

From Our Delhi Correspondent

Cooperation at a Price!

WILL confidence revive? The Central Advisory Council on Industries has met and dispersed but the answer to this question is not yet. The position of the Government is as vague as ever: they don't like the temper of the country today as a whole; they don't like the temper of the industrialists; they don't like the temper of labour. Labour will come forward only when capital shows the way. And capital is still adamant; it is convinced "that Government has further steps to take to complete its constructive policy of restoring confidence". The President of the Calcutta Stock Exchange is reported to have submitted a memorandum to the Hon'ble Finance Minister, in which, "in spirit of loyal co-operation as a patriotic citizen of India", he has indicated three ways in which Government can complete the sound work of restoring confidence that has begun.

Firstly, the Income Tax Enquiry Commission should not pursue its enquiries prior to January 1, 1948. "It is relevant to note," the Memorandum adds, "that whereas in years gone by, the Congress Party encouraged the non-payment of taxes for patriotic motives, today the Tax Enquiry punishes all who answered the Party's call." "If the Tax Enquiry were ended", the Memorandum goes on, "untold crores of hidden hoards of useless gold, silver and cash would flow back into industry; instead of falling production causing increasing inflation, increasing production would reduce inflation; industry's revolving wheels would increase the tax revenues, enabling the State to initiate its own plans of improved services." Otherwise, black money will remain a contributory cause of inflation: "It cannot be put into creative industry without revealing itself: it can only be spent in cash or consumer goods."

Government's *second* constructive step should be to remove the Capital Gains Tax. "It is safe to say," the Memorandum explains, "that if King Edward and Queen Isabella had been subject to capital gains tax, they would never have financed Christopher Columbus and America would have awaited discovery until a more enlightened tax system had been inaugurated. Spain would have lost the fabulous wealth of the Americas which in fact it secured for over a century". Again, "... if the investors of 5 years ago had been deprived of the possibility of exceptional rewards, India would today be poorer by all the countless crores of tons of iron and steel which have flowed from the large

st single iron and steel works in the whole British Commonwealth".

Government's *third* constructive step, the Memorandum lays down, should be to ensure co-ordination by the Centre of Provincial industrial legislation so that the industrialist is not faced with a variety of policies,—"some in apparent direct contradiction with assurances that he has received from the Central Government." "Such measures as the Bihar Zamindari Bill and the allocation by the U.P. Government of fifty per cent of the reserves of the Cawnpore Electric Company to labour, face the investor with an increasing variety of uncertainties which undermines his confidence and force him to resort to cash and gold as insurance against the future."

The Memorandum is a sad commentary on the behaviour of those whom it seeks to defend, and a pointer to the Government to put its own house in order. The remedy put forth in these columns* a month ago, has been widely appreciated by the discerning minds in the Capital; the Government must declare a state of emergency and call together all parties to help to build up the State. Strangely enough, Mr. G. D. Birla has made a similar plea and in more specific terms. Emphasising the need for a high power board to solve labour, capital and transport problems, Mr. Birla declared in the Open Session of the Central Advisory Council for Industries that

"We want progress, increased employment and higher standard of living. I do not think that that can be achieved by isolated action. *Capital and Labour should realise that, the economic structure of the State is a stake.* We should plan at the highest level and give marching orders. I can tell you, so far as we are concerned, we will carry out any orders that we may receive from such a body."

Miss Maniben Kara put the labour point of view. Labour, she said, was most interested in speeding up production. The Government must be clear in its conception why they wanted increased production. If it was for use and not for making profits alone, then she was sure production would go up.

The Government have thus a clear mandate from both the parties, Labour as well as Capital. And the next step immediately suggests itself. The

*Economic Weekly, January 1, 1949. "Crisis in Confidence".

Government must immediately wind up all committees and councils and constitute instead a Planning Board consisting say, of the Prime Minister, the Finance Minister, the Ministers for Industry and Supply, and Food and Agriculture, as Government Representatives, three representatives each of Industry, Labour and Agriculture. This Planning Board will draw up a comprehensive plan for immediate implementation to be executed under the direct supervision of a high powered commission consisting of able administrators and technical experts. This Board will have to be free from politics in my shape. And the Government must ensure that the policy of controls it has now initiated to bring down prices is faithfully followed by its own officers.

According to Plutarch, when Caesar divorced his wife he told the Judges at the inquiry that he knew nothing about Pompeia's misconduct; he was only concerned that Caesar's wife must be above suspicion. And so about a government: the utmost probity is expected of all connected with the country's governance. Unsavoury rumours of corruption and nepotism have, however, become more widely current in New Delhi since the attainment of Freedom. In the coming session of the Consambley Shri Lakshman Shrawan Bhatkar has given notice of an ernbarnising question to the Food Minister. Hon'ble Shri Jairamdas Daulatram, that is,

- (a) Will the Hon'ble Minister of Food be pleased to state the number of Sindhis appointed by him at his suggestion, request or under his instructions, in the Ministries of Food and Agriculture?
- (b) Will he be pleased to give a list of Sindhis employed with their educational qualifications, their previous salaries and the salaries they are drawing at the present time in the Ministries of Food and Agriculture?
- (c) Has the Hon'ble Minister recommended any persons to and got them appointed by Ministers of the Indian States and Unions?

It may be that the apprehension of Mr. Lakshman Sharwan Bhatkar are misplaced but the question, as far as I can see, is designed to focus attention on a dangerous tendency which is so widely manifest in the Government sphere today. It needs no seer with all the gifts of prophecy or a ghost from the grave to tell us that if concerted steps are not taken to remedy this situation, much harm will accrue, the "psychological problem" the Prime Minister seems so eager to overcome will become acuter still. A "Lynskey Tribunal" for India is being suggested in many quarters.

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