

problems of Hindu society at one stroke. Even so, there is a fairly widespread demand to drop it, not on its merits, but on the ground—and a just ground, too—that a microscopic minority has

no moral right to impose its own notions on society. This is not to deny that those who oppose all social changes are clearly in a minority, and a minority that is fast fading into insignificance.

The real criticism of the bill is that in the, main it is fighting with shadows and thereby diverting attention from the realities.

Weekly Notes

Minimum Wages

THE MINIMUM Wages Act of 1948, it is now learnt, may be put into force by the Government of India by March next. The Act provides for fixation of minimum wages in certain employments where "sweated labour is most prevalent, or where there is a big chance of exploitation of labour." Attached to the Act was a schedule of industries, specially chosen for its operation. The institution of a Central Board to advise what would be the minimum wages, was, of course, a necessary preliminary, and has now been completed. The Government have also appointed the Director of the Labour Bureau, Minister of Labour, as a "competent authority" under the Act, who is to ascertain from time to time the cost of living index numbers and the basis on which the minimum wage is to be fixed. The Provincial Governments have also been asked to appoint similar competent authorities in the provinces. It does not look likely now that a start will be made with wages of agricultural labour as it was thought previously, though pilot schemes or sample surveys for preliminary investigation for the purpose were reported to have been started.

Mysore Gold

GOLD MINES, paradoxically enough, have not been very paying of late. This is because costs have gone up, but the selling price of gold in most countries is controlled. The official rate at which the produce of the mines is taken over by the Government or the Central Bank, leaves little enough margin. Hence South Africa's long standing agitation for a revision of the price of freshly mined gold.

But by this token, gold mining

should have been paying in Mysore; the mine owners complain, nevertheless, that it is not, with the result that production has nearly declined to half of what it was before the war. This was because, among other things, the royalties payable made it unprofitable to work the lower grade seams; adjustments were effected sometime ago to remove this particular grievance.

Another shadow now threatens to fall on the Mysore goldfields. When the fiscal integration of the Mysore State with the Indian Union is finally effected—it would be completed within the next one year—and the rate of company taxation there is brought up to the Indian Union level, as it must be, it will not pay to work the mines. The gold mining companies, therefore, want some special concession in the shape of exemption from taxation of a proportionate share of the profits attributable to extensions undertaken after, say, April 1948. The argument is that gold mining is given a preferential treatment in every gold producing country.

The other side of the case is naturally kept in the dark by those who advocate this special treatment. Producers of gold in the countries which are members of the International Monetary Fund do not enjoy the privilege of selling it in a 'free' market. How the continuation of a free market in gold is reconciled with India's membership of the I.M.F. remains a mystery. Assuming that such a free market may be permitted because it does not interfere in any way with foreign exchange operations and is wholly innocuous, it still remains to be explained why the Reserve Bank should not exercise their right of acquiring internally produced gold at the

official rate. This is obligatory for every member of the I.M.F.; the membership! of the latter demands that the currency authority of the country should not engage in or permit non-monetary transactions in gold. The Reserve Bank could get away with it when selling Hyderabad gold on the ground that it was the personal property of H.H. The Nizam, and that the Bank were merely acting as agents for the latter. But no such argument holds for Mysore gold.

Linking up Assam

THE ASSAM rail link is at last completed. It would be now possible to go by rail from any where in the Indian Union to Assam without passing through Pakistan territory. The journey from Calcutta or from Bihar by this new rail route, needless to say, would be a circuitous one, almost like covering three-fourths of a circle to connect the end points. The journey from Calcutta to Amingaon, the terminal point for Gauhati, or for the motor road to Shillong, will take nearly twice as long by the new route. Even the journey from

BACK COPIES

As there is a demand from new subscribers for the following back copies of the Economic Weekly, it would be appreciated if readers would kindly mail back these copies to Economic Weekly, 13-15 Tamarind Lane, Fort, Bombay. These copies will be paid for.

Vol. I, Numbers, 38, 39, 43, 44.

Calcutta to Siliguri will take 21 hrs, compared to 13 hrs. by Pakistan railway. There is no compulsion on passengers going from the Indian Union to take this particular route.

The Pakistan Railway, however, will have a very good chance of retaining the traffic because of the shorter time involved, provided it can guarantee to the passengers the safety and comfort needed to overcome the Reluctance which some of them may feel for traversing what is now foreign territory.

It is to be seen whether the opening of the new rail route will effect the fortunes of the air lines in these parts which have been doing a thriving business, though of a somewhat chaotic character, because of the difficulties of communication with Assam. For reaching many points on the other side of the frontier, the air route has almost been the only route available. Even now, the Tippera State is without a road or rail link with the Indian Union, and the only means of communication with it is by air.

Rebuff for Karnataka

MUCH TO THEIR annoyance, the Congress High Command dismissed the resignation threat of the Karnataka M.L.A.'s as childish petulance that did not even merit disciplinary action! The Congress Working Committee, at their recent meeting in New Delhi, expressed in no uncertain terms their disapproval of the action taken by the K.P.C.C. There was not much logic in that but they did put the sponsors for the new province right on the mat, much to their discomfiture, by telling them to get the people of Mysore behind them first, before they talked of a separate province for themselves. Shri Nijalingappa's assurance that once the formation of a separate Karnataka was agreed to in principle, the Karnatakis outside the Mysore State could be persuaded to merge with the latter, did not naturally convince the High Command. The Working Committee were on surer ground on this particular point, because quite a number of good Congress

men in Mysore are so comfortable and secure that they definitely would not budge, or be dragged into uncertain adventures. A group of members of the Mysore Assembly have officially protested to the Central Government against the K.P.C.C. move. The re-election of Shri K. C. Reddy to the Leadership of the Congress party in the Mysore Assembly has not changed the situation one way or the other. The Mysore Congress is far from taking the initiative or even a decisive step in the matter. Under the circumstances, the Karnataka Congress Committee must work harder to win over the people of Mysore and enlist their active support before they can hope to get a move on.

Definition of Political Sufferers

WHO are political sufferers? The Government of Madras has defined them, for the purpose of allotment of land, as those (1) Who suffered imprisonment by taking part in Congress Political movements; (2) Who were included in the list of Satyagrahis by Mahatma Gandhi for taking part in individual civil disobedience movements; (3) Who conducted movements from underground in 1942, under the authority of the Congress Committees; and (4) Those who were heavily lathi charged or wounded by gun shot during the 1942 movement.

This definition merits much wider acceptance. For if the matter were to be left to the provinces, each would adopt its own definition. This would lead to grave irregularities, and to a lack of uniformity; what is worse, the wrong sort of people would get privileges. The merit of the definition is its scientific precision. It keeps to the idea of labour productivity now recommended for job analysis and wage payment by results. After all, political sufferers, answering to the above description, may be guaranteed to return value for money, if they receive any concession from the Government, and demands for such concessions arise every now and then.

Look at This Picture and That!

PRESIDENT Hatta, according to reports from both sides, has stolen a march over Pandit Nehru. For, if The *Economic Review of Indonesia* is to be believed, Bali and Java may no remain for long paradise for dancers; but they are certainly going to be a paradise for foreign enterprise for many long years to come. According to this journal, the foreigner is as free as the native or the Dutch immigrant to establish any undertaking on these islands, and on an equal footing with them, barring some internationally recognised reservations, among them being mining, coastal shipping and air transport. Even in this there is a limited scope for direct or indirect investments by foreigners. There are no restrictions on the immigration and residence of foreigners who are free to employ Indonesian labour, provided prevailing social stipulations are observed. No discrimination is made between native and foreign enterprise in the taxes. Foreign business houses are protected against double taxation.

On all these, our doors are held as wide open, if not wider, except in the matter of the last item, on which certain complications remain to be eliminated. They are being looked into.

But where Indonesia beats us is in its tax structure. Besides a moderate capital tax, the most important tax is the corporate tax which amounts to 10 per cent of the taxable profits, and has been temporarily raised to 40 per cent. In these post-war days of continued unsettlement, temporary increases in taxation have a way of perpetuating themselves. If Hatta's government is no exception to the general rule, then we are not so bad, really, so far as foreign capital is concerned. But look at this picture and that, Unless reports originating from pro-communist sources are entirely to be disbelieved, a big sharing out and a sell out has been going on on these islands. Good Year Tire are taking over rubber, Standard Oil has acquired the petroleum monopoly,

some other big dollar combines have acquired mining interests, notwithstanding the reservation Acted above regarding the execution of mineral and so on. In short, American capital has been coming in a big way to develop these islands for the benefit of all concerned. The bigger British concerns have also their share in it, and the economic development now envisaged looks like being conducted by one big joint

concern in which all the better known industrial combines have a share. This is slightly different from the look of things in this country with regard to foreign investments. Despite the communique issued from time to time about licences issued to British firms to start some minor undertakings, no American concern worth the name has been mentioned so far as interested in venturing out to India,

lished and replaced by the postage stamps of the Indian Union. Subsidiary postal privileges and concessions hitherto enjoyed by some of the States will also go. Thus, 27 States will be no longer entitled to receive service? stamps free of cost. Nor will the Postal Department of the Government of India carry free of charge official correspondence passing within six other States. '

Our Delhi Letter

So That India May Be One

Thursday, Morning

SLOWLY, almost casually, various Ministries of the Government of India are moving towards the achievement of one of India's long-cherished ideals—unity.

This administrative movement is countered on a political plane by intensified agitation for linguistic provinces, but it goes on apace. Reorganisation is the word of the hour in the Secretariat. While the Ministry of Defence is planning to realign the commands, the Ministry of Transport is working on the problem of regrouping the Railways. The many postal systems in the country will be integrated by or about April 1. So will be the fiscal systems of the States. The beginning of the new financial year appears to be the target date.

The preliminary spade-work for Indian Unity is bound to be unspectacular. In some fields, notably Defence and Finance, the authorities are understandably inclined to cover their activity under a mantle of secrecy. It is known, however, that regrouping of the three Army Commands, against the background of the decision to absorb the State armies into the Indian Army, partition, and general-defence considerations as they have emerged after World War II, is on the cards. Informed sources here believe that one of the desirable results of the proposed

realignment would be the shifting of the headquarters of the Southern Command from Poona to Secunderabad. It is pointed out that Secunderabad has plenty of spare, well-camouflaged accommodation and is more centrally and strategically situated. If the proposal goes through, Poona will be converted into the headquarters of an Area Command, under the Southern Command.

As regards Communications, a high-level Committee of the Railways Board is dealing with the problem of regrouping the Railways. As a consequence of the integration of Indian States, a sizeable mileage of the State Railways will be merged with the Indian Union Railways. The idea appears to be to take advantage of the prospective addition and to carve out a few manageable systems of railways, with centrally located headquarters and just sufficient staff for administration. The main hurdle in evolving a rational scheme on these lines, it is feared, would be the reluctance of the railway staff to shift from one station to another, *en masse*.

The progress will be brisk however, in regard to the integration of the postal systems of 15 Indian States with the Central Postal system. With the possible exception of "Anchal", the postage stamps of the Travancore-Cochin Union, the postage stamps of all Indian States will be abo-

It is in the sphere of financial integration that the changes are expected to be most significant. One of India's financial wizards, "Mr. N. N. Dandekar, has accomplished in the report of the Indian States Finances Inquiry Committee, a monumental task. The recommendations of the Committee have been accepted almost in toto. The only important departure would be that the rates of income-tax in the States would be raised to the level of those prevailing in India in one year instead of 3 to 6 years. This, the Finance Minister explained the other day, was necessary in order to prevent the flight of capital from the Indian Union to the States.

From April 1, the Central Board of Revenue will become the Income-tax, Customs and Revenue Authority in respect of all Indian States. The Ministry of Finance has deputed one of its senior officers to tour round the States and assess the position likely to result from their merger. Figures have been called for to determine the estimated yield from excise and customs revenue as well as from the levy of income tax. These estimates are to be included in next year's budget of the Government of India,

THE ECONOMIC WEEKLY

Subscribers are requested to quote index numbers (see wrapper) when making enquiries regarding supplies.

Outstation cheques towards subscriptions and renewals should include banking commission.