

[Shri N. Gopaldaswami.] and members elected by the legislature who will come in by way of appointment or by way of election. In several similar institutions these elections take place annually and that is why it has been proposed to have one year as the term. Let us try it for some time. It is always open to the Council of States or the House of the People to elect the same member every year for a term of two to three years just as it likes.

As regards the other point of difference between the two Houses which has been raised, namely, that there is no reason why the representation of the Council of States should be limited to one while two members are proposed to be sent from the House of the People, well, Sir, the proportion was fixed more or less in accordance with the strength of the two Houses. I do not know if as Leader of the House I failed in my duty but I thought that a proportionate representation is as good a lead as I could give to the two Houses and that is why I suggested two might be from the House of the People and one from the Council of States. Now, I think, Sir, we are more or less adopting this kind of practice in nearly all matters and I do not think I can plead guilty to the charge levelled against me by Mr. Reddy that I failed in my duty in this matter of representation. Perhaps he would have congratulated me or showered praises on me if I had said that the Council of States should have four and the House of the People two. I think two for the House of the People and one for the Council of States is a reasonable proportion. I would let it stand at that.

MR. CHAIRMAN : The question is:

That the Bill further to amend the National Cadet Corps Act, 1938, be taken into consideration.

The motion was adopted. Clause 2

was added to the Bill.

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

SHRI N. GOPALASWAMI : Sir I beg to move that the Bill be passed.

MR. CHAIRMAN : The question is :

That the Bill be passed.

SHRI RAJAGOPAL NAIDU : Sir, the hon. Minister said that the period of one year is reasonable. Now, we have all heard Pandit Kunzru who had served on the Committee last time—that is what I gathered from what he said. And during one whole year there was only one meeting of the Committee. And what can we do by attending one meeting of the Committee ? In order to enable us to know what it is all about, and how the National Cadet Corps works, and so on, we should attend at least half a dozen meetings, so that we may be able to offer advice in the matter. So it will be reasonable for the mover of the Bill to have a period of two years. That certainly would be a reasonable period.

SHRI N. GOPALASWAMI : I have nothing to say except that so far as my hon-friend Pandit Kunzru is concerned, I believe, unless I am mistaken, he has been appointed every year to this Committee since it was started. As regards the paucity of number of meetings, I have already said that I do not justify what happened in the past. That practice has got to be changed, and will be changed.

The motion was adopted.

#### **THE ESSENTIAL SUPPLIES (TEMPORARY POWERS) AMEND- MENT BILL**

THE DEPUTY MINISTER FOR  
COMMERCE AND INDUSTRY (SHRI D. P.  
KARMARKAR) : Sir, I beg to move:

That the Bill further to amend the Essential Supplies (Temporary Powers) Act, 1946, be taken into consideration,

Sir, as the House is doubtless aware, this is an amending Bill seeking to extend the measure under consideration up to the 25th January 1955. The House is doubtless aware of the background of this measure. As hon. Members already know, as soon as the hostilities ceased and the Defence of India Rules lapsed in 1946, it became necessary for the Central Government to enact legislation empowering Government to continue controls on the production, supply and distribution of, and trade and commerce in the following commodities, considered essential for the life of the community : foodstuffs, cattle fodder, cotton and woollen textiles, raw cotton, cotton seed, paper including newsprint, petroleum and petroleum products, spare parts of mechanically propelled vehicles, coal, iron and steel, and mica.

Accordingly the Essential Supplies (Temporary Powers) Act was passed in October 1946, which was effective up to the 31st March 1947. The Act was subsequently extended year by year, since the Central Legislature was competent to extend the life of the Act to five years under Section 4 of the Indian (Central Government and Legislature) Act, 1946, as adapted by the Indian (Provisional Constitution) Order, 1947. Later on, our Constitution laid it down that this Act could be extended, because the emergency which required this Act originally was envisaged to continue, and the period for which this Act could be extended was five years from the commencement of the Constitution. The present provision will expire by December, 1952, and it is sought by this amendment to extend it to the permissible limit, that is, the 25th January 1955-

I need not dwell at length on the utility of the Act in the past. We have had to pass through very abnormal conditions and the provisions of this Act have enabled Government to tide over many difficulties which we had to face during that period. I should like, however, to share with the House the present position of the controls as we origin-

ally imposed them under the Act. I will go hurriedly over the position in respect of the various commodities that were controlled in the past.

As hon. Members are already aware, it has been the progressive policy of the Government to relax controls as and when such relaxation became possible. In any case Government are not anxious to impose controls when it is not necessary to do so. So, as the position in respect of the various commodities that were controlled under this enactment became easy, we have gone on relaxing the controls in respect of those commodities in the case of which it was safe to relax such controls. Regarding food, for instance, the situation cannot obviously be said to be normal. We still continue to import large quantities. However, with the improvement in the supply position certain State Governments, as hon. Members are aware, have relaxed controls. As relaxation of controls may tend to raise prices, leading to hoarding, which might ultimately affect the consumers, the Central Government on the 8th January 1952, issued the Central Foodgrains (Licensing and Procurement) Order, 1952, requiring all dealers in foodgrains to obtain licences from the State Governments and to keep account of purchases and sales, thereby aiming to check undue storage of foodgrains. It is therefore considered necessary that controls on foodgrains should continue.

As regards sugar and gur, these are controlled under the Sugar and Gur Control Order, 1950, promulgated under the Essential Supplies Act. There has recently been an improvement in the supply position and prices have tended to fall. But having regard to the fact that overproduction in one year is generally followed by a shortage in the next, it seems necessary to continue the control in respect of sugar and gur.

Then I come to edible oils and oil seeds. Controls on these commodities, which used to be exercised in the

[Shri D. P. Karmarkar.] form of inter-State movement restriction, have been abolished but local and periodical scarcity of these commodities is still being experienced from time to time. We are not yet out of the woods and it would be a mistake to give up powers at this stage.

Then, coming to vanaspati, control is exercised under the Vegetable Oil Products Control Order issued under the Act. The control is mainly on quality and the order tends to minimise adulteration of *ghee* with vanaspati.

With regard to milk and milk products and skimmed milk powder, controls on these are mainly exercised through the Government of Bombay. They have evolved a very excellent milk supply scheme for Bombay City, and it is considered that controls in respect of these items are necessary in order to see that the scheme works well.

Then, in respect of tapioca, while the Madras Government, in view of its decontrol policy, has removed control, the Travancore-Cochin Government has relaxed the control to enable the traders to dispose of accumulated stocks.

il a.m.

As regards cattle fodder, the position is this. Control had been imposed under the Cattle Fodder (Movement Control) Order, 1951, originally for six months, and has now been extended up to the 15th September 1952. The Order prohibits export of hay, *bhoosa*, *go-war*, *karab* and grass from controlled areas except under and in accordance with a permit issued by the State Government. The recent failure of rains in various parts of the country has resulted in an acute scarcity and controls over the movement will be necessary for some more time.

Sir, I will not worry the House with great details about cotton seeds except to say that we do require these powers for some time to come.

Then, Sir, another important sector of the commodities that are sought to

be controlled is cotton textiles and woollen textiles. As the House is well aware, the raw material, namely, raw cotton requires to be controlled for some time to come, especially the distribution and the imports. After partition the control over cotton textiles is being continued because our raw material position was not satisfactory at that time. On account of various measures taken by Government to increase cotton production the position will become easy hereafter. Cotton availability is sufficient after allowing exports. On the whole prices of cotton textiles have declined due to consumers' resistance and also due to the anti-inflationary measures adopted but the prices are still high compared to the pre-war level. The situation is not far from anxiety. The production of coarse and medium cloth which is chiefly required by the normal consumer is still not satisfactory in view of the shortage of the East Indian types of cotton. Our normal requirements of Indian cotton are 36 lakhs bales and our cotton production of usable varieties is still much below our requirements. Some relaxation in distribution control has been recently introduced in view of the fact that our cotton textile position has become relatively easy. There is a satisfactory increase in the production of cotton this year. And we are anticipating more satisfactory position next year.

As regards the woollen textiles, there is at present no control. The prices of these have shown a decline in recent months and we are closely watching the situation.

Then, Sir, I was just referring in passing to the raw cotton. As I said, with the formation of Pakistan, India suffered a lot in the sphere of cotton production. Regulation of cotton production had to be taken up for increase in it production in the Integrated Production Plan. The supply position of cotton seed used for feeding cattle, manufacture of vanaspati and sowing purposes has shown some improvement in the recent years but the situation needs to be watched carefully for some time more.

and necessary powers have to be exercised especially as long as the fodder situation continues to be acute. Moreover in the Punjab control is also exercised for preventing the admixture of superior varieties of seeds with inferior ones. This is necessary, Sir, in the interests of growing quality cotton in the State and should be continued.

As the House will be aware, the position in respect of printing paper has been fairly easy and therefore, Sir, in view of that improvement we have lifted the control over this type of paper in June 1950. That position, Sir, has however to be watched.

Then, about newsprint, as the House is aware, our normal demand is about 60,000 tons. We do not produce any newsprint at the moment and we are entirely dependent on the imports. In view of the difficulties in procuring supplies from abroad, the consumption of newsprint is being regulated in order to conserve the available supplies.

Regarding petrol, the House is aware that we have lifted control but the supplies, owing to reasons which are extraneous, have become sometimes subject to fluctuations. So in view of this uncertain factor we consider that power to control these items should be retained for use in an emergency.

Then again about coal, Sir, though the production position is satisfactory, the transport position is difficult and we do require these powers in order to regulate the transport in the best interests of the internal requirements.

Regarding iron and steel, the House is aware of the acute shortage that we are having for sometime past owing to recent difficulties entirely beyond our control. The position may continue to be more or less the same for some time to come and, Sir, the House will doubtless agree and we are hoping that iron and steel, and its distribution does require control for an amount of time which at the present moment we are unable to foresee.

Now, Sir, I took this opportunity of giving the House all these details

because it was necessary from our point of view from two aspects. One was, and is, that Government are not anxious to utilise these powers beyond necessity. There has been all round progress in many sectors of our production in the country and the supply position also has improved and that has enabled Government to introduce the much-needed relaxation in these controls. Now in so far as the future is concerned, I think, Sir, I should share with the House in our frank belief that these powers will be necessary, though not necessarily for use now but certainly for use in case of necessity.

Sir, there is an amendment, as the House knows, for limiting the period to a lesser degree than that envisaged by Government. In the past, Sir, this enactment has been renewed from year to year and perhaps it was rightly done because firstly we as a Government were also functioning provisionally in the sense that we had not gone to the electorate and we did not want to give the legislature an opportunity to consider the whole matter afresh. I should very respectfully plead in this House that things are a little different now. Under the new Constitution the Government went to the country. The Government have been returned with a good confidence by the country. In fact, Sir, it has been characteristic of Parliament in the past that many a time it was the Members of the Government Party that were very critical about the extended powers to Government. I should respectfully submit to this House that things have changed a little and changed psychologically a lot. Psychologically today we are placed in a different position. I can well understand the position of the Opposition in trying to delay the enactment of these measures because that would give them an opportunity to subject Government to repeated criticisms which is one of the functions of the Opposition. But I am expecting, Sir, and I am hoping that my expectations will not fail. In a measure like this I wish that the hon. Members do realise the necessity for the extension of this power. It is also equally necessary in

[Shri D. P. Karmarkar.] the matter of legislation which we consider to be necessary to give the Government the use of such powers as much as possible. Now, Sir, we have many opportunities of discussing these measures over and over again—both the principle as well as the administration of a particular measure—at the time of the Budget. So, Sir, this time we have chosen to ask for continuance of these powers under this enactment for a little longer than what we used to ask in the past. Now we have sought to have these powers till the date that is permissible under the Constitution. And as it happens by accident, we do envisage that the necessity for having these powers of control on essential commodities will definitely continue in any case till the period for which we have asked that this enactment should continue.

It is not a long period. It is just 2½ years from now. We do not look forward to a period of absolute normalcy. It is as well that the country knows that we know that we are still not out of the period of abnormalcy. Things are settling down, no doubt, very satisfactorily. Industry is giving a very good account of itself. Production is increasing. There is a buoyancy which is typical of that. Things are not what they used to be some three or four years back. We are seeing signs of economic stability, apart from certain difficulties in the matter of food and a little less difficulty in the matter of cloth. I think we should prepare ourselves for another couple of years of controls. Nobody wants to continue these controls but they cannot be disregarded until normal conditions return. The Government are also anxious to get rid of these controls. No one wants to continue these controls for one minute longer than is necessary. That is going to help neither the Government nor the people. But things as they are, Government want these powers and I hope the House will give us these powers. It is well for us to have a legislation of this kind for at least the minimum unstable period. I am quite sure that hon. Members of this House will agree that

2½ years is not a long period for a measure of this kind.

KHWAJA ENAIT ULLAH (Bihar) : Only 2 years, up to December 1955.

SHRI D. P. KARMARKAR: From now onwards. It is two years from December 1952. It is not a long period, unless hon. Members want to have another opportunity of criticising the Government, for which they will have plenty of other opportunities. I will not take any more time of the House except to say that I hope that the House will agree to this measure, not only for a year as we had in the past but for the full period permissible under the Constitution, that is, till the 25th January 1955.

[MR. DEPUTY CHAIRMAN in the Chair.]

MR. DEPUTY CHAIRMAN: Motion moved:

That the Bill further to amend the Essential Supplies (Temporary Powers) Act, 1946, be taken into consideration.

SHRI RAJAGOPAL NAIDU (Madras): Mr. Deputy Chairman, Sir, this amendment is not so simple as it appears to be, and as the Mover of the Resolution has said, on previous occasions these powers had been extended for one year only at a time. Now, after so much of decontrol which is taking place in the country, the Government want to extend this for the full period of two years as contemplated in the Constitution of India. He says that they are not going to utilise these powers beyond the period of necessity. While the period was extended by one year before, it is being extended now by two years. It should have been extended now by only three months or six months or even one year, but not the period of two years as is contemplated in the Constitution. This is an extraordinary power that is conferred on the Central Government under the Constitution. As most of the hon. Members are aware, the State Governments have got powers to pass enactments for all the commodities that are mentioned in the Statement

of Objects and Reasons of this Bill. Now the Central Government says, "Give us all the powers; we want to exercise all the powers." That is the object of this Bill. Sir, this is a serious trespass on the powers of the State Governments by the Central Government, and when such trespasses are happening, this House has got to view it seriously.

When in the last week a Resolution was brought before the House under Chapter 11 of the Constitution for similar powers, the hon. Minister was good enough to place before us the opinions of the various State Governments, though they were only the opinions of the Chief Ministers and other Ministers of the States, and were not the opinions of the legislatures of the States, we were able to understand by going through them whether the control on the commodities mentioned were required by the State Governments or not. Now, Sir, we have not been given the opinions of the various State Governments whether these controls are absolutely necessary, whether the period should be extended by another two years and whether any intervention by the Central Government is required at all, trespassing on the powers of the State Governments. This is a very serious enactment and I do not know whether hon. Members have gone through the various provisions of this Act, the Essential Supplies (Temporary Powers) Act. Unlike the ordinary law, here the burden of proof lies on the accused to prove that he is innocent. In the ordinary criminal law, the burden of proof is always on the prosecution. Unless the accused discharges that burden satisfactorily, he will certainly be convicted. Sir, this is a serious enactment. The hon. Minister was giving reasons as to why a particular commodity should be controlled or not. He started with food. Is it necessary—I put this question—for the Central Government to have any control over food, especially when the Food Minister is going about different States saying that food control is unnecessary in certain States, they are necessary in certain other States, that 24 CSD

gradual decontrol is necessary in certain other States, abounding in inconsistencies? Unfortunately I have not got the newspaper cuttings with me. If I had, I could certainly show the various inconsistent statements that the hon. Food Minister is making. So far as food is concerned, in Madras, it has been decontrolled, absolutely, but the Central Government steps in and introduces another control taking off those powers of the State Government. The hon. Minister had passed orders that persons holding more than 15 maunds should be licensed and all that. The State Governments want decontrol. The Central Government says, "No, you should insist on licence being taken by holders of stocks."

I want to say a word about sugar. Sugar is absolutely decontrolled in Madras and in other States also, if I am correct. I find that there is such a large amount of sugar in the factories stagnated that the Central Government had recently passed an order—I think in the Ministry of Food and Agriculture—saying that the suppliers of cane to the factories may be paid in two instalments, the last instalment commencing in October 1952. The factories are not able to pay the growers the full value of the cane supplied to them. The entire amount is not paid to the cane growers. There is so much agitation about this that there have been interpellations in the State Assemblies. The Madras Government have recommended that so far as Madras is concerned, this order should not apply to them, but the Central Government says that this would apply even there, because they have got powers under this enactment. On probing a little into the matter, we find that the reason is that large stocks of sugar have accumulated in the factories and the owners of these factories are not able to pay the full value to the cultivators of cane. The Central Government have conveniently come to the rescue of the factory owners. What is it that the cane growers have done that they should be treated like this?

Coming next to vanaspati, loans are being given to people to start these

[Shri Rajagopal Naidu] Vanaspati factories, but in many cases only the walls of the factories are there. At an enormous cost we are trying to have a Vanaspati industry. Who wants this Vanaspati I fail to see.

Take the cloth control. I do not know much about cloth control. There may be several mill magnates in this House who may know something about it. But I find there is absolutely no necessity for cloth control at all. There may be some necessity for the control of coarse cloth, as the hon. Minister suggested. Why not that be left to the States? If we go to a piece-goods shop, there are all varieties of cloth. When fixing the price of cloth, it should be so fixed as to be within the reach of the poor. Now it is beyond the reach of the ordinary man-in-the-street. Take petroleum products. There has been control on these for all these years but it was not effective. So far as crude oil, diesel oil, highspeed oil etc. are concerned, these are required for the agriculturists. I find the controls have not had any effect on them. One day it is sold at Rs. 2/- another day it is sold at Rs.6/- per gallon, depending on the demand. There should be effective control; otherwise they should be decontrolled.

I will come to iron and steel. Here too the control has been ineffective. Iron and steel are required for various agricultural industries. In Madras State at any rate, co-operatives are taken into confidence to a certain extent in the matter of distribution of iron and steel implements but we have been agitating from the beginning that the representative buyers, i.e., stockists, column 1 dealers in the matter of iron and steel, should be the co-operative institutions. They are selected long time before—these merchants—and the Central Government still insists that they alone should be there and even though the co-operatives have been agitating for several years that they should also be appointed either as sole representative buyers or as one of the representative buyers for each district, their request has not been acceded to. It is high time that the co-operatives should be taken into con-

fidence in the matter of distribution of iron and steel. It is mostly required for agricultural purposes and every alternative village has got a co-operative society and they can as well deal in the iron and steel implements and unless they are taken into confidence for the sole distribution of iron and steel, I do not think this will reach the villagers efficiently and the whole thing will get into the black-market. Finally I have a small doubt which I think the hon. Minister will kindly explain. Under Article 369 of the Constitution the names of commodities are enumerated and I feel sure that the Central Government will have only power to enact laws with regard to the control of those commodities enumerated therein. But we don't find the names of petroleum products and spare parts of mechanically propelled vehicles and yet they find a place in the Statement of Objects and Reasons of this Bill. I do not know whether we are constitutionally correct in controlling these commodities by virtue of this Bill but I don't know whether the Constitution has been subsequently amended so as to include these items also but I purchased a latest copy of our Constitution in our sales section and I don't find that these two items are enumerated therein under Article 369.

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI): They are in List 1 of the Central List.

SHRI B. C. GHOSE (West Bengal): The hon. Member who just spoke related the difficulties arising out of Article 369 of the Constitution. What this legislation intended to do was to take power under this Article as also in regard to certain Central subjects. The hon. Minister may point out that I am inexperienced—I will readily agree that that may be so in this particular case. Now, Sir, it may have struck you when you had looked at this Bill that it is entitled 'Essential Supplies (Temporary Powers) Amending Bill, 1952'. The powers are supposed to be temporary but ever since 1946 these powers are being taken by Government either from year to year or as it happened last time, for more than a year and I

was reading some of the discussions at that time and I found some hon. Members like Mr. Jaspat Roy Kapoor were very indignant that it should be extended in this fashion and he also pointed out that as the name implied it was a Temporary Powers Act and it was for this reason that they were called upon to extend the life of this Act by one year every year. Of course I have no doubt in my mind that he would extend his willing co-operation to the passing of this Act today. There is another point to which I should like to draw your attention and that is the approach of the Government, say in 1950 and today to an enactment of this kind. In 1950 Mr. Munshi who was then piloting this Bill said that "Under Article 369 of the Constitution, the power of the Centre to legislate for essential commodities—the ce n current power—is maintained up to 1955- It was therefore thought that within the coming three years, it will be necessary to stabilise the economic life of the country by continuing the Act, but there is no desire on the part of Government to keep it any longer than necessary and I am quite willing to accept the amendment of my hon. friend Shri Himatsingka that this period should be extended only up to December 1952." But here in the Statement of Objects and Reasons the hon. Minister tells us that it is essential that these powers should continue to be available for some time more and even when such powers are not in fact being exercised, at the present moment; they should continue to be available for use in an emergency. I submit to you that the attitude is not quite just the same. The mover of the Motion had also tried to make out a case. He said that Government does not want to have these powers for a period more than what, is absolutely essential, that they want to relax controls, that they are not anxious to retain control when it is not necessary but that, he added, the times are not quite yet normal and therefore in an emergency it will be necessary for Government to have these powers. In this uncertain and abnormal world, we shall never have a norma'

period. If that is the idea of Government that there should be a normal period, I would like to have some suggestion from the Government as to what conditions they would consider to be normal and whether we can at all at any t'me expect conditions to be normal in this abnormal world and if that is not so, then I submit that the Government's attitude has changed. Of course, it is not essential for Government to be consistent. As the hon. Finance Minister pointed out only this morning, that is the virtue which we attach to certain quadrupeds and certainly I have no intention of drawing any likeness between Members of this Government and that particular quadruped. But at the same time before we pass a measure of this sort, we should be satisfied on two points. Firstly that it is necessary, and secondly, that the powers which Government had acquired under this Act and which were available to them had been used. Now in regard to the first, as to whether it is necessary or not, the Government themselves have admitted that in many cases these powers are not necessary but they are hanging on to these powers in consideration of the fact that should an emergency arise, they might be handy to the Government. That, I submit, shows that the powers in many cases are not necessary now. Secondly, what have the Government done with the powers that they had taken under this Act ? Government have not given us any information as to how many prosecutions they had carried on under this Act and what punishments had been meted out to the offenders. That question was also raised in connection with another Bill that we passed in this Council the other day, but Government gave no reply to that point. We find the Government coming to the House from time to time with measures which they say they want to pass, but about which they do not give us information as to what they have done with the powers they had during the previous year. It is but fair that they should tell us what they have been doing with these powers in the past year. I don't think the Government



[Shri B. C. Ghose.] have been exercising this power to any very great extent, and here I would like to quote some observations which the hon. Minister of State attached to the Finance Ministry made when he was not attached to any Ministry. He made these remarks in the course of a discussion on this very Bill in 1950. He said :

"Everybody knows that hoarders are never arrested, they are never punished. And in Calcutta and other places they are let off even before they are arrested."

He did not stop there. He continued and said :

"I throw a challenge"

and I would like to throw a similar challenge to the Government if I may,

"Since we took up the administration of the country in our hands, our administration has gone more and more corrupt."

And that is not coming from Opposition Member. Why don't you face this challenge ? He says :

"Please temper your own tools first and tone up your own machinery and I am sure that even the softest of laws can make the people respect the law."

As a matter of fact, Sir, the position, I believe, has not improved in any degree from what it was stated to be in August 1950. I feel, therefore, that a case for the continuance of this measure has not been made out by the Government. Of course, the Government know that with the majority that they hold in this Council, whether what they propose is logical or not, whether there is reason behind their proposals or not, they can pass any measure here ; but that will not be fair.

It struck me while I was considering this subject, as to what the Government would do after 1955. Some of these provisions in certain of the chapters of the Constitution provide only for certain temporary things to be done up to the year 1955. But the way things have been moving, it appears to me that the necessity or reasons for such a measure as this will not have vanished even in 1955, and I wonder

what the Government will do then. I find, Sir, that there is a very strong similarity, a very striking comparison can be drawn between our Ministers and our laws under the Congress regime. They both betray a very great reluctance to vacate themselves. Once a law is on the Statute Book, its tendency is to continue to be there whether there is any justification for it or not. But then I felt happy to find that the Government are not absolutely powerless, because when Article 369 of the Constitution becomes useless, then they will be able to invoke Article 249 which they came up the other day. So they need not be afraid of any eventuality, and we also need not be afraid that this measure will not continue even beyond 1955. I am sure—and I am glad to see that the hon. Minister also agrees with me—that even in 1955 they will come up with a measure of this nature. And so there is not much to be said now. Government will not exercise their powers, they only misuse or abuse their powers. Still they will get whatever powers they want because they have a majority.

SHRI R. C. GUPTA (Uttar Pradesh) : Sir, the question before the House is a very simple one, namely, whether the life of the present Essential Supplies (Temporary Powers) Act, should be extended or not. I feel that the hon. Deputy Minister has given us ample particulars to convince anyone about the necessity for the extension of the life of this Act. My hon. friend who has just spoken has stressed that two things should be considered when dealing with a measure of this nature, namely, firstly whether there is necessity for this legislation to be passed, and secondly, whether the powers given to Government under this Act had been used in the past. So far as the question of necessity for a measure of this nature is concerned, I think he has himself conceded it in the arguments that he had advanced to disprove the Government's case. He has admitted that the powers are necessary and that times are not normal. He also admits that in these abnormal times, it is necessary to keep some sort of control.

So the necessity for extending the life of this measure is there.

The other question is whether or not the Government have used the powers already given to them under this Act. Well, I do not know about other provinces, but so far as my own province of Uttar Pradesh is concerned, I may inform the hon. Member and also the House that the powers under this Act have been used most extensively by the Uttar Pradesh Government. That Government issues from time to time, statements and press communiques showing the number of prosecutions and convictions obtained, and I may add that the number of such cases is very large indeed. Therefore, it cannot be denied that the powers have been used. I hope similar would be the case in other States also.

There is just one point I would like to submit to the House. A previous speaker asked the question whether it would not be better to leave it to the State Government to enact legislation of this kind, instead of the Centre continuing to take the powers under the Essential Supplies Act. I am opposed to this suggestion. Because, food is a matter of all-India importance and we have an all-India food policy. It is therefore, only in the fitness of things that legislation bearing on food should be passed by the Central Legislature or Parliament so that there may be uniformity in the laws as far as possible. If each State were to enact its own legislative measure that would not be satisfactory as there would not be uniformity.

Therefore, I submit that the Government have made out a case for the acceptance of this Bill by the House. The only question that remains to be considered is whether the life of this measure should be extended by two years or whether it should be restricted to a shorter period. The hon. Deputy Minister has stated on the floor of the House that the times have changed and that controls on certain commodities have been lifted either partially or wholly and that conditions are improving. At the same time, he has stated

that normal condition; have not yet returned and so long as normal conditions do not return the need for legislation of this nature is there. As circumstances now exist, we do not think that normal conditions are likely to obtain in the country within a year or so. So the period of two years suggested in the Bill seems to be quite reasonable. I, therefore, wholeheartedly support the Bill.

SHRI M. C. SHAH (Bombay) : Mr. Deputy Chairman, I rise to support the Motion moved by the hon. Deputy Minister for Commerce and Industry. While supporting it, I would like to make certain observations. I believe that the powers demanded by the Government should be given to them for the period stated in the Bill. We are not yet out of the woods as he has truly stated. I know that today we are having a controlled economy and because of that we are having certain controls. It was absolutely necessary to have that Act passed in 1946 and thereafter, to be extended year by year. In August 1950, it was extended upto the 31st December, 1952. We know that times are changing; since the last 6 or 7 months the position has become easier and easier and we hope that normal times will be soon established when it will not be necessary to have these powers used by the Central Government. It may be then that those powers given to the Central Government will be almost a dead letter. Further, I would suggest to the hon. Minister for Commerce and Industry that the time has now come when the Ministry or Government can take courage in both hands and try to have gradual decontrol of many of the articles.

KHWAJA INAIT ULLAH : We are having it.

SHRI M. C. SHAH : The hon. Minister for Food and Agriculture had the imagination and is advising State Governments to lift food controls. Rajaji was bold enough to remove food controls and we find from press reports that the position is very easy there and

[Shri M. C. Shah.] decontrol is working very satisfactorily. In other States also steps for gradual decontrol are being taken. When control on food, which is an article of prime necessity for life, has been relaxed, I think on certain other articles also that policy can be very easily pursued. The results might be very satisfactory. Take the example of sugar and *gur*. The Minister has already stated that the position is very satisfactory. We know that this year we had abnormal production, to the extent of 15 lakh tons of sugar. *Gur* production was also very much so that prices went down. Sugar to the extent of 3 lakh tons has been put on the market for free sale. The time is ripe now when you can decontrol sugar immediately. Instead of that, to my great surprise, I read in the papers that there was abundant production of sugar and a certain amount, something like 50,000 was sought to be exported and, as only a very small quantity can be exported and there was so much of sugar in India, the Government of India were thinking of subsidising exports. I do not mind sugar export being subsidised if the subsidy comes from Central funds; but, it has been suggested that the price of sugar may be raised by a rupee or so per maund in order to subsidise this export. That means that sugar control is kept on for the sake of the factory owners because they are afraid that the prices are coming down, they have no market outside India at this rate and so, they should be paid a subsidy on the export at the cost of the consumer. I hope that there may not be any truth in this press report; if there is any truth, I would earnestly request Government to consider whether it will be justifiable or reasonable to raise the price of sugar so as to penalise the consumers who have all along been paying so much. Occasionally, when they did not get from the controlled market, they had to go to the black market paying higher prices. A situation should not be created whereby the consumers will have to pay something in order, if I may use the word—the Minister will excuse me—to oblige the factory owners.

Again, Sir, if we take the case of cement, two or three years back the production of cement was to the extent of 15 lakh tons. It was stated then that production was going up and when it goes up controls will be taken off. The production now has gone up to 36 lakh tons. Perhaps it will reach about 40 lakh tons. I believe the time has come when control on cement should also be taken off. I know that the commitments of Government are very heavy. They want cement in big quantities.—I say, let the Government requisition all the quantities that they require and then take off controls. Controls bring in corruption. We all know also that controls are not liked by the people. Government also do not like controls because they say that it is expensive. I believe that the time has come when the control on sugar and cement can be removed and by removing controls on articles they may be saving crores of rupees. As Rafi Saheb said, Rs. 9 crores was spent on food control in Madhya Pradesh. I have also read in papers that the expenditure in controls is very very heavy and if we can save that much, it will be helping the public exchequer. As a matter of fact we also know that there are vested interests in the services and they will never agree to the decontrol of anything. They will put up the excuse of those temporary staff employed in the administration of controls. So, it is difficult for even this Government to resist the false fears created by the services, but, as I said just now, we have to take courage in both hands and try to take steps for the gradual decontrol of commodities.

In textiles too, Sir, though the hon. Minister said that he was not happy, about 80 per cent, production being offered for free sale, I believe production is going up. Record production has been achieved in the last two or three months. I am told by my hon. friends that the production may go up to 4,500 million yards. The peak production in the last three or four years was in 1948 when it went up to 4,300 or 4,400 million yards.

And I am told that the production is going up and there is possibility, if

necessary keeping the price control, of easily allowing hundred per cent, free sale and thereby allowing the normal channel of trade to take its legitimate place, of meeting the necessary requirements of the people of the States. The other day a friend from Mysore complained that his State did not get goods of the required quality. It may be so because distribution is enforced by persons who knew nothing about this trade and about the requirements of the people. So it is possible that these things may occur, but with the free sale which will be an incentive for more production and when the production goes up to 4,500 million yards of cloth, I believe that the control will not be necessary. As a matter of fact, prices are hardening. The other day the hon. Minister for Commerce & Industry said that he was unhappy that the prices were hardening as a matter of fact prices are hardening. But I believe it is because of the liberal policy of Government in allowing exports of coarse and medium cloth. But then the reply comes: "We have to allow exports because we want to earn foreign exchange. Further the quota that was allotted last year was not finished and therefore we have to allow the exports. I respectfully submit, Sir, that this is not a justifiable course. When the prices of coarse and medium cloth and fine and superfine cloth are coming down, then instead of allowing downward trend in prices, to adjust this policy of Government had something to do with the hardening of prices. Today, coarse and medium cloth is being spun and woven out of the cotton that is being controlled. The cotton prices, when compared with the cotton prices in countries outside India, the controlled cotton prices in India are very much lower and therefore the benefit of that cloth which is spun and woven from the controlled cotton must be given to the masses of this country. As a matter of fact in 1951 in the Select Committee on the Finance Bill this matter was considered and then it was also said that as far

as possible export of coarse and medium cloth should be banned altogether so that consumers in this country can have the advantage of the controlled economy, i.e., the controlled prices of cotton, so that they can get coarse and medium cloth at a very reasonable price. Because of this liberal policy of export—may be to earn exchange, may be that last year's quota was not finished.....

SHRI T. T. KRISHNAMACHARI: If I may interrupt I would like to inform the hon. Member that he need not labour on this point, because the exports are negligible and I do not think they have affected the position at all.

SHRI M. C. SHAH: I have seen the reports of exports for the months of April, May, June and they are increasing every month to a very great extent.

SHRI T. T. KRISHNAMACHARI :  
We won't reach even the quota allotted for the first half of the year in the month of August.

SHRI M. C. SHAH: I agree that the quota was allotted but it is not necessary that it should be fulfilled if the price of coarse and medium cloth goes down. Even if the exports are not up to the quota allotted, I feel that this liberal policy should not be followed. That is my opinion; it may be I am wrong, but I believe that that is the position.

Now, about, coal, the production has gone up. It is more than 32 million tons and we require only 27 or 28 million tons. But as my friend said that the control is only with regard to movement, I have nothing further to say. Otherwise I know that when the Fiscal Commission went there to enquire about those things, the coal miners were for control because they thought that the prices will go down and therefore they wanted control. At a time when production goes up, the producers or manufacturers naturally ask for control in order to maintain the price level.

[Shri M. C. Shah.]

About iron and steel, I know that the position is very difficult. The production is about 10 lakh tons, whereas our requirements are very high. Of course some relaxation of control has been there in the case of heavy structural steel. But I find that if Government had acted promptly in the matter of giving loans to the Indian Companies, the position could have improved. Those matters are pending ever since Dr. Shyama Prasad Mukherji was the Minister for Commerce & Industry. The Government have not taken any decision and the matter is pending for a very very long time and thereby production has suffered. There were two proposals by which nearly five lakh tons of steel could have been produced more now. I hope the hon. Minister for Commerce & Industry will take up the matter soon. I understand negotiations are going on and the World Bank is being approached for a loan of about 14 crores for this Bengal Steel Corporation and Iron & Steel Company. Again there is a proposal from the Tatas. They want to modernise their equipment which will increase production by two lakh tons more. They want a loan of 10 crores. There is the Equalisation Fund from which this can be given, while the Bengal Steel and Iron & Steel Company can get 14 crores from the World Bank and a loan of ten crores from the Government. If these decisions are taken without any procrastination, then we can have four to five lakh tons of more production within three to four years. And that will solve the problem to a certain extent. There too I would suggest that Government requirements may be taken up and then slowly steps for relaxing controls taken as has been done very recently in the case of structural steel. I accept that Government should have the powers but at the same time as I have said without meaning any criticism of the Government, I would earnestly request the hon. Minister for Commerce & Industry to look into these matters and to take steps for the relaxation

of controls gradually and slowly. We cannot have controls for all time to come. -Gandhiji advocated decontrol because he knew that there would be corruption all round and that people would be living in an unnatural way of life. So controls should be removed slowly and slowly. I do not grudge giving powers to Government, but I very much wish that Government had asked for extension only up to 31st December 1953. In 1950 this was pointed out and then Mr. Munshi accepted that proposal. There is nothing wrong if the Government, after a year, have to come before this House and I am sure the House would give all the powers that are necessary in this matter. Sir, I support the Motion moved by the hon. Minister for Commerce & Industry.

SHRI B. GUPTA (West Bengal): Mr. Deputy Chairman, after the oratorical *volte face* that we have experienced now, I would like to say a few words. I do not say one thing and expect the Government to do another. Sir, the question of controls gives rise to a general discussion on the policies involved in them, because we are here asked to extend the life of what is supposed to be a temporary measure for a number of years. I am opposed to extending it by the length of time proposed here. If we extend it, say, by one year, we only come here to this House and discuss the policies, examine the operation of controls and review the situation and then extend the life of this measure if it is found to be necessary. It appears that the Government does not share my views. They want these powers to be extended for the length of time proposed so that they can go on merrily with their operations without being accountable to the Houses of Parliament. I leave it to the Government to find out for itself what would be the right course. But what we feel about this question is this. When we think of controls, we are in a fix, because we feel that we are between the devil and the deep sea. On the one hand, we have a system of controls under which corruption

appears at every stage. On the other hand, we have this gamble of decontrol whereby the Government is trying to shirk its responsibility. On the one hand, we have allowed under the system of controls certain people, some officials and some non-officials, but of course the favourite ones of the Congress bosses, to come in and make a precious little business out of it. On the other hand, we find that once decontrol is introduced, the profiteers and the black-marketers become Godfearing and then run riot. These are the two propositions.

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I would say that a situation exists in the country, a situation which is being created by the present Government, where a certain amount of control with regard to some commodities at any rate is very necessary. I concede that point. But I am against the kind of controls that we have been enjoying for the last few years. It was expected when the Congress came into power that they would rectify the evils which had been introduced by the British. But we found them doing exactly the opposite. Instead of removing the evils, instead of filling in gaps in the system of controls, they are creating more gaps and more lacunae in the system, when, for reasons very understandable when the Congress came into the business. Now the situation by all accounts has deteriorated. There is no denial of this simple fact. Now, naturally, faced with this situation, the people have become discontented with this system of control—which again is understandable. For people do not like to continue under this general oppression and tyranny which they have had to suffer as a result of these controls. We find that instead of trying to remedy these evils, instead of trying to recast the control system in the interests of the people, the Government taking advantage of the just anger of the people against these controls, has been now introducing decontrol. It is not decontrol for the sake of decontrol: The idea is to shirk their responsibility

that is to say, they like to take advantage of the situation with a view to shirking their responsibilities. I think this is a very incorrect step. The Government should continue controls wherever it becomes necessary, but it should administer the controls in the interests of the people and not in the interests of the profiteers and corrupt officials. This is something which we tell the Government in all seriousness. We support controls in certain respects. We support popular controls, not the controls that we have. But at the same time we would like the Government to consider the proposals as to how these controls can be remodelled with a view to working them in the interests of the common masses who have been suffering under the impact of the existing corrupt controls.

I would suggest certain steps. These steps have to be taken; otherwise nothing would come out of these controls, and controls would become worse and the discontent of the people would grow and the object with which the control measures are passed will be defeated. Firstly, I would suggest that Government should introduce popular committees at all levels. These committees should consist of all the people of the locality and, as far as possible, should be elected; because if you associate the people with the system of controls, you will check corruption at its very base. If the people come into the picture, the people will see that the controls are in their own interests and not in the interests of somebody else. That is one important point. Therefore, we should go back to the system that we had, although it was very faulty at that time—popular advisory committees at the State level. We should have State advisory committees for supervising and helping the administration of controls. They are very necessary for that purpose.

Then, we should set up committees in the countryside where the peasantry should be associated with these administrative measures, because in that case the people will realise that this is a system which is in their interests and they will see that nobody comes to take away the advantages of the control

[Shri B. Gupta,] which should really go to the consumers. Therefore, it is very essential that the villages should have popular committees in which the people should really have an effective say in the administration of controls.

In the course of the last few years we have had some experience of officers who are in charge of controls. I do not say that all officers are bad. This is never the case. There are some officers who are undoubtedly honest and good. But it is also true that there are some black sheep. Allegations have accumulated. Government have not taken any measures to look into those allegations and punish those who really found guilty. That has become very urgent. Government should look into those allegations afresh and remove those officers against whom a *prima facie* case exists. Unless you do this, you will not be in a position to create that machinery which is very necessary for effectively administering the control system.

Then, another very important step which Government should take is to stop all kinds of coercive measures that are being taken against the common people in the name of enforcing controls. We know that the enforcement officers go round the country not arresting the millionaire profiteers, not arresting the big hoarders, not arresting zamindars, but attacking the common people, the peasant women in the countryside who bring, for instance, rice from villages to sell in a city like Calcutta with a view to feeding their starving children. Now, I have come across many of these women, not only outside but also in Dum Dum Central Jail. They are arrested, they are punished, and they are harassed. Why do these common people do this? They do not want to make profits in crores. Yet they are actuated by the desire to live. They are arrested and spirited away to jail or otherwise harassed and punished. I think this sort of thing should be stopped altogether. You have seen that the control system cannot be effectively administered at

all by arresting these common people. If you really want to make controls effective, if you really want to make them popular, if you really want to make them acceptable to the consumer, then go after the millionaires and profiteers who are making crores out of this business. Arrest them. Put them in jail. Harass them as much as you like. And only then shall we be convinced that you really mean business. It is no use just passing this measure which introduces controls only in name, and which will be ineffective as long as those people are not touched, as long as those who are rftilly the creators of famine, want and indeed all our ills are allowed to go scot-free.

KHAWAJA INAIT ULLAH: Do you mean the common people should be allowed to break the laws.

SHRI B. GUPTA: It is not that, Sir. We are not breakers of laws.

Sir, there is, you know, a Central Intelligence Bureau. I am making constructive suggestions. We are often accused of not making constructive suggestions. But if unfortunately our suggestions do not suit the palate of the Government, I cannot help it. They are suggestions none the less, and constructive suggestions too. The Central Intelligence Bureau .....

MR. DEPUTY CHAIRMAN: Order, order. The hon. Member should speak on the Bill.

SHRI B. GUPTA: I am making suggestions to make controls effective.

MR. DEPUTY CHAIRMAN: What has the Central Intelligence Bureau got to do with it?

S«Ri B. GUPTA: You will kindly hear me, Sir. The Central Intelligence Bureau should be given the assignment of finding out the top notches in the profiteering world. Get hold of some of them. You have got a very effective machinery in the Central Intelligence Bureau. Instead of letting it loose upon us, try to instruct them so that it goes after these anti-social people and gets hold of some of them. That would be an

exemplary thing for the ountry, and the Government will win the confidence of the people at last in that respect. Unfortunately not one of them is arrested. We have seen so many small fries suffering from this kind of controls, but not any big one not one of the sharks who are there and who are' creating a very dangerous situation for the country as a whole. Now, these are very essential things you should do with a view to making the control measures effective-

Now, Sir, with regard to the power, I do not deny that the Central Government should have powers in regard to certain commodities and under certain circumstances. But the Central Government should at the same time ensure that the power is exercised as far as possible by the Provincial Governments—the State Governments. This is very essential because the State legislatures are very close to the local people where popular grievances are ventilated. Therefore you should allow them to take initiative in these things. Take for example Dr. Roy. He is much closer to the pressure of the people of Calcutta than these gentlemen—the hon. Ministers who are sitting here opposite. Therefore I would say that you should allow the State Governments to enjoy these powers. By all means discuss with them. Let them discuss this matter so that popular grievances can be well ventilated on the floor of the State legislature, and measures can accordingly be adopted with a view to fighting corruption and with a view to making control very effective. Now there is unfortunately a tendency on the part of the Government which suggests that they are not very keen on introducing this kind of approach with regard to this control business. I would request the Government to reconsider the matter because after all the State legislatures are there, and also we know that the Congress is in majority in almost all the State legislatures. Therefore there is no difficulty when it comes to your counting of heads. But it is very important from the moral point of view, from the point of view

of assessing the popular feelings, from the point of view of assimilating the suggestions made by the people. Therefore, I would suggest that power should not be usurped in this manner. On the contrary power should be given to the State legislatures and this is also in consonance if I may say so with the Federal Constitution that we claim to have.

Now, Sir, the story of corruption is so long that if I begin to relate it, of course I will take a lot of time. Therefore I know there is no point in making an attempt at that. But before I sit down, I will ask the hon. Minister to realise that the existing control system and the machinery that is supposed to operate it is filled with corruption so much so that whatever intentions you may have would be defeated in practice because the people who are supposed to transact the business or carry out your orders are themselves under very great evil influences—and most of them are. Of course I know that all of them are not dishonest. You should make those people who are honest come to the front, come to the top of things and seek the co-operation of the people so that the measures become really effective.

I hope the hon. Minister will not seek to extend it upto 1955 but instead of that he will himself introduce an amendment so that it is extended upto the end of December next year, in order that we can come and discuss it again. This is one thing that I would suggest before I conclude and nothing else. I would only say that the Minister should find ways and means to associate the people with the control system and make this control system really a popular system. At present it does not control anybody except the poor people. It certainly does not control the zamindars and profiteers. Therefore make this control system effective as far as those people are concerned—the people who are creating scarcity, who are creating famine conditions, who are responsible for the existing situation when we are compelled to come and debate



[ Shri B. Gupta ]  
 here whether we want control or de control. Let us move that way so that we can reach a stage where it will not be necessary for the country to have any restrictions on our trade, where the people will know how to handle things, where corruption and profiteering will have no place, where .....

MR. DEPUTY CHAIRMAN: The hon. Member is repeating the same argument.

SHRI B. GUPTA : Very well, Sir. Let us first create that situation when we shall consider whether control should absolutely go or not. But before that I think it is necessary to have controls in respect of certain commodities and that too in a manner which would be in the interests of the people.

MR. DEPUTY CHAIRMAN : Mr. K. Rama Rao.

SHRI AMOLAKH CHAND (Uttar Pradesh) : I move that the question be put.

SHRI K. B. LALL (Bihar) : I will request that I have to say very few words from the layman's point of view \_\_\_\_

MR. DEPUTY CHAIRMAN : I have already called upon Mr. Rama Rao to speak.

SHRI RAMA RAO (Madras): Mr. Deputy Chairman, I am surprised to find that the Communist benches are against controls. I thought the next regime would naturally connote or denote controls. The argument seems to be that controls lead to corruption. But probably our Communist friends forget what we are here for. We will naturally see to it that there will be lesser and lesser corruption. I have no doubt that as the level of public morality goes up, there will be less corruption and to that extent controls will succeed. I am anxious that this House should discuss

this matter in a different angle, in a different perspective altogether. It is notorious that we are today in a near-war situation. The President of the United States—a country of capitalism—has thought it necessary to enforce his Presidential powers in such an extraordinary manner as to commandeer the steel industry itself in the name of war economy. If that is happening in the United States, why should it not happen in India which also is very much near the war zone? We are thinking of planning and ever more planning. Is planning ever possible without controls or more controls? It is obvious, therefore, that the Country should be trained to the psychology of controls. I would therefore suggest that there should be no note of apology in any speech that may be made from the Treasury Benches on this subject. In fact I want the Government to go ahead.

We are talking of a welfare State, of socialistic economy, of a planned economy. That never would be possible unless you have controls. Therefore, there should be two types of controls: One a permanent system, and the other a semi-permanent system. Let it be very clearly stated, emphatically asserted, from the Government benches that certain goods, for ever and ever, would be controlled because they are essential to the existence of the community. On the other hand, you can have another list which you may renew from time to time. Otherwise, there will be chaos and enormous suffering to the poor people of this country.

Sir, I am a journalist and I will naturally speak for my profession. I am very interested in the newsprint. Now, what does the Government do with regard to newsprint? We find that there has been complete chaos with regard to the procurement and distribution of newsprint since the beginning of the war. I remember that a deputation from the All India Newspaper Editors' Conference—with which I had something to do then but with which I have no connection now—went and met the Commerce Member of the day and when we put him ques-

tions, I was surprised to see that he knew nothing about the subject. I will not pay the same compliment to my friend, Mr. Krishnamachari. I am sure Government have thought a good deal on this subject. What is going to be the procedure in regard to newsprint distribution, we have got a right to ask. Food is now controlled, and I do not see any particular reason why newsprint which is the food of newspapers should not also be tolerably controlled. Sir, it is easy to control newsprint because it is an imported commodity. Our local production is next to nothing, absolutely nothing. In fact, we have been hearing a good deal about this mill coming into existence today and that mill coming into existence the day after, but goodness knows when there is going to be any newsprint produced in this country. There is a widespread market for newsprint for this reason. People not only use it in newspapers. They are also using newsprint for the publication of cheap books. It is the business of a democracy to make it possible for the people to get more and more newsprint so that the cheaper sort of books can easily be published. There is any amount of blackmarketing in this newsprint. It is the business of this national Government elected with such overwhelming majority to start a system of control over this commodity. It will not be impossible for them to devise ways and means by which this thing can be controlled.

There is also a case for small newspapers. Now, newsprint is the monopoly of the big newspapers. India like the United States, is destined to be a country of small newspapers. Today the small newspapers are at the mercy of the big newspapers. Yesterday a question was put to the hon the Commerce Minister about the size of newspapers. It must be made very clear that in future, newspapers, whether they are rich or poor, should print only a certain number of pages and nothing more so that more newsprint is available for the smaller newspapers. Sir, I believe that newsprint is a particularly suitable commodity in which

the State can have its own trading. It may be by the system of co-operative societies. That experiment must be tried. I think it will succeed because any amount of public co-operation and public goodwill will be available with regard to the distribution of newsprint. I request the Commerce Minister to pay attention to this subject so that more newspapers may be published in this country to educate the people.

- MR. DEPUTY CHAIRMAN : I will put the closure motion.

SHRI B. C. GHOSE : Sir, this Bill has been brought not as it has been passed by the House of the People. You can move the closure motion—, it lies in your discretion—if you are satisfied that satisfactory discussion has taken place on the subject. I submit, Sir, that today not many speakers have spoken. Only two Members have spoken from this side of the House. I should like to submit, Sir, that this is a very important Bill. This Bill has been introduced in this House. Further if you had looked into the discussions in the Provisional Parliament in 1950 on this Bill, you would have noticed that they were very long. There are also certain important principles involved in this Bill. I submit for your consideration therefore that sufficient discussion has not taken place in the House and that you should be pleased not to put the closure motion at this stage.

MR. DEPUTY CHAIRMAN : How many Members are anxious to speak on the subject?

(Many Members stood up.)

SHRI RAJAGOPAL NAIDU : More time has been given to discuss Bills of trivial nature. This being a very important Bill, I would request you to consider whether some more time should not be given for discussing this subject.

SHRI K. B. LALL : Sir, I am thankful to the Chair as well as to the Government for extending the time of the debate on this Bill. Its very name shows that it is essential, and it is essential that we should give more time

[Shri K. B. Lall] to this. I certainly support the Bill that is before the House, but I would rather have even liked that instead of the words "temporary powers", the words "permanent powers" had been used. I am glad that even the other side which is always opposed to any Motion coming from Government, is willing to support this measure. There cannot be two opinions about the fact that this measure deserves to be supported by all. While I support this as a necessary measure for the time being, I want to bring to the notice of the Government how this measure has been really administered in practice. I will of course place the layman's picture before the House. Although this affects business people, it is strange that very few businessmen stood up to speak on this measure or probably they took no notice of this very important thing. It may be that the spirit of this Control Bill is pervading in the matter of making speeches also today. I would simply urge that at least the controls should be relaxed so far as the debate over this question is concerned.

SHRI M. L. PURI (Punjab) : This is not a very essential commodity.

SHRI K. B. LALL : My hon. friend says that speeches are not essential commodities. Perhaps the Government is spending lakhs and lakhs of rupees over this commodity, almost like water from the watertap. If speeches were not such essential commodities, the Government would not have expended money like water on these commodities. Although this Act is essential for regulating the conditions in the society and because of the black-sheep in the business world and because of the unpatriotic men engaged in the business, this Act has been thought to be a necessary one. But at the same time I would like to urge upon Government that the disease is surely a bad thing but if the remedy be worse than the disease, then it is for the doctor to stop and see to it. Even in my court life I found people were groaning under it. Of course such legislations are framed with the

best of intentions on the part of Government and society but the people entrusted with the charge of administering it are carrying on the affairs in such a way that it has not only brought odium on Government but the Congressmen also are being abused everywhere. It is said that this is a Government of thieves, etc. Why all these abuses should be heaped upon us ? Even in the spirit of opposition here in this House we don't find so much the substance in them as the spirit of frustration. Congress is gaining unpopularity, everybody knows it. Why should it be so in spite of the best of intentions on the part of the Congressmen ?

KHWAJA INAIT ULLAH : No. It has proved its popularity in the elections.

MR. DEPUTY CHAIRMAN : Please speak on the Bill.

SHRI K. B. LALL : Nobody should misconstrue what I am saying. My submission is that it is not that we should call the Government our Government and stop there. It is all the more necessary on our part to feel that our Government is not maligned or abused or looked down upon and it is in that spirit that I am submitting my views. I yield to none in my love and regard for the administration of the Congress and I am expressing my views in a spirit of helping the Government. Actually raids were conducted in small shops and certain recoverable and non-recoverable things were caught hold of and they were prosecuted in the cases which dragged on and people were made to suffer and all these things go to make our Government unpopular. All these happen for the fault of bad people who are entrusted by the administration to put into operation the control laws. I only want to bring this to the notice of the Government.

Another point that I wish to make is this that in the list enumerated here, I don't find cement. So far as building materials are concerned, stocks are heaped in Government godown and some times they are not only misused

but they are also being abused by constructions like Government Exhibitions etc. Common people don't get these for building the houses whereas they say those who are in charge of controlling these are using these like water. I am not concerned with the policy-making. We agree when our elders who are entrusted with the progress and running of administration decide that there should be controls. We have to bow down to that but these things should not be abused. People suffer for want of building material whereas they are being misused by persons who think that it is their property. These misuses deserve to be looked into so far as the practical operation of this Act is concerned. These are my submissions, not in the spirit of opposition to Government that is far from my intention—and I feel very much hurt when I see the very Government for which we have fought is being maligned and when the Congress organization becomes unpopular by the actions of persons who are entrusted with the task of administering this Act.

SHRI KISHEN CHAND (Hyderabad): Mr. Deputy-Chairman, Sir, I want to take a few minutes of your time and I wish to bring to your notice that I oppose this Motion. It is very reluctantly that any country should impose controls and make laws regarding controls and the sooner they can get rid of them the better for the country. We found that in the debate on corruption and bribery a large number of Members of this House pointed out that it was due to controls that there is growing increase of corruption in our country. So when there is shortage of essential goods some controls have to be temporarily imposed but the Government must consider all the time that they are only temporary measures. So I would submit that this period of extending the powers of Government to control the essential commodities all the 25th January 1953 is too long. Circumstances may change when there may be no necessity for continuing these controls. So I would submit that the hon.

Minister in charge may accept an amendment which is being proposed that this Bill be extended only upto the end of December 1953. That is a definite date. 25th January is rather an odd date and it will affect contracts and agreements very much by keeping an odd date. So I would submit that the time of this Bill be extended upto end of 1953.

Coming to the items that have been included in this, I am glad to note that cement has been taken out from the list. Similarly I feel that cotton and woollen textiles which are now in abundance—and Government have been obliged to permit export of these items on a large scale—no longer need this control and therefore I submit that these two items may also be removed from the list. Similarly petroleum and petroleum products are no longer controlled articles and I would submit that these may also be removed from this list.

With these words, Sir, I oppose the BUI.

SHRI M. L. PURI : Mr. Deputy Chairman, I had no intention of taking part in this debate; but as the hon. Member from Bihar pointed out that the unpopularity of the Congress government is due to the policy of controls, I have risen to submit that controls make any government unpopular,

SHRI K. B. LALL : I did not say that the control policy made the Government unpopular, but that the way in which the laws were administered, may go to make the authorities unpopular.

MR. DEPUTY CHAIRMAN : Order, order. Let him proceed.

SHRI M. L. PURI : And therefore it should be the policy of the Government to decontrol as soon as possible. The hon. Deputy Minister was pleased to observe this morning that it is the policy of the Government to progressively decontrol commodities and that he would not like the controls to

[Shri M. L. Puri.] exist for a minute longer than they were absolutely necessary. Now, the question is, what has the Government done or is going to do or what is the Government doing, to carry out this policy which has been enunciated by the Deputy Minister? I would bring to his notice that once a thing is started, it is very difficult to discontinue it. Vested interests come into being. Even the officials operating the controls on a particular article exert some influence against the abolition of the control. Therefore I would suggest that once a week at least, he and his Minister, assisted by a couple of officials should sit down and see whether the various controls are working satisfactorily and whether they are really necessary. If they do this and devote greater attention to the actual working of the controls, I think they will be able to reduce the existing controls by one half at least, before the end of the year. With this suggestion I support the measure.

SHRI C. P. PARIKH (Bombay) :  
Mr. Deputy-Chairman, we are asked to extend the life of the Essential Supplies (Temporary Power

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Act, by about two years and I have to make some observations in view of the amendment that has been placed before the House. The amendment says that this Act may be in operation for a further period of two years and four months. This has been necessitated by the fact that according to Article 369 of the Constitution this power cannot be exercised and the present powers of control and distribution of essential commodities will lapse if not renewed.

The control on the articles mentioned in the Bill are necessary because of an emergency. I maintain that the emergency has existed in India and will exist as long as the cost of living index is as high as 360 and as long as we do not bring down this cost of living index, we have to regulate both our export and import policies and also our production and distribution. I feel this will be done

better in the future because of the experience gained during the last four years and also we are in the happy position of having more effective supplies of goods from other countries. Also our capacity has also improved in the matter of the administration of the controls.

Now, the definition giving the list of these essential articles is to be noticed and we have to see whether these articles really ought to be controlled or not. They are—foodstuffs, cattle fodder, cotton and woollen textiles, etc. Regarding these articles, I feel that as long as the price restrictions cannot be removed, we have also to regulate their movement in order that the price restrictions may be effectively maintained. We know that the food controls are being relaxed and with favourable monsoon we may hope for better results. It is no use saying that the controls should be abolished or discontinued. We have to see the supplies and administer the controls accordingly.

Now, with regard to petroleum the price control is essential because it governs the whole of our transport system. If there is no control on prices, we shall have to pay a good deal more than what we do at present. So it will not be denied that control is necessary in respect of this article. We have also to see that some emergency may not arise in the future when petrol may not be available to us in sufficient quantities.

With regard to the other items, I would divide them into various classes, according to their necessity. First come cotton and woollen textiles and raw cotton. But, even before that, I will deal with sugar. Sugar production which was 11 lakh tons during the last three years or so has now increased to 15 lakh tons owing to the policy of the Government of giving incentive to the Sugar industry to produce as much as it can. Owing to this policy the quantity of sugar produced in the country has reached the target figure of the Five Year Plan for 1955-56. Now the question

is whether the production can all be absorbed in the country. Mr. Shah has said that subsidies should not be given. I am also against subsidies. The regulating of the production should be so made that the people who manufacture sugar on the assurance given by the Government in the matter of fixation of prices by the Tariff Board are not put to loss. This production was based on the formula for prices which gave a fair return to the sugarcane cultivator and to the producer. If we do not regulate the industry properly what will happen? We may not be able to maintain the present production figure of 15 lakh tons next year and we may again get into the vicious circle of scarcity. So let us regulate sugar production in such a way that higher prices have not to be paid by the consumer, and if we have excess production it may be exported to other countries so as to bring benefit to the cultivator, the consumer and also to the industry. Therefore sugar production should be regulated with great care during the next year. Otherwise the industry and consumer will suffer and we have to guard against that. For the last three years we were trying to import sugar. Now we are in a position to export some quantity, say 3 lakh tons. That is the position that we have realised and we should take care to retain that position. We should also try to find markets for our surplus sugar and if we explore foreign markets we will certainly be able to find such markets. We have, at the same time, to conserve our internal requirements and see that the situation is not exploited by interested parties. Only the surplus should be allowed to be exported. I hope the Government is examining the position and we can expect good results in the near future.

Now, with regard to edible oils, I shall take up groundnut oil which is the most important of them. I shall give the figures of export of groundnut oil for the last three years. In 1949-50 we exported groundnut oil to the value of Rs. 5.21 crores. In 1950-51 the figure was 16.73 crores 24 CSD.-

and in 1951-52 it was 4.31 crores. Groundnut oil is such an essential commodity in this country that its export should be controlled in the interests of the consumers. Last year, because we allowed greater quantities to be exported, scarcity was created inside the country. Such conditions of scarcity or deficit can be avoided by proper regulations of the controls, by the proper granting of licences for export, etc. Last year if we had not exported more than what we should have, the scarcity would not have happened. The Minister will bear me out when I say that such exports should not be allowed. The earning of Rs. 3 to 4 crores of exchange is, of course, a consideration, but such exports put up prices the consumers will lose more than Rs. 3 or 4 crores by having to pay much higher prices for the oil here.

As, I have said, Sir, if the price is only 10% more or less it does not matter. If the supply is adequate, prices are bound to fall. Whatever we may say, as hon. Mr. Shah has said, we like controls to be relaxed and we cannot play with essential commodities and it is difficult especially when we have to earn foreign exchange. We have to export the maximum from our country and import the minimum. This thing has got to be carefully watched by the Ministry of Commerce & Industry. Our resources are limited and how are we to pay the adverse balance of trade? This is the question which is agitating the commerce and industry of this country. At present we are importing commodities to the extent of Rs. 860 crores. We are exporting to the extent of Rs. 720 crores and so we have an adverse balance of trade. There should not be any adverse balance, because we have very little sterling balance left.

Therefore, Sir, some controls are necessary. Article 369 of the Constitution gives these powers to the Centre. The framers of the Constitution thought that owing to the partition of the country, scarcity will prevail in the country for a period of 6 years.

[Shrike. P. Parikh.] This scarcity is going to remain till our irrigation, agricultural and other development programmes come to fruition. That will take 5 years and we will have to wait till then.

I do not say that controls should be allowed to exist, but I say that some measures should be taken by which they become inoperative or ineffective and therefore these measures are necessary.

Sir, if we do not export the article which is required in the country, the prices will come down. If you have huge exports, then naturally the price will shoot up by 100%. The remedy is in the hands of the Commerce and Industry Minister and the way in which this Act is operated much depends upon that.

Then, Sir, I will refer to coal, cotton, cotton textiles. Coal is essential for running our industries, railways and so many other things. Coal is sufficient in our country and only the distribution has to be controlled. Unless distribution is in the hands of the Centre it will do no good. Owing to our transport system being not adequate for the requirement of our new programme, we have to keep careful watch on coal movements. The rail transport in our country is not even adequate to carry all the goods traffic. Coal prices and distribution have to be controlled, as otherwise some industries might be closed for want of coal. It is not control of production, it is not control of distribution and it is not control of price, but it is control for having adequacy of stocks in the matter of manufacture and supply of consumers' goods at fair prices. That is the object of this Act and for that the production has to be controlled and the distribution has to be supervised also.

Now, Sir, I will come to cotton, cotton textiles and raw cotton. First of all, I will take raw cotton. Fortunately, for the last three years the position in the country has improved |

Last year the crop was in the neighbourhood of 37 lakh bales, whereas our requirements are 42 lakh bales. Owing to this, we have adequacy of cotton supplies in the country—indigenous cotton which is so much required. Now, Sir, if only attempts were made to increase this indigenous availability by 3 lakh bales, naturally, our whole problem of cotton required by our mills as well as cotton required for export will be solved. It is in the hands of Government to fix prices which should prevail for cotton. It is only a price inducement which makes the cultivator to grow more cotton.

AN HON. MEMBER: On a point of *Order*, Sir. The clocks have stopped, it is already past one.

MR. DEPUTY CHAIRMAN : The hon. Member will probably take more time. There are two Messages received from the House of the People. Secretary will read them.

#### MESSAGES FROM THE HOUSE OF THE PEOPLE

##### (1) THE ESSENTIAL GOODS (DECLARATION AND REGULATION OF TAX ON SALE OR PURCHASE) BILL, 1952.

##### (2) THE NOTARIES, BILL 1952.

SECRETARY : Sir, I have to report to the Council the following messages received from the House of the People signed by the Secretary of the House :

I "In accordance with the provisions of Rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Essential Goods (Declaration and Regulation of Tax on Sale or Purchase) Bill, 1952, as reported by the Select Committee which has been passed as amended by the House at its sitting held on the 28th July, 1952".

#### II

"In accordance with the provisions of Rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith