SUPPLEMENT

26-1-'50.

The see Eindu.

Section 2

Finance — Taxation — Banking Gandhiana — Political Movements

In theme of statesmen and politicians all over the world. Even Dictators have claimed to be custodians of the interests of the common man. Democrats have always proclaimed that he is their sole concern. The common man is not very much interested in the mechanism of the Government or the theories underlying the Constitution under which he lives. His concern is three-fold—freedom, economic stability and freedom from want. Democracy has always promised and is still assuring the complete and is still assuring the complete realisation of this demand. But the world is still searching for the positive implementation of the promise of democracy in the economic field. Freedom in a large measure has no doubt been achieved under democracy; but the common man is asking. 'Must freedom be purchased

by exposure to poverty and inse-

The economic stagnation in the tecade preceding the outbreak of Vorld War II and the colossal destruction that was taking place on a global scale after the outbreak of hostilities made men think violently, even while the war was still going on about problems of rehabilitation and economic reconstruction. The problem of economic stagna-tion was studied with zeal in the light of past experience, and various international gatherings were sum-moned to find ways and means of

Apart from such action in the international sphere, most countries began to concentrate their attention on plans for national reconstruction and development. We shall examine the attopment. We shall examine the attempts made in this direction in India. Both the Government of India and various unofficial bodies began to devote their attention to the formulation of plans for the economic development of the country. The objectives kept in view were full employment and a decent standard of life for the common man. The most potable attempt in this man. The most notable attempt in this direction was the study undertaken by cirection was the study undertaken by a few leading industrialists and businessmen which resulted in the formulation of what was known as the Bombay Plan". This was an ambitious scheme for a large-scale industrialisation of the country's economy. Though ambitious, this plan was a gractical one based on the available resources of the country in materials and man power.

menal political change resulting in the complete withdrawal of the foreign power, India enjoyed a political and social stability which existed only in a very few countries.

(2) India had inherited from the British and shad inherited from the Bri

country.
(5) Her internal debt was comparatively small and the greater part of that debt was invested in productive enterprises, like railways, irrigation and hydro-electric works which yield a reasonable return on the capital outlay. The burden of the dead-weight

(7) The British administration had

UNFAVOURABLE FACTORS

These are the broad features of the credit side of the country's balance sheet. Let us look at the debit side. (1) The partition of the country had token up the economic unity of the broken up the economic unity of the country in some measure and created new economic and political problems. The Refugee problem, a direct result of partition, created new social and economic problems of a far-reaching character.

(3) In the purely economic sphere, inflation was assuming alarming pro-

THE ECONOMIC **MALAISE**

CAUSES BEHIND THE PRESENT CRISIS

By R. K. SHANMUKHAM CHETTY

and rehabilitating the economy of the country. The successful solution of any problem depends upon a correct understanding of the underlying causes which have created the situation which is sought to be set right. Let us, therefore analyse some of the main features of that oudget are mainly responsible for the chain of events which has land never felt as a burden by the poorer is sought to be set right. Let us, there classes. The yield would be about taxes are the most fruitful source of the main. and rehabilitating the economy of the sait tax has existed in the country for

problem depends upon a correct understanding of the underlying causes which have created the situation which is sought to be set right. Let us, therefore, analyse some of the major causes. Some of these causes are not of our making. But a great many are the result of acts of omission and commission on the part of both the Central and Provincial Governments.

In the first category come the incidents of the partition of the country which was inevitable in the circumstances which faced us. The economic consequences of partition are among the major causes of the present deterioration. The economic unity of undivided India was a greater reality than the political and cultural unity of the country. When the economic unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the political and cultural unity of undivided India was a greater reality than the politi

was again partition that created the re-fugee problem with all its consequences on the economic situation of the coun-

On the eve of independence, the country was saddled with an administrative system which had grown into a gigantic size during the war period.

The cost of administration was far beyoud the capacity of the country to bear in normal peace time. Yet no attempt was made to effect retrenchment on an adequate scale. With the fresh impact of democracy Treasury Bombay Plan". This was an ambitious scheme for a large-scale industrialisation of the country's economy. Though ambitious, this plan was a practical one based on the available resources of the country in materials and man power.

The Government of India set up a number of, committees and panels which made an intensive study of individual industries and problems of transport and agriculture. The results of these investigations were published in a series of valuable reports. It cannot, therefore, be said that we are

a very few countries.

(2) India had inherited from the British rulers a well-organised administrative system and an efficient and well disciplined army.

(3) Notwithstanding her backward economy, India had an industrial organisation of considerable magnitude. She was among the first seven industrial nations of the world.

(4) As a result of the war economy, India had paid off all her external debts and from the position of a debtor she had emerged as a creditor country.

(5) Her internal debt was account and the problem of Hyderabad has been solved, the only problem that remains unsolved is Kashmir. Unless this problem is quickly solved, the country would find that it has paid too dear a price for Kashmir. The defence expenditure of undivided India stood at Rs. 46 crores in 1938-39. To-day our defence expenditure stands at Rs. 158 crores, which is about 40 per cent of our total revenues. In addition to this vest scale of expenditure, it is proposed to expand our Navy and Air Force and also create a Territorial Army. It is obvious that the size and the problem of Hyderabad has been solved, the only problem that remains unsolved is Kashmir. Unless this problem is quickly solved, the country would find that it has paid too dear a price for Kashmir. The defence expenditure of undivided India stood at Rs. 46 crores in 1938-39. ed to expand our Navy and Air Force and also create a Territorial Army. It is obvious that the size and com-

reasonable return on the capital atlay. The burden of the dead-weight therefore, small. debt was, therefore, small.

(6) Notwithstanding the deficits in the point of view of the money spent the revenue Budget, the financial position of the country was intrinsically sound.

(7) The British administration had left a comfortable cash balance of Rs. 316 crores when the National Government took charge of the country.

(8) The innumerable Indian States and their rulers showed a commendable spirit of co-operation with the National Government which brought about a political consolidation of the country never before achieved in its long history. This paved the way for economic unity and opened up opportunities for economic development on a vast scale.

UNFAVOURABLE FACTORS

balance of payments position, the high cost of living and the consequent rise in the cost of living and the consequent rise in the cost of production are all directly attributable to the food problem. Ours is a cereal economy and the stability of such an economy depends on an adequate supply of foodgrains. The deficit is supposed to be of the order of only 10 per cent. The Grow More Food Campaign has been in operation for over five years and during this period it should have been possible to make up at least half of the deficit. If the announcement by the Prime Minister that the import of foodgrains would be stopped from 1951 materiabalance of payments position, the high would be stopped from 1951 materia-lises, it would go a long way in res-toring our economy. But, unless the ban on imports is accompanied by a substantial increase in the domestic supply of foodgrains, the remedy applied may prove worse than the malady sought to be cured.

The most disquieting feature of the situation is the drying up of the capital market and the consequent stoppage of the flow of investment, both in private enterprise and Government securities.

For the past few months, the Government has been devising ways and means of arresting the deterioration of the policial slogan or indefinitely postponed. There has been devising ways and means of arresting the deterioration outstanding instances of the serious living on the accumulated capital captures of the development of the abolition of the serious ces of the past. Many of the development schemes are being slowed down or indefinitely postponed. There has been devising ways and means of arresting the deterioration outstanding instances of the serious living on the accumulated capital captures.

The demand for the abolition of the ment schemes are being slowed down or indefinitely postponed. There has been very little flow of funds into private enterprise also. Even the sound-near of view, it is wholly understanding instances of the serious living on the accumulated capital captures.

international gatherings were summoned to find ways and means of avoiding the mistakes of the past and to provide for the netessary machinery to ensure the smooth running of the economic wheel. The most notable of such gatherings was the Bretton-Woods Conference which brought into existence the International Monetary Fund and The Bank for Reconstruction and Development.

RECONSTRUCTION PLANS

In the initial stages. The territorics can down and stages. The territorics distance contained the surplus foodgrains and essential materials like raw cotton and jute. Our dependence on Pakistan—now a foreign country—for these commodities not merely upset our domestic economy, but also increased our adverse balance of payments in our international grounds, how is it that a uniform policy is not followed in all parts of the country? Some provinces have enforced only partial Prohibition, while some territories like the Punjab and Sind which were valuable sources from which investment in private enterprise and Governments and the Central Government are in the hands of the Conductor of the conduction and pute. Our dependence on Pakistan—now a foreign country—for these commodities not merely upset our domestic economy, but also increased our adverse balance of payments in our international grounds, how is it that a uniform policy is not followed in all parts of the country? Some provinces have enforced only partial Prohibition, while some territories like the Punjab and Sind which were valuable sources from which investment in private enterprise and Governments and the Central Governments are in the hands of the Conductor o was again partition that created the refugee problem with all its consequences
on the economic situation of the country.

HIGH COST OF ADMINISTRATION

If the consequences of partition are
serious enough, our deliberate acts of
omission and commission are evenmore serious in their results.

On the eve of independence, the

There is a general consensus of opianachronism and must be abolished. Here again the manner in which the problem was tackled has created confusion and a feeling of insecurity among property owners. The Provincial Governments concerned find it difficult to pay even the paltry compensation proposed to be given to the Zamindars The ways and means position of the Central and Provincial Governments was not even taken into consideration. The sanctity of property rights of the compensation proposed to be given to the Zamindars. There is no doubt that a great deal still remains to be done before we can claim that we have achieved a full measure of social justice. But progress in this direction depends upon the production of more national wealth and the last one decade is yet another factor which has created nervolusness among the investing public. Ever since the creation of the International Labour Organisation, India has been an active member of that body and has a splendid record in implementing the conventions and resolutions of its conference with the last one decade is yet another factor which has created nervolusness among the investing public. Ever since the creation of the International Labour Organisation, India has been an active member of that body and has a splendid record in implementing the conventions and resolutions of its conference was not even taken into consideration. The sanctity of property rights of the citizen has been grossly violated. The compensation proposed to be given its investing public. Ever since the creation of the International Labour Organisation, India has been an active member of that body and has a splendid record in implementing the conventions and resolutions of its conference in the last one decade is yet another factor which has created nervolusness among the investing public. Ever since the creation of the International Labour Organisation, India has been an active member of that body and has a splendid record in implementing the conventions of its conference in the last one decade is yet another factor which nion that the Zamindari tenure is an which made an industries and problems of transport and agriculture. The results of these investigations were published in a series of valuable reports. It cannot, therefore, be said that we are tacking in plans for economic reconstruction. What remained to done were co-ordination of the various plans and their execution on a systematic basis. Within exactly two years after the termination of the war the country achieved political independence and for all. The stage of the army before partition our share came that after partition our share came to reconstitute of the army before partition of the sare came to reconstitute of the army before partition our share came to reconstitute out the proposed to be given is to the transport of the configuration. What remained to be done were co-ordination of the various plans and their execution on a systematic basis. Within exactly two years after the termination of the war the country demolished the army before partition and strength of its armed forces. The short understand the didition to these favourable to the reconstitution our share came to reduct the proposed to be given is on the definition of more national wealth and the burden of Defence expenditure is to configuration. What the almost amounts in this direction depends upon the proposed to be given is on this direction depends upon the proposed to the proposed to be given is on the standard of life of the Institute of the LZamindar is not the variety and the proposed to be given in this direction depends upon the proposed to the LZamindar is many very well happen to any property owner including the consideration was the standard of life of the Institute of the landard of life of the Institute of the connection of the army before partition and strength of its armed forces. The staff of the plans by possible and the proposed to any property owner including the connection. The intention was a staff as the standard of life of the Institute of the connection of the carried of the plans by possible and the proposed to knowledge that in the abolition of the Zamindari system and the adoption of the policy of Prohibition, the provinces concerned have ignored the advice given by the Centre. Provincial autonomy has been exercised with a vengeance and in utter disregard of the economic difficulties facing the country.

The consequences of the Prohibition policy in the field of provincial taxation have aggravated our economic difficulties. Having deliberately given

up a fruitful source of revenue, Pro-vincial Governments are desperately in search of new sources of revenue for making good the losses incurred by Prohibition. The sales tax has come in very handy for frequent manipulation. The sales tax is now a recognised source of revenue in all counnised source of revenue in all countries and there is nothing unsound in levying the tax. But here again the time chosen for enhancing the rates of sales tax is most inopportune. The problems of inflation, increasing costs and rising cost of living are the most difficult of the problems that controut the Central Government. The Sales Tax is a highly inflationary factor: for it automatically increases prices and the cost of living. Every increase in this tax defeats the measures taken by the Central Government to reduce prices. In other words, the Central Government and the Provincial Governments are pulling in opposite directions. While steel is the basic material for every industry and while our actual requirement is: re than 3 million tons per year, we are not utilising even the installed capacity to the fullest extent. The same is the case in many other vital industries. No doubt difficulties of transport and scarcity in some essential raw materials account for this condition to some extent but the major factor in the situation is the attitude of labour.

One other disturbing factor in the labour situation is the attitude of many of the industrial courts and arbitrators and the diversity of the awards. Many ernments are pulling in opposite direc-tion in the fight against inflation Apart from this serious result, the unco-ordinated policies of the Provincial

with their competitors in another pro-If the failure to readjust the civil and military expenditure of the Government and the disappointing results of the attempts to grow more food are acts of omission on the part of the Governments, both Central and Provincial, certain positive acts of commission have aggravated the economic malady. These acts are the outcome of the pursuit of ideologies of the Congress party. Ideologies are necessary to govern the acts of individuals and States. But their implementation at the soforthe in the most disquieting feature of our economy is the phenomenal drying up of the capital market. The total volume of our National Debt is not very great and a substantial portion is invested in interest-yielding assets. Not withstanding the present difficulties, our economy is sound. The President of the International Bank observed not long ago that "India is a risk worth taking." In spite of these favourable factors, no fresh money has come out for investment in Government securistriking a balance between the credit and debit sides, it would be found that the credit side was still heavily opportunities for fighting the handicaps and pushing through the schemes of economic development. Notwithstanding all the favourable factors, the economy of the country has steadily determined and the Government had to resort to such extraordinary steps as compusiory savings, embargo on imports and slowing down or postponent. The most disquieting feature of the situation is the drying up of the capical strains of the part of the part of the governments, both Central and Provinguity and Provinguity and Provinguity and the economic development and in a wrong revenue and capital budgets of the Central and Provinguity and the favourable factors, the economic development had to resort to such extraordinary steps as compusiory savings, embargo on imports and slowing down or postponent of the international Bank observed not long ago that "India is a risk worth taking." In spite of these favourable factors, the economy of the country has steadily determined and the Government had to resort to such extraordinary steps as compusiory savings, embargo on imports and slowing down or postponent. The most disquieting feature of the situation is the drying up of the capical provides and the form of the salt has the transfer of the schemes of development. The most disquieting feature of the situation is the drying up of the capical provides and manner is bound to create difficulties trai Government since Independence, it of a far-reaching character. The abolition of the salt tax, the hasty enforcement of Prohibition and the manner of the liquidation of Zamindaris are the outstanding instances of the serious acts of commission referred to above.

The demand for the abolition of the ment schemes are being slowed down and the salt tax was a useful political slower.

manufacturers and traders. The manufacturers in one province are often placed at a disadvantage as compared

The reasons for this deterioration in the capital market are mainly three in number: (1) The increasing burden of cirect taxation, (2) The attitude of labour, and (3) The vague threat of nationalisation.

It is a strange irony of fate that the first blow to the country's economy just before the attainment of Independence was struck by the Indian Finance Member of a Government composed entire-ly of Indians. The Budget of Sir Lia-gat Ali Khan was the first act in the gat All Kham was the first act in the tragedy of India's economy. It was supported by the leaders of the Congress party and their financial advisers and was hailed as the poor man's budget. They knew not what they were doing. The abolition of the sait tax and the outrageous scheme of direct leavation which were the main features.

ed us in the present economic plight. In all advanced countries direct taxes are the most fruitful source of revenue. They are also considered as one of the most effective means for the equitable distribution of the national ncome. The proportion of direct to indirect taxation in India is almost the same as in U.S.A. and England. But in these countries the high level of direct taxation was reached after the economy of the countries reached a very high level of industrialisation. A very high level of industrialisation. A country in the early stages of transition to an industrial economy cannot bear such a burden. That is the case with India. In such backward countries a high level of direct taxation is a serious obstacle to incentive and handicaps investment. Even in U.S.A. economists are urging what is called "incentive taxation" which means a system of taxation which will positively act as an incentive to investment and expansion

"NO MARGIN FOR INVESTMENT" Apart from its adverse effect on incentive, a high level of direct taxation leaves very little margin for fresh investment. The analysis of the balance sheets of many companies in India will reveal that after the payment of all the taxes very little surplus is left for further expansion. The dividends in the hands of persons belonging to the further expansion. The dividends in the hands of persons belonging to the higher income groups undergo a further cut by way of a steeply rising super-tax which in its topmost level takes away as much as 15 as. 6 pies in the rupee. From the point of view of the country as a whole an inordinately high level of direct taxation is tantament to spending on current peeds. mount to spending on current needs what ought to go to build up capital formation. In other words, the Government is drawing for its current expenditure on the capital of the nation. From all these points of view, the time has now come for a scientific re-examination of our direct taxes and their effect on the country's economy.

Organisation, India has been an active member of that body and has a splendid record in implementing the conventions and resolutions of its conferences. There is no doubt that a great deal still remains to be done before we can claim that we have achieved a full measure of social justice. But progress in this direction depends upon the production of more national wealth and the general betterment of living standards among all sections of the people. Even as it is, the standard of life of the industrial worker is very much better than that of the vast army of agricultural workers. A disproportionate rise in industrial wages will still further reduce the real income of the agricultural worker by the increase in the

as against 100 in 1939, in the Tata fron & Steel Works at Jamshedpur the average labour cost per ton of finished steel was Rs. 31.54 per ton in 1939, and in 1948 it had risen to Rs. 92.80 per ton. Here again the output of finished steel per employee was 24.36 tons in 1939 and in 1948 it had fallen to 16.30 tons. In other words, while labour costs have increased more than three times, the output has decreased by one-third. The same story is repeated in alm every one of our major inducries.

The installed steel capacity in India is 1.26 million tons. In 1943 the actual production was 1.16 million tons; but in 1948 production was less than 900,000 tons. While steel is the basic material

of the industrial courts and arbitrators and the diversity of the awards. Many of the individuals chosen for this work have no knowledge of industrial orga-nisation and have exhibited an unwarco-ordinated policies of the Provincial Governments in this field have jeopar-dised the economic unity of the country. Different rates and incidence of this tax have handicapped inter-provincial movement of commodities. In the case of controlled commodities for which prices are fixed by the Central Government, provincial sales tax not merely defeats the objective of the Central Govrenment, but handicaps manufacturers and traders. The manusciplination and have exhibited an unwarranted prejudice against manuagement. One industrial tribunal actually gave an award for distributing a substantial portion of the reserve funds of a computation of the reserve funds of a computat lities in labour costs which are un-desirable in a country which is an economic unity. In major industries which are established in more than one province, there should be as fa as practicable uniform standards sub ject only to variations, if any, in the cost of living.

POLITICS IN TRADE UNIONS

Political influences in the Trade Union movement are another cause of trouble. Many labour unions are definitely and openly associated with one political party or another. In the same factory the workers belong to different unions and the rivalry among them creates very undesirable conditions.

The leadership in some of the labour arrayistishments in bedeare of boli organisations vests in leaders of political parties. For example, the leader of the Socialist Party is himself the President of the Railway workers' organisation and the Organisation of Party. Frankeyers This has degrarate President of the Railway workers' organisation and the Organisation of Postal Employees. This has dangerous potentialities. Under such conditions political and party considerations are bound to play a dangerous part in labour disputes. Moreover, when the present day labour leaders become the Government of the country, they will be confronted with commitments. be confronted with commitments which they would find unable to implement in practice. Labour leaders must be in a position to view labour (Continued on next page)

FINANCES OF THE **REPUBLIC**

FISCAL PROVISIONS IN **CONSTITUTION**

THE new Constitution of free India, worthy of the youngest Republic in the world with one of the offiest civilisations, follows the pattern of some of the leading democratices. The broad outlines of the Government of India Act of 1935 have been generally retained, and both its shortcomings and its good points have been taken into account. The framers of the new Constitution have borne in mind the conditions pecular to in mind the conditions pecular to in the in mind the paramount need of moulding into shape a strong, well-knit and virile democracy in the India and virile democracy in the India and POWERS

Article 248 of the new Constitution confers on Parliament the exclusive power to make any law with respect to any matter not enumerated in the Concurrent list or the State list, and such powers include the power of imposing a tax not mentioned in either of those lists While the powers of the State Government are Immted by complete enumeration, the residuary powers are vested in the Union Government in the past, this was a matter of fine controlled in either of those lists while the powers of the State list, and such powers include the power of imposing a tax not mentioned in either of those lists While the powers of these lists and such powers are vested in the Union Government in the past this was a matter of fine continued by complete enumeration, the residuary powers are vested in the Union Government in the past this was a matter of fine controlled in either of those lists while the powers of these lists while the powers of the State list, and such powers include the power of imposing a tax not mentioned in either of those lists while the powers of the State list, and such powers include any law with respect to any matter not enumerated in the Concurrent list or her powers of imposing at ax not mentioned in either of those lists while the powers of moulding into shape a strong, well-knit and virile democracy in the fullness of time.

In the past, disruptive forces, originating from diverse provincial, linguistic and religious groups have hampered the growth of that fundamental sense of unity, so essential for the emergence of India as a strong and powerful state. By pro-viding for a greater measure of Central control the constitution has sought to consolidate and strengthen that unity which had its beginnings under British Rule. Such a step has resulted in some encroachment in the

provincial sphere which is particularly manifest in the financial provisions of the constitution.

These provisions fall into two broad categories, namely, (1) provisions regarding the financial powers of the Union Government vis-a-vis the State Governments and the financial relation between them, and (2) the procedure for transacting financial business including the authorisation of the budget, control of expenditure, auditing etc. In the Government of India Act of 1935, the powers of the Central and Provincial Governments were completely enumerated. To this extent it was unique in the constitutional field.

The new Constitution does not possess. ly manifest in the financial provisions

The new Constitution does not possess this character of distinctive delimitation.

TAXATION POWERS

Subject, nowever, to this characteristic change in the pattern and also subject to certain alterations in detail, the taxing powers of the Union and the State Government, under the new Constitution, temain very similar to those under the new Constitution, the Union Government of India Act of 1935. Under the new Constitution, the Union Government of India Act of 1935. Under the new Constitution, the Union Government of India Act of 1935. Under the new Constitution, the Union Government of India Act of 1935. The exclusive tax it is fact of 1935. The exclusive tax it is is specified in the resoluti Subject, nowever, to this characteristic change in the pattern and also subject to cortain alterations in detail, the taxing powers of the Union and the State Governments, under the new Constitution, remain very similar to those under the Government of India Act of 1935. Under the new Constitution, the Union Government can levy quite a number of taxes covering a wide range, of which the most prominent are taxes on income other than agricultural income, customs duties, duties on excise texcept certain specifical timps. Corporation taxes, estate duty and succession duty, ferminal taxes on goods and passengers carried by railway, sea or arritaxes of railway fares and frieignts, taxes other than stamp duties on transaction in

including tramcars, taxes on animals and beats, dolls, taxes on professions, trades, callings and employment, capitation taxes, taxes on luxuries, including advertisements, amusements, betting and gambling and a number of other items. The deviations from the Government of India Act of 1935 which deserve special mention, generally comprise of duties on excise, medicinal and tollet preparations containing alcohol, opium, Indian hemp or other narcohol orings, taxes on the sale and purchase of newspapers and taxes on advertisements published in newspapers, taxes on stock exchanges and future markets and a number of other items. number of other items.

a number of other items.

The Provinces nave been authorised to levy a purchase tax subject however to some important restrictions in the matter of levying a sales tax or a purchase tax. Under the new Constitution no tax can be levied on sales or purchases of goods taking place in the course of international or inter-state trade or commerce or on sales or purchases of goods actually delivered as a direct result of such sales or purchases for the purpose of consumption outside that State An existing provincial law levying a tax on sales. ing provincial law levying a tax on sales and purchases of goods taking place in the course of inter-State trade or commerce may be continued by an order of the President till 31st March 1951, but not beyong that date. The assent of the President is made an essential pre-requisite to any Bill seeking to levy a tax on the sale or pur-chase of goods declared by Parliament by law to be essential for the life of the community.

TWO NEW LIMITATIONS

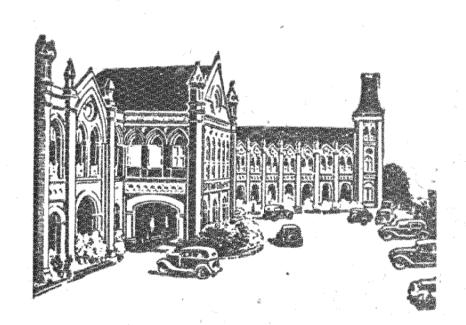
Greetings to the

Greetings to the

people of India on this

people of Historic day

Memorable & Historic day



Spencer & Costa. Spencer & Spencer & Costa. Spencer & Spenc