

not immediately visible to the investor and partly because a substantial portion of the relief goes to the class of companies which are less vociferous. The 50 per cent additional depreciation allowance for third-shift working will be an incentive for more intensive use of plant; the concession will be particularly welcome to companies which have a heavy depreciation schedule. However, even though the relief as a result of this concession will probably be larger than the total collections from the new dividend tax, investors would undoubtedly have welcomed the removal of the dividend tax with

much more enthusiasm.

Among the other concessions, the reduction of tax on profits up to Rs 2 lakhs of small companies with income up to Rs 5 lakhs is particularly welcome. But, as was pointed out by a contributor in the last issue, even this relief is insufficient, and there is a case for abolishing compulsory distribution of profits. The Finance Minister has, in another context, pointed out that the excessive distribution of profits should be discouraged; does this not hold in the case of closely-held companies?

It is not entirely surprising that although the relief to the corporate

sector is estimated at Rs 30 crores, the stock exchanges have not responded to the concessions. In part at least the stock exchange is in poor shape because investors are tending to move away from the corporate sector. The opportunities presented by real estate speculation, among others, have made the corporate sector considerably less attractive. And whenever money placed on deposit with sound institutions and business houses can yield 9 to 10 per cent, is it surprising if investment in equity at 7 to 8 per cent does not draw investors?

Weekly Notes

Fundamental Rights

IT is symptomatic of the dangerous extent to which public mind in India has become enveloped in apathy and demoralisation that the proposal to amend Article 359 of the Constitution, now dropped, created so little stir in the country. Indeed there was spirited opposition in the Parliament; but it cannot be said that this very welcome concerted move by most members of the opposition reflected any concern felt by the people at large. In this connection one cannot but recall the wave of organised protest that swept France in 1958 during President de Gaulle's bid to assume supreme powers through a referendum. True, the French public was also largely indifferent and apathetic and de Gaulle did manage to get the sweeping majority he wanted, but the press and political parties fulfilled their duties by carrying out a tremendous campaign against the move. Compared to that the Indian public hardly seems to have realised the fact that they were at the point of being robbed of all the fundamental guarantees given in the Constitution.

Yet the lack of justification for the assumption of such powers by the Government and the danger of their misuse are both larger in today's India than they were in the France of 1958. On the one hand, France at that time was truly at the very edge of a military take over. On the other,

it is now a fact of history that de Gaulle has not really made any misuse of his powers, whatever his successors might do. While he has used his powers to break down the fascist machine that had been set up in the country with the direct participation of army elements, he has not victimised a single member of any opposition party nor silenced any voice of conscience. In India, however, ever since Independence the various provisions for preventive detention have often been used to rob the freedom of opposition party members.

It is common knowledge that the public in general is quite cynical about the way the state of emergency has been enforced; it is also a fact that a very large section of the politically conscious public subscribe unfortunately only in a fatalistic sort of way to the view that preparations are being made in the country for sabotaging its democratic set up. This dangerous idea can only gain in strength by any move of the government to encroach on the fundamental freedoms of the citizen.

It is to be deplored that the government tried to pass off the proposed amendment as non-substantive, amounting only to the removal of some "linguistic differences" between Article 358 and 359, giving rise to "doubts". Shri N C Chatterji contested this view in the following words; "The President, by virtue of Article 359, could suspend temporarily, for

the period of emergency or for such shorter period as he liked, the right to approach the courts for the enforcement of fundamental rights. But the fundamental rights were not extinguished merely because the remedy was temporarily suspended. The effect of the temporary suspension of the remedy was not to make illegal and unconstitutional acts of the Government legal or constitutional."

The complete inactivity of the political parties in the face of this challenge once more highlights the sombre fact that there is really no opposition in the country. In this context it is gratifying to praise the performance of the protesting members of the legal profession in general, and that of Shri N C Chatterji in particular, who on several occasions in the past have given proof of their integrity and courage in the cause of democratic freedoms. There are times when political parties and other organised bodies and institutions fail in their self-appointed tasks and when conscientious individuals have to take up stands, in however small groups, even in complete isolation. It has been once again proved that such individual stands are not necessarily and completely futile—even in this age when nothing apparently gets moved without the support of political parties, the finance of business houses and the votes of a not-too-enlightened mass.