Communal G. O. is Salvaged

At last, after a great deal of controversy, New Delhi saved the Madras Ministry by saving the Communal G. O. Congress leaders can now boldly go forth into this State and proclaim that socially backward communities have been guaranteed constitutional protection and thereby can take the sting out of the sail of Justice party's election slogans. As to the Chief Minister's promise to Prime Minister that there would not be any abuse of authority, that is however, another matter. The Cabinet Committee is meeting on June 11 to discuss the future plan of action. Admittedly Madras is resourceful enough to find a workable formula in regulating admission to educational institutions without violating the letter and spirit of the Constitution.

The clouds burst on the first of June ever the city and its suburbs about the time of sun set. Showers that fell on concrete pavements and macadam roads made it appear as if there had been good rain; for drainage at road ends was faulty. Here and there, little pools of water glimmered in the light as cars sped by. But 57 cents fell; while in south-west coast in Trivancore-Cochin weather experts said the monsoon broke in fury.

June to November are days of distress in the south, i.e. till the harvest time. The Mettur channel which is usually open to irrigation in about the first week of June will be opened by about the 3rd week only. The lake's level is low though better than last year but even so it had been decided that the lake was meant primarily for irrigation and hence priority for irrigation needs over development of hydro-electric energy.

Living conditions however is worsening. Correspondence columns of the local press have been full of complaints about unsocial practices on the part of cloth merchants. Fine cloth, though at high cost, is available. But you must purchase a stipulated quantity of coarse cloth alongside. Enquiries have, however, revealed that since retail merchants had their choice in purchasing from wholesalers such practices on their part are not warranted at all. But as one's daily life cannot be apportioned between complaints and cost-enquiries, the public are burning indifferent to them with the result that unscrupulous people continue to thrive on this helplessness.

Migration of crows from any area —so the adage, goes—will herald famine and impoverishment in that area. So does human migration. That is precisely what is happening in the south in Kovilpatti taluk in Tirunelveli district and in Coimbatore district. From Coimbatore district reports reach of families having gone out to seek work in nearby districts. Some of them return ed as conditions were equally bad elsewhere. Some died on the way, due to starvation. In the metropolitan city of Madras, a person was removed from the Central Station premises in an unconscious state to the General Hospital near by. He died. The medical authorities said death was due to "acute starvation."

In Tirunelveli district there is a place by name Vilathikulam, a few miles off Ettayapuram. Ettayapuram is the place where the poet Subramanya Bharati's memorial was built some years ago.) Vilathikulam and near about areas are in normal times well known for Coriander cultivation and other crops. (Coriander by the way cost 6 as. a viss during pre-war days but the present price is Rs. 3-8 a viss.) The ryots are sturdy men: they would walk thirty miles a day, if only some sustenance could be had. And yet it is here that migration has begun. According to Mr K. G. Sivaswami of the Society, five thousand is the number of those who have left their homes in search of work. Director of Civil Supplies denies the veracity of Mr Sivaswami's statements. As to conditions he says that a Kottah of paddy (i.e. 112 viss.) has no doubt enabled stocks to be disgorged in various villages in the south but then people have not enough money. There's the snag. In Tambaram, for instance, 16 miles south of Madras, ten varieties of rice are available. Attempts to smuggle such rice into the city are going on in spite of police vigilance and arrests.

"Produce more and say less" was the refreshing slogan with which Commander in Chief Cariappa exhorted the public to do their duty by the nation in his speech at Ooty. Turning to Prohibition, he said it would be difficult fully to give effect to it in the Army as it would interfere with the liberty of the army personnel, although, he pointed out, 30 to 40 per cent reduction in liquor consumption had been achieved in the Army. Highly mechanised and mobile army was the ideal for a big country like India, but their handicap was their dependence on imports for arms and ammunitions. Paying a tribute to the Madras State, he said that except in this State, recruitment to the Territorial Army was not generally satisfactory.

Cotton position continues to be unsatisfactory. Madras has asked the Centre for a monthly allotment of about 26,000 bales of mill cloth from June 1 against 12,850 bales a month since June 1950. The primary reason for the present yarn shortage according to the Government, is cotton and other factors such as restricted power supply, labour troubles, etc. The question of how to conserve and increase supplies of yarn is already engaging the attention of the Government of India. They have banned exports and tightened their control over the disposal of yarn by mills. They have banned installation of new power looms. They have allowed free import of cotton yarn of 80s and higher counts from soft currency areas and also import of artificial silk yarn liberally. Price of yarn have been increased recently with a view to inducing mills to increase their yarn production. They are also encouraging production of staple fibre. They are also arranging supplies of cotton to the mills. This Government on their part have also tightened up the distribution machinery and issued instructions to see that there is no leakage or hold-up at any stage and that yarn moves as quickly as possible to the consumer. On the average 16,600 bales per month have been distributed to handlooms alone during the period from January to May 1951 and each loom
would have got about 8 lbs. per month. The question whether the weavers may not be encouraged to take to some other cottage industries, to give them full employment throughout the month, is also engaging the Government's attention.

Tungabhadra waters are expected to help grow more food by legislation in another 3 years and 1953 will see the beginning. The progress of the dam and the auxiliary works were outlined by the Minister of Public Works at a press conference. He said that as far as possible mechanical requirements will be manufactured at the dam site where the nucleus of a big industry is in the making. Thirty thousand workers are employed and the Government's policy was to keep mechanisation at a low level so as to provide for more manual labour. Spill-way gates for the dam and sluice gates were expected to be made at the workshop which, in future, will help to satisfy similar engineering requirements else where. Speculation in land near about that area is already actionable under a recent enactment and the irrigation charges for an acre hereafter, the Minister said, will be about Rs. 15 or Rs. 20 an acre.

All these are no doubt long term plans. But pari passu efforts are necessary to promote accelerated afforestation. Forests regulate climate and rainfall and most countries have fixed 20 to 25 per cent of the total area as the target for forest. For Madras State to reach this target the present area under forests, it has been estimated, should be extended by 2½ to 5 million acres.

Taken by and large the Economic Adviser to the Government estimates that the area under food crops in the State has fallen from 28,078,248 acres or 35.16 per cent of the total area in 1930-31 to 27,247,770 acres or 34.12 per cent of the total area in 1949-50. The area under non-food crops has increased by 6 dissenting members who virtually form a majority. But the comparison between the two reports stops here.

While the Royal Commission on Local Taxation produced a classic report which influenced subsequent developments of the next half century, the Local Taxation Enquiry Committee Report contains very little to command attention. Even the minor features like Contents have been 'shabbily done. One really wonders why was the Committee so much in haste to produce the report in such a bulky, unimpressive and unintelligent form. It is more or less a compromise, as all reports arc, but it is a compromise without conviction, and as one of the eminent members states, it is full of illogicality and inconsistency. The report, in fact, is a conglomeration of facts and statistical data. It has failed to analyse the latter properly and gives no indication of having derived any benefit from the recent literature on the subject. It bristles with quotations which are no more than decorations.

The Committee breaks no new ground and some of its recommendations are retrograde. It agrees very reluctantly to the retention of octrois, and regard them as inferior to terminal taxes, a view that has long been discarded. The Committee does not concern itself with the important questions involved in the successful operation of octroi taxes, namely exemption of goods in transit, and provision of warehouses and refunds. The members do not even seem to be aware that some of the State municipalities like Bangalore, Mysore and Indore, acting upon the recommendations of the Indian Taxation Enquiry Committee, 1924, have really succeeded in eliminating many of the abuses and hardships concomitant with this tax.

Property tax is the backbone of local finance, but it should not and must not mean, that all money that is required for running a local authority should flow out of this source alone. The doctrine of a "single-tax" which this proposition indirectly supports has been condemned on all hands. Although the majority of the members upholds progressive property taxes, dissenting members have advanced equally weighty arguments against them. Property tax is a tax in a necessity and it should, in fact, be the policy of the Government not to create conditions likely to hinder the construction of habitable houses.

In view of the stringent financial position of the local authorities, I quite sympathise with the Committee in its desire for propping up the falling edifice of local self-government by recommending new sources of income viz., taxes on bullock carts, rikshaws, hotel visitors, and railway and road transport passengers. In principle, there is everything to condemn the last three

BOOK REVIEW

LOCAL FINANCE*

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THE ECONOMIC WEEKLY

THERE is, outwardly, some similarity between the Report of The Royal Commission on Local Taxation in Britain published in 1901, and that of the Local Finance Enquiry Committee published recently by the Government of India. The former ran to 184 pages of which 63 pages were covered by the report, the remaining pages being taken up by minutes of dissent, as many as 8 out of 15 members reporting disagreement with the majority report on major issues. The Local Finance Enquiry Committee Report consists of 502 pages, of which 150 pages are taken up by 6 dissenting members who virtu-