

STATEMENT OF OBJECTS AND REASONS

While trade and commerce within the State, and production, supply and distribution of goods in general are within the legislative and executive authority of the States, Parliament is competent, by virtue of entry 33 of List III, to legislate in respect of products of industries declared to be under Union control. In addition, Parliament is empowered by article 369, for a period of five years from the commencement of the Constitution, to legislate in respect of certain specified essential commodities. Some of these, like cotton and woollen textiles, paper, coal, iron and steel, being products of industries under Union control, could continue to be regulated by central legislation even after article 369 lapses on the 25th January, 1955. Other essential commodities, like foodstuffs, cattle fodder, raw cotton and cotton seed, would after that date be outside the legislative authority of Parliament.

The position in respect of foodstuffs and cattle fodder at present is fairly comfortable, but it will not be advisable for the Centre to be divested of all legal powers to control their production, supply and distribution. Cotton, the basic raw material for one of our largest industries, is in short supply in the sense that our own production is not sufficient for our needs. Since jute goods are the most important item in our export trade it is desirable that the Centre should have the power to control the production, supply and distribution of raw jute.

The Bill accordingly proposes an amplification of entry 33 of List III in the Seventh Schedule to the Constitution. Besides placing four classes of essential commodities in that entry, it is proposed to include also imported goods of the same kind as the products of centralised industries; in order that the Centre may be in a position to exercise full control over the development of such industries.

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