

From the London End

The Trade Union General Staff

THIS week the Trades Union Congress has published a little booklet, to report to its affiliated members, and the country in general, on what it has been doing in the last few months. There is nothing quite like the TUC in any other country in the world—it has an elusive quality about it, like the British Constitution; one moment you think you understand it, then the next moment it behaves in a way completely contrary to what you had thought. But that is because, in this country, the trade union movement is a very complicated bit of social machinery, with its controlling mechanism somewhere midway between its apex and its outer periphery. It is not controlled by the TUC, as American unions are controlled by the CIO or the AF of L or Swedish unions are controlled by their central organisation. The General Council of the TUC, whose members are elected by the block votes of the big unions, has to plead and cajole when it wants the movement to take concerted action. Nor is it controlled by the ordinary members. Most of them are only too happy to let "the other fellow" do the work, while they get any rises that are going and, when occasionally called on to do so, come out on strike.

Indeed, so little control do the individual workers exercise, that they have had to come out on strike several times in the last few years—not in protest against their employers, but merely to remind their union of their continued existence. It is somewhere in between these extremes that the real control takes place, in the region occupied by paid officials and branch secretaries. The branch secretary is generally a man with a bee in his bonnet—running his branch is his hobby and he can get enjoyment out of doing what to other people would appear to be the most deadening and soul-destroying toil. Against apparently hopeless odds, he must try to establish a spark of interest in the union amongst his fellow-workers, and then fan the spark into a tiny flame. That flame must be kept going at all costs for one day it might be necessary to kindle a great fire from it.

After having done a number of years of that sort of thing, it is natural that he establishes for himself a sort of monopoly power. He is the one who gets elected as a delegate to the annual conference, where union policy is hammered out, and, when he has been to enough conferences, he is the one who gets elected on to the national executive committee. As a delegate, he carries the desires of his branch (that is, the small percentage of members who attend branch meetings and the even smaller percentage who talk at them) to the conference; as a member of the national executive, he will have less time for branch affairs and may get a little out of touch with the ordinary members. He will spend a lot of his time going on delegations to meet employers or members of the government or even on missions overseas; but now it will be his job to carry out policy—and to largely make it in the process. New pressures are brought to bear on him; he will fall under the influence of the full time officials of the union—the men who have made trade unionism their profession; he will see much more of the employers, and from a higher level, than he ever has before. He will find important people expecting him to behave in a way quite unlike what was expected of him in the branch. In particular, his "sense of responsibility" will be expected to grow—responsibility to the country, to industry, to the government, for whom the workers are expected to be ready to make sacrifices.

And if his union is powerful enough, and he is prominent enough, and has worked hard enough at the drudgery, he may one day be elected to the TUC.

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The TUC is probably the most respectable institution in the country. Members of exclusive London clubs may be prone to kick cabinet ministers down stairs; employers' federations have something sinister about them a touch of the "Dynasty of Death"; the Labour Party is vulgar; the Conservative Party has too many politicians in it and politics is a notoriously dirty game. But about the TUC there is something solid, something sound,

something basically British, that makes it a good risk for the most cautious business firm. As "What the TUC is Doing" reveals, it is engaged in a variety of unexceptionable ventures—production, workers' welfare, workers' education, international affairs, manpower for defence, and much else.

Oddly enough, none of its ventures seem to quite come off. It is keeping a "Watchful Eye on Prices and Profits," yet they both continue to rise, as if unaware that they are being observed. "By constant scrutiny," so the pamphlet reads, "The TUC, through its Special Committee and its Economic Committee, is able to measure the month-by-month movement in profits and prices and then to use all the influence it can exert to check any unhealthy trends." There are other records, too, of good intentions meeting with frustration. Delegations frequently wait upon members of the Cabinet—yet in most

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cases, the Minister seems oddly immune to their plicas.

In February, the President of the Board of Trade was asked to strengthen price controls—he replied that the Central Price Regulation Committee was looking at the matter. They told the Minister of Agriculture that agreeing to pay farmers higher prices to offset higher wages was prejudging the annual price review—he replied that it wasn't. When they pressed for an overhaul of food marketing, the Minister of Food replied he was starting a "comprehensive study of the subject". When they recommended that the "Utility" scheme should be extended from clothing to pottery, hollow-ware and carpets, the President of the Board of Trade replied that "fairly close price control was maintained over these goods at present".

Whether their recommendations for increased taxation will be carried out or not it is still, of course, too early to say - we shall have to wait for the Budget at the beginning of April. They say, however, "The Chancellor has our sympathy in his task of raising money for the defence programme." But their proposals for altering the dates of the Whit Monday and August Bank Holidays was refused, as "the Government have concluded that a sufficiently strong case has not yet been made out and that they did not have evidence of any general demand for the changes." Lest it be thought that this demand was merely whimsical in intent, it should be said that it is aimed at getting holiday-makers to distribute their holidays over a longer period of the year, since at present most of them prefer to go away for the week or two including the August Bank Holiday, which means the first part of August.

But apart from these somewhat ineffective endeavours, the TUC is engaged on much significant, though unspectacular, work. They have a thriving research department, where a number of bright young people are employed to apply their minds to the problems of the workers; they have a productivity department, where studies are made and courses run in ways of increasing production, they have a big stake in adult education and they act as a consumers' pressure group where consumers would otherwise be unrepresented. That they have lost their power to inspire, and sway the masses may be due to the belief in the Labour Movement that res-

pectability pays. New problems and new challenges will no doubt produce their own solutions, and governments persuaded to listen to the counsels of the TUC in times of peace as well as war.

AMENDING THE INCOME-TAX ACT

THE Government of India have decided to amend the Indian Income-tax Act with a view to obviating the necessity of entering into double taxation avoidance agreement with countries with whom India had previously no such arrangement. Under the proposed amendment it would be permissible to give credit against Indian income-tax due, to the full amount, and not merely the half as is permissible under the existing law, of the foreign tax or the Indian tax whichever is less, in respect of the non-Indian income. This will encourage Indian residents to establish branch businesses in foreign countries without undue hardships resulting from double taxation.

The Government of India have also intimated to the Government of UK that they are prepared to resume discussions on double taxation avoidance agreement with that country. In February last year a delegation from the Government of UK came to India for discussion regarding such agreement but no definite conclusions were arrived at.

The double income-tax relief arrangements with Burma were regulated prior to 15th August, 1947, by an order which became inoperative after that date. It has not been possible to reach a new agreement on double taxation avoidance with the Government of Burma yet but the latter has been informed of India's desire to do so. The Central Board of Revenue have, therefore, issued instructions for keeping in abeyance so much of the tax due from assesseees as is 'equal to the relief that would have been admissible had the old arrangements continued in force.

During 1950 a special drive was launched by the Indian Income-tax Department for clearance of arrears. The number of cases in arrears on April 1, 1950, was 3,64,505 of which 1,58,682 cases were disposed of by the end of November 1950.

Concealed income of the extent of nearly Rs. II crores was also detected during the year by the Income-tax Investigation Commission. By the end of January 1951 the Commission disposed 378 cases out of a total of 1391 referred to them.

The cases so far disposed of by the Commission include 297 cases which were decided on the basis of settlement with the assesseees. The concealed income detected in all the cases upto January 31, 1951, is Rs. II,81 crores and the tax recoverable thereon is estimated approximately at Rs. 6,89 crores. Assessment and recovery proceedings in all these cases are progressing. The revenue collected by the 31st January 1951 in these cases is about Rs. 90 lakhs.

Financial integration of States brought in a new problem to the Income-tax Administration and during the year an Order had to be issued, Part 'B' States (Taxation Concession) Order 1950, under Section 60A of the Indian Income-tax Act granting certain concessions in regard to the taxation of incomes arising in Part 'B' States. The Order lays down that such incomes would be "taxed for the assessment year 1950-51 at the same rate as obtained in the States prior to the financial integration, or if there were no such rates, at the lowest rates which were in force in Saurashtra. A further concession has been given to the residents of Part 'B' States namely, that their foreign income would also be charged to tax at the same rate at which their incomes arising in the States of which they are residents are (barged. Under this Order, residents of States can also bring into India their foreign income without liability for taxation if the latter is remitted before 31st March 1952.

During the year a number of Legislations were passed concerning Income-tax Administration, including:

- (a) Voluntary Surrender of Salaries (Exemption from Taxation) Act 1950, which provided for exemption from income-tax in respect of salary voluntarily foregone in the public interest by those whose salary is fixed under the law;
- (b) Indian Income-tax Amendment Act 1950 which granted a concession in the assessments, from and after 1951-52, in computing the income from property chargeable from income-tax. This amendment arose out of a Supreme Court decision which held that deductions could be claimed in respect of municipal and other taxes paid for property owned