this :

"This question has been considered by the Government of India. It is considered desirable that powers of search, seizure and investigation under the Supply and Prices of Goods Act, 1950 should be exercised only by officers of the rank of Inspector of Police and above."

I do not know why so much emphasis has been placed on the ranks of officers of Inspectors of Police and above. If an ordinary constable says that such and such person is a menace to the peace and security of the State, well at the next moment you rob him of his

liberty and you put him behind the bars. Why in this particular case so much emphasis is being laid on 'Officers of the rank of Inspector of Police and above' ? I think this simple recommendation of the State Governments to empower the Sub-Inspectors of Police to investigate into such offences should be accepted. There is no reason why the Union Government should be so intransigent so far as this simple demand is concerned.

Another point I would like to mention is this. In last May while the Tariff Amendment Bill was being considered, we extended tariff protection to indigenous cycle manufacturing industry and cycle parts. At that time the Opposition wanted to make out this point that while extending the tariff protection we should see that the indigenous industries don't abuse the protection granted to them, that the industries augment the production so that there may be a free supply in the market. Now we find that the list of goods for which this Resolution is being passed includes bicycles and bicycle parts. Here is an admission—though while passing the Tariff Bill the hon. Minister did not admit it—that the cycle industry is not abusing the concessions that have been granted to it. Here he admits that bicycles and cycle parts are in short supply, though we have been consistently giving tariff protection to the indigenous cycle industry which is unfortunately owned by a single person it may be that because it is owned by the patron saint of Indian nationalism—I mean Mr. Birla. However, we should see that unnecessary articles are excluded from this list. As I said earlier, in principle this Resolution is unexceptional and on my part I lend my support to it. Of course the question of Constitution does not arise because it is a Unitary State under the garb of Federal Constitution. Therefore whether it is an invasion on the autonomy of the States or not, now that the consumers are going to be affected directly and indirectly whether we pass this Resolution or not, on that ground only I lend my support to this Resolution.

SHRI T. T. KRISHNAMACHARI : Mr. Chairman, I am glad that the Resolution of mine has been discussed more or less threadbare by this House for the reason that this is the first time that this House is asked to move in a matter relating to Article 249 and whatever the House may ultimately do, this discussion will establish a tradition in regard to the use of Article 249 for the future. I am also glad that with a few exceptions here and there, the discussions have been centred on the main points, and extraneous elements have not been introduced, but I think the House demands the courtesy that I should reply to the points raised by individual hon. Members even though some of them may not be present in the House to hear the reply.

With your permission I propose to deal with them *seriatim*. My hon. friend from Madras, Mr. H. D. Rajah, had a lot of complaints against the Central Government for the way in which it has treated Madras. I am also a Madrasi and if what he says happens to be a fact, I must be equally indignant but unfortunately Mr. Rajan, in his enthusiasm, had forgotten, to check the facts on which he based his criticism of the Central Government's action in regard to Madras. He did quote a number of figures, added up together and made up to Rs. 500 crores and he said that the export and internal trade of Madras amounting to Rs. 500 crores had dwindled to something far less. He quoted the figures of seaborne trade, coastal trade and Railway traffic and apparently he was not aware that the figures may relate to the same set of commodities. So it would not be quite accurate to say that a mere addition represents the total trade of Madras.

SHRI H. D. RAJAH: No, Sir.

SHRI T. T. KRISHNAMACHARI: I have no doubt that I will be wrong in questioning the veracity of the statements made by my hon. friend. I have no desire to do so except to point out that the particular grievance against the Central Government viz., that an export duty on handloom cloth is

being levied does not happen to be true. The Central Government are not levying any export duty on handloom cloth. Apparently my hon. friend knows better but I must leave it at that.

The next speaker, the hon. Mr. Ghose from West Bengal, has made a very studied criticism of the measure before the House and I must say that I profited by hearing his speech because though I may not agree with him, I recognise that he has attempted to bring to bear upon the subject a different point of view. I think the House must be indebted to him for that reason. He says that there exists no inflation now. I think a general statement of that nature I should rather be reluctant to admit with my imperfect knowledge of economics. It is perhaps true that the tempo of inflation is much less but I am not in a position to say that there is no inflation, that price control is not necessary, that everything is pleasant and nice in the rose garden.

My hon. friend Mr. Shah on my side speaking about cloth control made some reference to the relaxations that we have made. I have good reason to take the House into confidence and tell them that though I have made these relaxations—very big relaxations—I am not still feeling very happy that things will work out in the manner in which we want them to work because I don't know what the ultimate effect would be. I am keeping a watch on exports. Exports are not frightening by large but we are watching the position. Production of cloth reached its peak figure during May and June. These are the factors which show that forces, which we normally call inflation, —because we have not got an accurate nomenclature for them—are still in operation and they have not altogether disappeared. If hon. Members would peruse the documents that have been furnished to the House, they would find that the reports from the various States indicate that the position is fairly satisfactory. But the fact that the position is not unsatisfactory does not mean that the controls must be

removed. Perhaps the position is satisfactory because the controls are operating and things that are normally in short supply are available for consumption of those who need them. I can say about certain commodities listed in the Schedule to the Act to which this Resolution relates, we are still far from being out of the wood. Sulphur is an instance in question. It is a commodity which is almost universally short all over the world and it is only with very great difficulty that even a moiety of our requirements are met by the International Materials Conference. There are other commodities here on which we have to exercise control, for instance tanning materials, casein, infants' foods, raw rubber. We do that, not because we find any particular pleasure in having the controls, but because the goods are in short supply and allocations have to be made judiciously.

I will deal with the general attitude of Government towards controls a little later.

Then my hon. friend referred to electric lights. I do remember that electric lights were in short supply and now they are available in plenty. I do not know what will happen if the controls are removed. In any event there is this factor. If goods are in abundance then the controls automatically become inoperative. That, my hon. friend who seems to know a lot about business must realise. Controls operate only when goods are in short supply. For instance, if Government fixes a price for electric lamps and if they are available in the market for about 20 per cent, less, then the control automatically becomes inoperative and the Government is happy about it. They do not want dealers to sell them at a price higher than what is fixed by Government.

SHRI H. D. RAJAH: That only means that the Government fixes the prices and makes the businessmen earn more profit.

SHRI T. T. KRISHNAMACHARI: No, it is exactly the opposite. We fix

a ceiling price so that the businessman may not charge a higher price, and the consumer may benefit. If electric lamps are available and prices are moderate and sensible, then the controls do not operate and I should have no grouse against controls. I really don't want a dealer to sell at the controlled price of Rs. 1-2-0 if he is now selling the light for 14 annas.

SHRI B. C. GHOSE: But the people suffer from the administration of controls.

SHRI T. T. KRISHNAMACHARI: My hon. friend, if he realises the amount spent on administration, would see that it is almost negligible.

Then there was the other complaint that he made—apparently he knows more about governmental mechanism than I do—I am a newcomer to this job—that Government do not get periodical reports and returns from the State Governments. I do not know where he got that information from. Actually we are struggling all the time to keep in close touch with the State Governments, worrying them to give us more information, whenever we find that we want more information. We are not altogether without resources. There are many well-meaning friends who tell us that the prices have gone up here, they have risen so much there, that black-market is flourishing in this and that. We are flooded with literature every day, quite apart from our means of securing intelligence of movements and prices and supplies of commodities. And there is a stream of letters exchanged between the State Governments and ourselves and sometimes telegrams and often times telephones if the matter is very urgent. And so we keep in very close touch with what happens in the States. Apart from that periodical returns are also coming in. If my hon. friend thinks that they are not coming, I am afraid he is mistaken. It is, of course, rather difficult to prove this to him unless I place him in the seat I am now in; but for the time being he has to accept my word.



[Shri T. T. Krishnamachari.] My hon. friend is an extremely diligent student and as I myself was one at one stage, I appreciate diligence in others.

SHRI H. N. KUNZRU (Uttar Pradesh) : Why at one stage ?

SHRI T. T. KRISHNAMACHARI. He has conducted valuable researches and hit upon a very difficult point so far as I am concerned, for he has quoted my speech made in 1951 in the House when I was a private Member. But fortunately it is not a case where I have contradicted myself, though that may also happen sometimes. When my friend reaches my age he would not be so affirmative in his statements. Probably he would take a more philosophic outlook of things and say things in a manner which it is possible to interpret in both ways. But I may say here that I would not plead guilty to the charge that has been levelled against me. I am not sceptical about price controls. If in a particular case the prices have gone awry, that is inevitable in an administration of this nature where we operate this Act through the medium of the State Governments with their own efficiency in a sort of graduated levels. It may well be that there are abuses in certain places; but that does not mean that we should not take any action at all. The fact that there are cases of mal-administration or cases of lack of administration does not altogether rule out the necessity for price controls at certain levels where they operate fairly efficiently and have achieved results.

My hon. friend then dealt with another point—I had better dealt with his points first, because that way I would be dealing with the points of most of the others also. He said the States have not categorically supported this proposition. I am afraid with all the capacity at my command—it is limited—I can never completely convince the doubting Thomases. I have provided two documents—one the Report of the working of controls and the other views of the State Governments.

Prof. Ranga said it is the report of the Director of Controlled Commodities that the States have sent to the Central Government. I don't mind taking the House into confidence and saying that I have written personal letters to all the Chief Ministers and except in four cases, I have received personal letters from the Chief Ministers and in every case their replies bear out the view that this sort of a measure is necessary. It is not as if the Central Government is anxious to have such powers. I had my own doubts. But before long, in connection with an allied measure—the Essential Supplies (Temporary Powers) Act—and also under the Industries (Control and Regulation) Act, where we have certain powers, we may have to sit down and see how we can streamline the effects of the various provisions. In fact, I was mentioning to the hon. Finance Minister that this matter should be undertaken before long and that he should take the opportunity of a meeting of the Finance Ministers of the States to put before them the question of controls and how co-ordination should be focussed. In fact, the Government is perpetually active in this matter and we are trying to find ways and means of improving on what we have already been doing. I can assure the House that on this particular matter, with the exception of four States, all the others including P.E.P.S.U. which has not a Congress Government have categorically supported this measure.

Then we are asked, "What about items 33 and 34 of List III of Schedule VII.?" My legal advisers advise me that these powers are necessary. If my hon. friend can advise me more accurately and more effectively than my legal advisers, I am open to receive such advice. I do not want to go further into what my hon. friend said.

I then come to Prof. Ranga who is not here,

AN HON. MEMBER: He is here.

SHRI T. T. KRISHNAMACHARI: I am sorry, Sir. I am grateful to

him for his information. He does not really disagree with me in the necessity for a measure of this nature, but, then he has a certain anti-control bias and I cannot ask him merely because he supports this Resolution that he must divest himself of this bias for all time. I will certainly give my hon. friend this assurance that we will not exercise more control than what is necessary. I do recognise that the administration of controls has been bad but the fact is— and my hon. friend who is an experienced politician and legislator, far more experienced than myself must recognise—that bad administration of controls does not mean that the necessity for controls has been removed. ' The one thing is different from the other. He is perfectly entitled to ask those State Governments that are not administering it well to administer it better. I am grateful to my friends Mr. Parikh and Mr. Hegde for their very firm support.

I now come to the other powerful opponent of this measure, Mr. Reddy from Mysore. On the few occasions that I have been in this House, I have found him speaking with extremely naive suggestions. He said that the approach should be on a non-party basis and everybody who approaches from the non-party basis should be opposed to it. I am afraid hon. Members on this side of the House will not walk into that trap. They are a little more experienced. Then, Sir, he made out differences in views among the Members of the Cabinet on the question of price control. He said that the hon. the Finance Minister, my colleague who is here luckily, has made a statement which goes right against the principle of the Resolution which we are asking this House to pass today. Sir, I have got here—though my friend is here I thought it better and it would convince my friend Mr. Reddy better—the copy of the script of my hon. friend, the Finance Minister's speech. I think Mr. Reddy was asking my colleague questions about food control or decontrol and it is true that my hon. colleague has said with regard to Madras "My point is that we find now that two 20 C. S. Deb.

things are apparent. One is that our fiscal and monetary measures have been attended with a satisfactory degree of success. And the other is that there is not that latent inflation which was such a plague soon after the war between the year 1945<sup>ad</sup> and the year 1950.

SHRI C. G. K. REDDY: He said a little more on the same lines later on. Further down you will find a repetition.

SHRI T. T. KRISHNAMACHARI: There is a repetition on different circumstances and that position is not disputed. I do not say that inflation today is as vigorous, as virile, and as pernicious as it was during the years 1945 and 1950. In fact, I might assure my friend that he need not have any fears about differences and it so happens that in this particular thing we, both of us, think absolutely alike.

SHRI C. G. K. REDDY: I said two voices.

SHRI T. T. KRISHNAMACHARI: His voice is slightly different from mine. It is not possible for all the Members of the Cabinet to merge into one identity for the benefit of giving my hon. friend the experience of hearing only one voice. Then he said about over-centralisation. He said the Centre must take the responsibility for this Act.

SHRI C. G. K. REDDY: Sir, if the hon. Minister will allow me, I want to say a few words as an explanation. I did not say such a contradictory thing which he seems to suggest. What I said was that I was against centralisation, but if the Central Government was consistent it should also take the entire responsibility of administering these powers instead of asking the State Governments to take on the inconvenient responsibility.

SHRI T. T. KRISHNAMACHARI: It means the same thing to say that "I am against centralisation but if you take powers, you had better administer yourself so that the centralisation can be complete". The only word with which I could characterise all of his remarks is that they are naive.

SHRI C. G. K. REDDY: And they are fresh.

SHRI T. T. KRISHNAMACHARI: We have no desire to take over the powers of the States. The Act is being administered by the States and with their consent and co-operation. The Act can be administered by the States only. We have a Constitution and we are bound by it. We cannot take more powers merely because we want them if the Constitution does not permit it.

Sir, I am grateful to the hon. the Deputy Chairman for an extremely useful speech which has saved much of my work. He has drawn attention to the list of articles and has gone into such details that he has practically taken away the burden of my having to reply to the questions raised by the hon. Members here. I don't think I need reply to Mr. Gupta because he did not want a reply. He said his words and has gone. My friend, Mr. Rajagopal Naidu from Madras, spoke about bicycles, electric bulbs and another friend from Orissa also mentioned about bicycles. My friend from Orissa said that there is only one factory.....

SHRI S. MAHANTY: No, I did not mean to suggest anything of that sort.

SHRI T. T. KRISHNAMACHARI: He indicated .....

SHRI S. MAHANTY : What I meant to suggest was that the bicycle industry was monopolised by one individual who is a kind of patron saint of the Indian National Congress.

KHWAJA INAIT ULLAH (Bihar): He means Birla.

SHRI T. T. KRISHNAMACHARI: I do not know whom he means. With the limited knowledge of the Indian National Congress and its activities that I have, I think the only patron saint was the person who has left. He was the only patron saint and I don't think he owned any factories. I can tell my hon. friend that we are

in the stage of producing bicycles in five factories. Very soon, before the end of the year, five factories will be under production. Even so, they would not be producing to their capacity. They will only be producing, say, about 50% or 60% of our needs. Ultimately, they will produce about 70% of our needs and our needs are growing. One of the hon. Members mentioned about the number of bicycles that we see in Delhi. It is true we see a lot of bicycles in Delhi. We probably will see more if we go to Poona and more still if we go to Hyderabad. We cannot have a per capita use of a car as we have in the United States. I would like to see that every person who has to journey to his place of work has a bicycle. I would rather be pleased to see that people do not have to waste their time and go to their work using a locomotion which is both cheap, efficient and quick. We are doing everything to see that the needs of the people in regard to bicycles are met completely. Even though we have these factories, we should require still more, with the meagre foreign exchange we have we will use that to see that the needs of the man who wants a conveyance for the journey to his work is met.

Sir, I think that more or less completes.....

SHRI BASAPPA SHETTY (Mysore): One of the important points which my friend Mr. Rajagopal Naidu raised was why co-operative societies are not entrusted with the sale of these commodities so that they could reach the villages.

SHRI T. T. KRISHNAMACHARI: The administration is actually in the hands of the State Governments and my own feeling is that the State Governments are encouraging co-operative societies, so far as distribution is concerned. It may be, in a particular instance, that the Madras Government was not favourably inclined but, by and large, in my opinion, the Madras Government is encouraging co-operative distributing societies. I have knowledge of one society in the city of Madras which

is doing wonderful work. It did very good work during the war time when the other trade channels practically ceased to function. I think, Sir, generally the States are disposed to encouraging co-operative societies. In this particular case there may be some trouble—I cannot answer that because I have no information. In any case, I have no information of the Central Government having indicated to the States that they should not encourage co-operative societies. But I do hope, Sir, they will. If my declaration in this House would do any good, I would say that I agree with my hon. friend that co-operative societies should be used to the maximum extent possible. Consumer co-operation must become the cardinal point of the economy and retail trading in this country. There must be a certain percentage that must go through them because it is the only way in which you can keep a check on prices from rising. As my hon. friend Mr. Ranga said that I knew something about the trade, I can say that in times of falling prices co-operative societies are greatly handicapped because their cost of distribution is greater than that of the private individual, but that is a matter which is neither here nor there. The Central Government's view is that they must be encouraged and I believe that the State Governments are also of that view.

Sir, I think I am right in assuming that there is a general consensus of opinion in this House, in view of the fact that the States themselves have asked for it, that these powers should be given to the Centre to continue the Supply and Prices of Goods Act, 1950, for another year. Sir, I am coming before the House again immediately after this with another Bill and I would therefore conclude. But I would say that the Central Government Ministries of Finance, Commerce and Industry and such other Ministries as are interested will see to it that we review the position constantly and if possible we would like to have a uniform policy. We would communicate our views to the State Governments and obtain their reactions and I believe we might be able to bring in a few measures

which are necessitated by the Constitution, which would not be overlapping, but by the working of which we can show that the Centre is doing its very best to help the States in keeping their price mechanism on a satisfactory basis.

Finally, let me again thank the House for the patient hearing given to me.

SHRI C. G. K. REDDY: May I ask on a point of information, Sir? My hon. friend Mr. Ranga and myself had complained about maldistribution of certain things—some States not getting what they should get—and a certain amount of discontent as a result of such maldistribution. Would the hon. Minister assure us that with the powers that he has he will use them for a better distribution, for a more egalitarian distribution to the States than what is happening at present?

SHRI T. T. KRISHNAMACHARI: The Ministry of Commerce and Industry is always willing to listen to complaints regarding maldistribution. If my hon. friend would be specific in regard to his complaint .....

SHRI C. G. K. REDDY: I was, in my speech.

SHRI T. T. KRISHNAMACHARI: .....and he communicates it to me, I can tell him that it will receive my close and immediate attention.

MR. CHAIRMAN: The question is that the following Resolution be adopted:

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;

[Mr. Chairman.]

AND WHEREAS by another Resolution passed by the Provisional Parliament on the 7 th 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.

According to Article 249 of the Constitution, the Resolution has to be passed by not less than two-thirds of the Members present. A division, therefore, has to be held.

11 a.m.

[MR. DEPUTY CHAIRMAN in the Chair.]

SHRI K. S. HEGDE: On a point of information. It is not necessary to go into the lobby. We can take the count here.

SHRI H. D. RAJAH: No. A division is provided for by the Constitution.

The Council divided :

AYES—122

Abdul Shakoor, Molana.  
Abid Ali, Shri. Agarwal,  
Shri B.P. Agrawal, Shri  
A.N. Agrawal, Shri J.P.  
Ahmad Hussain, Kazi.  
Aizaz Rasul, Begam. Akhtar  
Husain, Shri. Alva, Shrimati  
Violet. Amolakh Chand,  
Shri. Anant Ram, Pandit.  
Angre, Col. C.S.R.  
Barlingay, Dr. W.S. Beed,  
Shri I.B. Bhuyan, Dr. S.K.  
Bisht, Shri J.S. Biswas, Shri  
C.C.

Biswasroy, Shri R.  
Borooah, Shri L.  
Budh Singh, Sardar.  
Chaturvedi, Shri B.D.  
Chauhan, Shri N.S.  
Das, Shri Jagannath.  
Dave, Shri S.P.  
Deogirikar, Shri T.R.  
Deshmukh, Shri R.M.  
Dhillon Shri G.S.  
Dinkar, Prof. R. D. Sinha  
Doogar, Shri R.S.  
Dube, Dr. R.P.  
Dube, Pandit S.  
Dutt, Dr. N.  
Fruqi, M. Moulana  
Gilder, Dr. M.D.D.  
Gopal, Shri V.G.  
Gopalswami, Shri N.  
Gupte, Shri B.M.  
Hans Raj, Shri.  
Hathi, Shri J.L.  
Hegde, Shri K.S.  
Hemrom, Shri S.M.  
Hensman, Shrimati Mona.  
Ismail Saheb, Janab M. Muhammed.  
Italia, Shri D.D.  
Jafar Imam, Shri.  
Jain, Shri Shriyans Prasad.  
Jalali, Aga S.M.  
Kalelkar, Kakasaheb.  
Kapoor, Shri J.R.  
Karayalar, Shri S.C.  
Kaushal, Shri J.N.  
Keshvanand, Swami.  
Khan, Shri A.S.  
Khan, Shri Barkatullah.  
Khan, Shri P.M.  
Khan, Shri Samiullah.  
Kishori Ram, Shri.  
Kunzru, Shri H.N.  
Lakshmi Menon, Shrimati.  
Lal Bahad Shri.,  
Lall, Shri K.B.  
Lilavati Munshi, Shrimati.  
Madhavan Nair, Shri K.P.  
Mahanty, Shri S.  
Mahtha, Shri S.N.  
Maithilisharan Gupta, Shri.  
Majumdar, Shri S.C.  
Malkani, Prof. N.R.

Misra, Shri S.D.  
 Mitra, Dr. P.C.  
 Mookerji, Dr. Radha Kumud.  
 Mujumdar, Shri M.R.  
 Mukerjee, Shri B.K.  
 Nagoke, Jathedar U.S.  
 Naidu, Shri Rajagopal.  
 Narayan, Shri D.  
 Narayannappa, Shri K.  
 Nihal Singh, Shri.  
 Onkar Nath, Shri.  
 Pande, Shri T.  
 Parikh, Shri C.P.  
 Pattabiraman, Shri T.S.  
 Pawar, Shri D.Y.  
 Pheruman, Sardar D.S.  
 Pillai, Shri C.N.  
 Podar, Shri R.A.  
 Puri, Shri M.L.  
 Pushpalata Das, Shrimati.  
 Pustake, Shri T.D.  
 Raghu Vira, Dr.  
 Raghubir Sinh, Dr.  
 Rajagopalan, Shri G.  
 Ranawat, Shri M.S.  
 Ranga, Prof. G.  
 Rao, Shri Rama.  
 Reddy, Shri Channa.  
 Reddy, Shri Govinda.  
 Saksena, Shri H.P.  
 Sambhu Prasad, Shri.  
 Sarwate, Shri V.S.  
 Savitry Nigam, Shrimati.  
 Seeta Parmanand, Dr. Shrimati.  
 Shah, Shri M.C.  
 Sharda Bhargava, Shrimati.  
 Sharma, Shri B.B.  
 Shetty, Shri Basappa.  
 Singh, Babu Gopinath.  
 Singh, Shri Kartar.  
 Singh, Shri R.K.  
 Sinha, Shri R.B.  
 Sinha, Shri R.P.N.

Sobbani, Shri O. Sumat  
 Prasad, Shri. Surendra Ram,  
 Shri V.M. Tajamul Husain,  
 Shri. Tamta, Shri R.P.  
 Tankha, Pandit S.S.N.  
 Tayyebulla, Maulana M.  
 Thacker, Shri P.B. Thakur  
 Das, Shri. Thanhkira, Shri R.  
 Venkataraman, Shri S.

## NOES—24

Arman Ali, Munshi. Banerjee,  
 Shri S. Deshmukh, Shri N.B.  
 Dhage, Shri V.K. Dwivedy,  
 Shri S.N. George, Shri K.C.  
 Ghose, Shri B.C. Gour, Dr.  
 R.B. Gupta, Shri B.  
 Imbichibava, Shri E.K.  
 Kakkilaya, Shri B.V. Kishen  
 Chand, Shri. Manjuran, Shri  
 M. Mazumdar, Shri S.N.  
 Misra, Shri C.G.  
 Narasimham, Shri K.L.  
 Narayana, Shri P.V. Rajah,  
 Shri H.D. Rath, Shri B. Raut,  
 Shri R.B. Reddy, Shri C.G.K.  
 Sinha, Shri Rajendra Pratap.  
 Sundarayya, Shri P.  
 Surayanarayana, Shri K.

The . Resolution was adopted by more than  
 two-thirds majority.

**THE INDIAN TEA CONTROL  
 (AMENDMENT) BILL, 1952**

THE MINISTER FOR COMMERCE AND  
 INDUSTRY (SHRI T. T. KRISHNAMACHARI) :  
 MR. Deputy Chairman, I move:

That the Bill further to amend the Indian Tea  
 Control Act, 1938, as passed by the