CHAPTER VII

ECONOMIC POLICY AND JUSTICE 1969-76
Karunanidhi, as a man of vision not merely implemented social reforms but he also took measures to accelerate the economic progress of Tamil Nadu. He entered into the office of Chief Minister with a clear plan and far-reaching schemes for economic betterment.

After analysing the nature of Tamil Nadu's poverty and its causes, he provided a workable solution "for the poverty and misery of millions and laid down the right policy for a rapid and planned economic development" within the 'restricted' power for states within the Constitution.1

In an under-developed state like Tamil Nadu, the socio-economic set-up itself was a great impediment to development. "Mass poverty and illiteracy, combined with social institutions like caste system and religious beliefs etc., was adversely affecting the course of economic development."2
The industrial revolution in the West is an excellent model to improve the socio-economic set-up for quick development. "Within the framework of religion, the British were able to bring about some economic change. The Christian religion regarded that the supreme duty of man is the glorification of God by one's good deeds on earth..." The religious and social set-up was receptive and amenable to the great revolutionary changes on the economic front through industrialization.

In Tamil Nadu, the caste system proved detrimental to economic progress as it impeded the movement of capital and labour and dampened the spirit of enterprise. The Tamil society was more or less divided into non-competing groups. Hence occupational mobility had little meaning. Apart from casteism, and parochialism with traditional outlook, there were also obstacles to economic development. Inadequacy of technical education, inferior status of women, high degree of illiteracy among the womenfolk, and non-recognition of the importance of middle, poor class and labouring class, which were pitted against the
richer class, created many socio-economic problems, preventing effective economic development.

In his maiden speech in the legislature, as the leader of 'Nangawaram farmer's agitation, Karunanidhi pointed out that most people were economically very backward and poor, leading a miserable life. He also pleaded that "the backwardness, poverty and poor standards would lead to low level of labour productivity, factor immobility, lack of entrepreneurship and poor specialisation. Instead of conquering the physical and social environments, the people surrendered themselves to them."  

Tamil Nadu is one of the 24 states of the Indian Republic bound in the north by the states of Karnataka and Andhra Pradesh, on the East by the Bay of Bengal on the South by the Indian Ocean, and on the West by the Kerala state. It has an area of 130,069 Sq.Mts, a population density rate of 317 per Sq.m and an estimated population of 4,54,86,000. It consists of 16 districts. Removal of poverty and attainment of economic self-reliance were the objectives of
Karunanidhi's plan, based on a strategy of concerted attack and proportionate and unified emphasis on all sectors. The plan ensured an efficient and dynamic public sector to increase productivity with proper encouragement to new entrepreneurs. The plan attempted to expand productivity, employment opportunities and increased agricultural production.

Karunanidhi's plan helped the significant progress in agricultural production through the Green Revolution and it also enhanced industrial output. Thus, Tamil Nadu became a surplus state in agricultural production, industrialization, tourism, transport etc., due to his progressive plans. The enterprising zest of Tamil Nadu reached heights under Karunanidhi's plan which gave Tamil Nadu second place in India's industrial progress. A detailed study of economic progress during Karunanidhi's regime is attempted in what follows.

Agricultural Development Schemes:

As Karunanidhi himself was the leader of the
Nagawaram farmer's agitation, he was fully aware of the woes of the long-suffering peasantry, their harsh conditions, the starvation of peasants families, free labour and bonded labour. He was also aware that the peasants became beggars under the charity of few rich people.

The Congress government in the past, throughout the country's long, chequered and turbulent history, had been so helpless in the face of zamindar's uncontrolled vagaries that the poor peasants became fatalistic and accepted their perpetual poverty. Karunanidhi had spoken vociferously of the importance of the implementation of socialist measures even while he was in the opposition benches in the state legislature during 1957-67. Anna once questioned Kamaraj 'of whom are you afraid?' He found the Congress ministers in a precarious situation on land reform bills.

Agriculture is the mainstay of the state's economy. Over 70 per cent of the rural population is engaged in agriculture and allied occupations. Yet there was scarcity of food-grains in Tamil Nadu
dragging the state into famine and epidemics. The price of a measure of rice went up due to skyrocketing inflation and the people had to stand in the 'Q' throughout the day to get even inferior quality rice at a high price.

The scheme of land-ceiling was the most conspicuous landmark in Karunanidhi's regime. It was a courageous step taken by Karunanidhi towards socialism that "no family shall possess more than 15 standard acres of land. He withdrew all the concessions granted to the land-lords by the Congress government. The landlords had taken advantage of the loopholes and lacunae in the legislation and moved heaven and earth to get the land-ceiling law struck down in court. But Karunanidhi government plugged those loopholes successfully.

The then Congress government had given wide publicity while implementing land reforms with famous slogans "referring to Gandhiji principles, Nehru's greatness and all high-blown ideals, but they did not move their little finger to implement these noble professions." The Congress government enforced the
ceiling Act on 6th April 1960. "As against 24,194 acres notified as surplus in 1967 (i.e., after 7 years) only 16,330 acres were actually available, but even this they failed to distribute to the landless."\(^{11}\) The Karunanidhi government, on the other hand notified the availability of surplus land of about "1,08,068 acres about 88,146 acres occupied, 67000 acres were distributed, and regular pattas issued in respect of 40,000 acres."\(^{12}\) The distribution was for some time suspended because of litigation in which the application of the land-ceiling act was challenged. Within three years of Karunanidhi's assumption of Chief Ministership, pattas had been issued to seven lakh landless agriculturists involving several lakhs of acres, besides the grant of housing land to another lakh of persons. He was keen that this must be a far-reaching operation, covering an extensive area going down to grassroot level in implementing and operating the schemes so that every nook and corner of the state and every landless peasant benefit from the reforms.

The Congress had taken possession of revenue land of about '288,000 acres and distributed it to 155,000
members during 1947-1967. But the Karunanidhi government acquired about 719,000 acres and the beneficiaries were 369,000 members from 1967 to 1975. Uncultivated government land was also put to use by Karunanidhi's government.

Under the Green Revolution, spectacular advance had taken place in the field of agriculture during 1969-75, through the concerted and continued efforts of Karunanidhi, the peasants and agricultural scientists. It signalled an agricultural break-through accompanied by a sudden jump in the yield per acre heralding state prosperity through plenty in the farms. Boosting agricultural production to arrest starvation and death had been the objective of the Karunanidhi government and to falsify the prophetic words of congressmen who predicted that the D.M.K. government would be a failure on the food front. The result-oriented, productive and dynamic socialist steps initiated by Karunanidhi not only made the state self-sufficient in food but also had produced a surplus, in spite of tremendous set backs on account of floods in the districts of South Arcot and to an extent of 5,463 hectares (13,500 acres) had been sand-cast. The government had taken
up a very challenging programme under various agricultural programmes and the entire agricultural machinery was geared to the task of attaining a position of surplus production.

It is gratifying to note that rice production in Tamil Nadu which was only "35.24 lakh tonnes during 1965-66 was increased to 61.00 lakh tonnes in 1975-76."15

The methods adopted to achieve this big leap forward (Green Revolution) in agricultural production were water conservancy and constant irrigation; improvement of soil through successful soil reclamation and better soil management practices; manufacture of indigenous fertilisers, greater application per acre of the same but better variety of seeds.16

His far-reaching schemes in procuring food-grains not only brought self-sufficiency but brought surplus. In 1973 when neighbouring states were facing scarcity of rice, he generously helped 'with 5000 tonnes to Maharashtra, 6000 tonnes to Gujarat 2000 tonnes to Karnataka, 3000 to West Bengal and rice was exchanged
The prosperity in agriculture was closely linked up with cattle wealth. In order to improve the quality and usefulness of the live-stock, several measures had been undertaken by Karunanidhi government over a long number of years. Some of them which are worthy of mention were the 'key village scheme, artificial insemination, egg and poultry production cum marketing scheme, piggery scheme and rinderpest eradication scheme.' The government had also formulated several schemes for implementation in the year so as to achieve the objectives more rapidly.

Priority had been accorded by this government to agriculture since the introduction of their systematic plans (inclusive of Five Year Plans) and traditional character of farming had been speedily transformed by adoption of package of modern practices during 1967-76. They were: 19 (1) High yielding varieties programme: Revolutionary changes had been brought about in the agronomic practices, the dosage of manure applied and cropping pattern of Tamil Nadu. The main principle of this programme was to provide all the required inputs
such as seeds, fertilisers and plant protection chemicals in time to farmers. (2) Emergency Rabi Production Programme: This was intended to compensate the estimated loss in the production due to the monsoon vagaries. This programme gave tangible results in three districts, Chingleput, North Arcot and South Arcot. (3) Pilot Project on Multiple Cropping: was to increase the cropping by 20% over a period of three years (3 year plan). Each project had an operational area of one lakh acres. (4) Intensive Agricultural District Programme: Adapting Research, a new approach for planned extension work had been usefully employed to increase production substantially. (5) Intensive Agricultural Area Programme: this was implemented in 169 blocks in five districts. Ryots in these areas were encouraged to adopt the package practices in cultivating their land. About Rs.15 lakhs were spent on this programme. (6) Opening of Demonstration Farms in Parambikulam - Aliyar Project: At the rate of one farm for an area of 500 acres, 283 demonstration farms had been selected, and a sum of Rs.49,500 had been provided in the Budget of 1973-74. (7) Opening of Demonstration Farm - Chittar-Pattanamkal Project:
Paddy was the crop which was raised in the demonstration farm. 46 farms were established during the year 1973-74 and a sum of Rs.83,000 was provided for in the budget estimate of 1973-74. (8) Indo-German Nilgiris Development Project: An agreement to jointly carry out advisory activities for the development of arable farming, plant nutrition and fertilising; plant cultivation; plant breeding with special reference to potato cultivation and potato breeding; fruit and vegetable development; plant protection and pest control; rural water management etc. (9) Fruit Development Scheme: The scheme envisaged extension of area under fruit cultivation to increase fruit production through long-term loans for fruit growers and rendering free technical advice to them on problems of fruit production. During 1973-74 1800 acres were covered. Under the Banana Package Scheme, short-term loans at the rate of Rs.1500 per acre disbursed through co-operative and commercial banks. An area of 25,000 acres was covered during 1973-74. (10) Hire area Horticultural Development Scheme: The scheme implemented in the five hill areas and covered an area of 1,160 acres. (11) Oil Seeds Development Scheme:
The object of the scheme was to multiply and distribute improved seeds to maintain the area under quality seeds and thus to increase the production of state to 13 tons at the end of 4th plan. (12) Groundnut Package Schemes; (13) Groundnut Export Oriented Programme, (14) Castor Demonstration Scheme, (15) Sun Flower, (16) Coconut Development Scheme, (17) Variety of Coconut Seedings Centrally Sponsored, (18) Cashew, (19) Arecanut, (20) Cotton, (21) Inte and Mesta, (22) Sugarcane, (23) Vegetable Development, (24) Urban Area, (25) Potato, (26) Chemical Fertilisers, (27) Opening additional Agricultural depots, (28) Agricultural Productivity Council (29) Marketing (30) Institutional Finance - Finance Corporation - Commercial Banks - Refinance Corporation, (31) Coco plantation Scheme, (32) Scheme for Small, Marginal Farmers and Agricultural Labourers, (33) Integrated Dry land Agricultural Development Projects etc., were implemented. Besides these schemes, the government imported "1500 tractors and initial spare parts of the value of 5,000,000 dollars, equivalent to Rs.3,75,00,000, through International Development Association." The Agricultural Engineering activities of the Agricultural Department handled
problems like (1) Soil and Water Conservation (2) Minor Irrigation and Land Development including Agricultural Engineering Workshops and (3) Research and Training. Tamil Nadu Agricultural University which came into existence in June 1971 had been entrusted with the task of running Agricultural Colleges at Coimbatore and Madurai and five research stations.

**Agricultural Labour Fair Wages Act, 1969**

In December 1968, the government appointed a Commission of Inquiry under the Commissions of Inquiry Act 1952 for the "purpose of enquiring into the problems of Agricultural labour, the relationship between labourers and their employers and other relevant issues and for submitting suitable recommendations." The government considered the report and decided to adopt a uniform rate of fair wages as recommended by the Commission for all kinds of work during cultivation season. The government had also accepted the
rates of wages recommended by the Commission for harvest.

The Tamil Nadu Agricultural Land Record of Tenancy Act 1969 - Despite the provisions in the Cultivating Tenants Protection Act, many landlords and tenants preferred to keep the leases oral and, consequently, quite a large number of tenancy did not come to the notice of the revenue authorities. For the effective implementation of the land reform measures and to enable the cultivators to avail credit facilities from institutional agencies a correct and up-to-date record of tenancy rights was required. The Act was passed to achieve the said purpose. Under the Tamil Nadu Land Reform (Fixation of ceiling on land) Act 1961, lands belonging to any charitable and educational institution of a public nature and the lands belonging to any trust were exempted from the ceiling imposed in the said Act. The said Act (third Amendment 1972) "had removed the exemption given to the trust lands and at the same time some concessions have been given in the case of educational and charitable institutions." 22

Under this Act, no land shall be held by any new public
trust created after 1st March 1972.

In 1961, only 9000 temples were under the control of the government, but in 1974 about 15,500 temples were brought under control. The government officials, after verifying thoroughly, submitted that about 2 lakh of acres of lands and 42,000 temples were under private sectors. The government took immediate action in confiscating 20,000 temples with 80,000 acres of lands.

"The Tamil Nadu Indebted Agriculturists (Temporary Relief Act) 1975 and the Tamil Nadu Indebted persons (Temporary Relief Act 1975)\textsuperscript{23}, "were enacted in order to give temporary relief to the agriculturists from recovery of debts due from them. Similar relief had been given to indebted persons who are non-agriculturists, not being persons affected by income tax."

"The Tamil Nadu occupants of kudiyiruppu Conferment of ownership Amendment Act 1975\textsuperscript{24} confers on agriculturists and agricultural labourers ownership rights over kudiyiruppu in their occupation as on 19th
June 1971 in areas where the Act had been brought into force.

Against the Centre's lifting of restrictions on the inter-state movement of coarse grains, Karunanidhi registered his timely and strong protest and warned that such a move would push Tamil Nadu towards a monstrous famine. He thus filled the empty food godowns of Tamil Nadu and converted them into a granary of India, which was an important achievement of his regime.

The Tamil Nadu government raised the minimum wages for all categories of Agricultural workers and also fixed the maximum hours of work per day for them. The wage discrimination between men and women was abolished, in tune with the national guide-lines. Now there are only two categories of workers viz., adults and non-adults. The government notification enhanced the wages as follows: 25 (Please see next page). Following are the wages in forces since July 22, 1975 in seven taluks of Tanjavoour district of Tamil Nadu based on Karthikeyan Committee Report. All kinds of work during cultivation
Table-I : Minimum Wage for Ploughing.

<table>
<thead>
<tr>
<th>Per Labour</th>
<th>Existing rate per day</th>
<th>Enhanced rate per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ploughing with own bullocks and plough</td>
<td>₹ 6.50</td>
<td>₹ 9.00</td>
</tr>
<tr>
<td>2. Ploughing with bullocks and plough of the employer</td>
<td>₹ 2.75</td>
<td>₹ 5.00</td>
</tr>
</tbody>
</table>

Further, the minimum wage for other agricultural operations had been enhanced and fixed as follows:

Table-II : Enhanced Minimum Wage for Different Agricultural Operations.

<table>
<thead>
<tr>
<th>Agricultural operation</th>
<th>Per adult rate per day</th>
<th>Per non-adult rate per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sowing, plucking of seeding</td>
<td>₹ 5.00</td>
<td>₹ 3.00</td>
</tr>
<tr>
<td>2. Transplantation and Weeding</td>
<td>₹ 3.50</td>
<td>₹ 2.10</td>
</tr>
<tr>
<td>3. Harvesting and reaping</td>
<td>₹ 5.00</td>
<td>₹ 3.00</td>
</tr>
<tr>
<td>4. Trimming, bunding, plucking nuts from tall-trees, and carrying loads of manure etc.,</td>
<td>₹ 5.00</td>
<td>₹ 3.00</td>
</tr>
</tbody>
</table>
season: Men Rs. 6 in cash or 6 litres of paddy and Rs. 2.75 per day; women Rs. 4 in cash or five litres of paddy and Rs. 1.50 per day. In the harvesting operations, six litres of paddy out of 54 litres of harvested paddy is uniformly paid.

Revised wages were given to employees in Dairy farming also as follows:

Table-III : Enhanced Minimum Wage in Dairy Farming.

<table>
<thead>
<tr>
<th>Particulars of work</th>
<th>Per adult rate per day</th>
<th>Per non-adult rate per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Milking job</td>
<td>Rs. 5.00</td>
<td>Rs. 3.00</td>
</tr>
<tr>
<td>2. Tending cattle</td>
<td>Rs. 3.50</td>
<td>Rs. 2.10</td>
</tr>
<tr>
<td>3. Skilled worker in Dairy Operations</td>
<td>Rs. 5.00</td>
<td>Rs.</td>
</tr>
<tr>
<td>4. Unskilled worker</td>
<td>Rs. 3.50</td>
<td>Rs.</td>
</tr>
</tbody>
</table>
Karunanidhi's government showed a new spirit in its ardent desire and grim determination to make Tamil Nadu one of the best industrialised states in India. The industrial policy of the government had always been consistent with socialistic aspirations and an enthusiastic promotion of socio-industrial programme. He made a start in industrialising the state and tried hard to forge ahead in this field, to catch up with Bombay and Delhi in industrial growth. His strong view was that industrialisation was the key to the economic advancement of Tamil Nadu.

The term 'industrial policy' refers to the government's policy towards the establishment of industries, their working and management. It includes all those principles, regulations, rules etc., which would influence industrialisation of the country and also nationalisation of industries. The industrial policy of a country largely depends on the industrial policy adopted by the government.
Tamil Nadu is the most industrialised of the four southern states and continues to enjoy the third place on the industrial map of India, after Maharashtra and West Bengal. It took rapid strides towards industrialisation. Industrial peace and conducive climate for investment, as also financial assistance accelerated the tempo of industrial activity.

Karunanidhi's industrial policy was designed to achieve the following objectives: (1) the establishment of a social order wherein justice and equality of opportunity shall be secured to all people; (2) the promotion of a higher standard of living to people by exploiting all resources; (3) the increase in production, both agricultural and industrial; (4) offering of opportunities to all for employment, (5) need for careful planning and (5) regulation of private enterprise.

As a result of such a pragmatic approach in the recent past, this state's share in the industrial output of the country in large scale sector is 12.3% which is larger than its share in the population of India.
In terms of per capita output in Tamil Nadu is Rs.742 in 1974-75 as against Rs.481 in 1967-68. The success in industrial growth and diversification in Tamil Nadu can be judged from the fact that it accounts for 31.20% of skin and hides, 28.1% of cement production, 16% of super sulphate, 14.3% of first transformers manufactured in the country in 1972.

The textile corporation set up to take over and manage rich mills is an important landmark in industrial field.

The cotton textile industry in the South is predominantly an industry with nearly one third of the total spindles in the country. The special problems in the spinning mills of Tamil Nadu is that they consume nearly 10 lakh bales of Indian cotton, out of which 6 lakh bales are grown in the southern region. The remaining has to be got from the north which adds to the cost of production and heavy freight charges to the mills. Another defect is 50% of the yarn produced has to be sent to north India. The yarn produced in Madras and Coimbatore goes as far as Calcutta, Delhi
and Amritsar incurring heavy transport charges." The textile industry in Tamil Nadu consisting of 212 mills, with 188 in the spinning and only 24 in the composite sector, was in doldrums. Nearly 60 mills were facing severe crisis. The Karunanidhi government had taken courageous steps to nationalise these mills.

Financial assistance was rendered for modernisation programme through Industrial Finance Corporation, Industrial Development Banks etc. The loans were guaranteed by the Karunanidhi government.

The textile industry under his government provided employment to 25,858 workers in 1968 and it contributes 10% of the total income of state. Impressive improvement had been recorded in cement production, caustic soda, electrical goods like power transformers, switch gears and bicycles. A giant Petro-chemical project under the Southern Petro Chemical Corporation with an outlay of Rs.35 Crores is being set up in Tuticorin in the co-operative sector. The Karunanidhi government is probably the first state government to encourage the emergence of a strong co-operative sector in recent
years. Fine technical information sections were functioning, one in each of the industrial estates and a Central Electrical Testing Laboratory had been set up in the Functional Industrial Estate at Kakkalur, with a view to rendering service facilities to small-scale industries which cannot otherwise afford to go in for costly machines. The government had also established Light Engineering Industries. The Chemical Testing and Analytical Laboratory at Gumdy and the Mechanical and Metallurgical Laboratory attached to it offer testing facilities to private industries as well as government departments and public sector organisations under chemical industries. A Ceramic Training School was functioning at Virudhachalam for training candidates in the manufacture of ceramic items.

The Karunanidhi government blazed a new trail in setting up industrial estates to promote industrial progress. There are 27 conventional industrial estates in the state with built-up factories of different sizes. With a view to providing well-planned accommodation for small-scale industries, provision had been made for accommodation, power, water transport etc.
Functional Industrial Estates had been set up to help sophisticated units for producing leather and electrical goods. Ancillary industrial estates and co-operative estates were set up to meet the specific and peculiar needs of various industries. A separate Corporation had been established for industrialization and diversified growth of industries and better utilisation of the available resources.

**Industries of Tamil Nadu:**

The Karunanidhi government had thus maintained the tempo of industrial growth. A team of Japanese experts which visited Tamil Nadu had informed the then government that the industrial climate in the state was as good as in their own country.

In spite of many hardships, Tamil Nadu had become an industrially important state in India, occupying the third place in the country. The major industries are sugar, textiles, Vanaspathi, fertilisers, caustic soda, industrial type gases, aluminium, plastic, cement,
automobile and ancilleries, bicycles, pencils and pumpsets. As a keynote of its industrial policy, the government promoted industrial expansion and nationalisation wherever possible. Nationalising the Aluminium company was part and parcel of this programme.

The government had asked the Centre for a licence to start a small car project. It thought that the ancillary and spare parts unit for the project had developed in such an excellent manner that it would be profitable to locate the project in Tamil Nadu.

The biggest and the most prestigious of all the Central sector projects in Tamil Nadu is the Salem Steel Plant (estimated cost: Rs.285 Crores). This plant will be producing special steel. Iron and steel are basic to industry, as steel forms the basis of industrial structure. No wonder, therefore, that the amount of steel which a country makes or uses is regarded as one of the best indices of industrial growth. The unremitting onslaught of Karunanidhi on the Centre had finally brought forth the Salem Steel Plant and he went ahead demanding a share in the industry.
The government of Tamil Nadu had applied for letters of intent for all projects, requiring a total investment of Rs.176 Crores. These included Rs.80 Crores Petrochemical complex at Manali. The Industries Corporation founded the cement factory by investing Rs.6.77 Crores at Alamkulam, producing 1200 tons of cement per day. It had also laid a steel melting industry with an estimated cost of Rs. 7 Crores. The contribution of the industrial sector to the state income had grown up from Rs.98 Crores in 1950-51 to Rs.290 Crores in 1967-68 and further rose to Rs.350 Crores in 1970-71.

The number of registered factories in the state had gone up from 6218 in 1969 to 6,412 in 1971. The consumption of power in the industrial sector has gone up from 560 million units in 1956 to 2,780 million units in 1970-71.

The Coimbatore Industrial complex, Salem complex, Tutricorin complex when they are fully developed will provide scope for starting new industries and providing employment for a large number of people. The Karunanidhi government had been pressing upon the Central government for opening a second mine cut at Negveli and
commissioning another thermal station there. The Hindustan Photo Films at Ooty was planning to take up production of colour films. The other industrial unit was the Madras Refineries, the proposed Rs.30.60 Crores plant to manufacture wax.

A ten crore government plant was started in Madurai, fertiliser plant at Tuticorin, soda ash plant at Tuticorin, a cigarette factory at Dharmapuri, potash project at Melur, Naptha based plant at Manali were some of the projects implemented by this government.

**Small-scale Industries Development**:

The Tamil Nadu Small Industries Development Corporation Limited, an undertaking of the government of Tamil Nadu (popularly known as SIDCO) was incorporated as a Private Ltd., company on 23rd March 1970 and converted later into a public Ltd., Company on 20th January 1971. The salient objectives of the Corporation are: 29 (1) "Effective procurement and equitable distribution of
essential raw materials required by small-scale industrial units; (2) Supply of machinery required by small industries on hire purchase basis; (3) Construction of workshops and making them available to industries on hire purchase basis; (4) offer of Technical consultancy for new entrepreneurs who desire to set up Small Industries and preparation of technical feasibility reports for new projects; (5) Consolidation of import licence of small-scale industries and effecting bulk import against them; (6) offer of marketing assistance to small-scale industries; (7) promotion of exports. 

SIDCO undertakes the distribution of raw materials to small scale industrial units. They are — (1) Iron and Steel Materials including stainless steel; (2) Zinc; (3) Mutton tallon; (4) Caustic soda. Few more items like scarce raw material such as potassium chlorate, coal and palm oil etc., had been included in the distribution programme during the year. The company had three raw material depots for releasing raw materials at Guindy, Madurai and Coimbatore.

The company commenced its regular operations of distribution of scarce raw materials from 14th Oct., '70
when it took over three raw-material depots from the
Directorate of Industries and Commerce. The company had
distributed iron and steel worth Rs. 417.89 lakhs during
the year ending 31-3-1973. For the period from 1-4-1973
to 31-1-1974 (10 months) the company distributed
materials to the value of Rs.463.33 lakhs.

Hire-Purchase of Machinery:

The scheme provides for procurement and supply of
indigenous as well as imported machinery. The cost of
machinery was recovered in 12 half yearly instalments
after an interval of one year from the date of receipt
of machinery under the scheme. The special feature of
the schemes are: "(a) The entrepreneurs are free to
choose the supplier and the machinery: (b) The maximum
assistance rendered was Rs.3 lakhs in ordinary cases
and Rs.5 lakhs in cases involving sophisticated
machinery; (c) Margin money was considerably low namely
5% if the cost of the machinery was less than Rs.25,000
and 10% if it exceeds Rs.25,000; (d) No other
collateral security need be produced by the entrepreneur.
The machinery supplied by the corporation itself was
taken as the security; (e) The rate of interest charged was at 10\% (half \% less than Bank rate prevailing from time to time); (f) The unemployed engineering graduates and technocrats were shown special concession. The payment of the initial margin money stipulated under the scheme is waived in their cases and they get cent per cent assistance."\textsuperscript{31}

Taking a good hard look at what in fact had happened in Tamil Nadu over the 9 years of D.M.K. rule, it is evident that it recorded a spectacular improvement in industrial growth. The large-scale industries were 1442 in 1975 as against 703 in 1967, medium industries 242 in 1975 against 30 in 1967, and small scale industries were 25,693 in 1975 as against 10431 in 1967.

\textit{Labour Policy}:

The \textit{labour policy} of the government of Tamil Nadu aimed at the preservation and promotion of industrial peace and the creation of a congenial climate in which "industry would flourish and the labour prosper".
Karunanidhi's policy is enshrined in the motto "May Industry flourish and Labour prosper." While collective bargaining was encouraged, the state had to step-in where a threat to peace and production arose, since the interest not only of labour and industry but also those of society had to be safeguarded.

Labour legislation is based on principles which are opposed to the concept of freedom, equality, individualism, and non-interference. 'There are four principles on which labour legislation is based: social justice, social welfare, needs of state and national economy and international uniformity.' It was also the policy of the government to secure implementation of labour laws in the private sector as well as public sector with a view to ensuring the safety, health and welfare of labour.

In formulating and implementing its labour policies and programmes, the Karunanidhi government drew upon the counsel and experience of veteran leaders of labour and industry through the State Labour Advisory Board which was the topmost consultative body on all matters
of policy relating to labour at the state level. Labour Administration in this state was under the following categories: "(1) Establishment Legislation (2) Wages Legislation (3) Industrial Disputes Legislation (4) Social Security and Labour Welfare Measures. In addition, separate chapters relating to Weights and Measures Enforcement, Employment Service, and implementation of C.T. schemes are included."

In pursuance of the settlement of 9th March 1972 between the managements of textile mills and their workmen in the state, the government set up a Textile Committee under the chairmanship of a Presiding Officer and a Labour Court.

In the disputes between workers and management in B and C mills strike for increase of Rs.30/- in workers' monthly emoluments, the bonus issue (dispute) in the textile mills in the Coimbatore region, in the prolonged strike of the Western India Match Factory in support of their charter of demands for revision of wages, dearness allowance, gratuity etc., and the dispute in Simpson and Group Companies, the good offices
of Chief Minister Karunanidhi was used to workout positive settlements, which restored the situation to normalcy. For the purpose of fixation of minimum wages for unorganised labour, committees had been set up in spite of the employment mentioned below: (1) Employment in Powerloom Industry (2) Employment in Tobacco and (3) Employment in rice flour. In order to discuss and finalise the implementation of the recommendations of the Wage Board for sugar industry, a tripartite committee was set up in persuance of a decision of the special meeting of the Plantation Labour Advisory Committee. The government had decided to introduce service books to the temporary and casual plantation workers. Under the scheme 30,000 plantation workers were benefited by this.

The government had constituted a Labour Welfare Fund with an initial grant of Rs.5 Lakhs from the state funds and also set up a Labour Welfare Board.

The employees' State Insurance Scheme had been extended to all important industrial centres in the state for the benefit of labour population. The new
Employees State Insurance Scheme Hospital at Madurai had been commissioned with 202 beds with effect from April 1971. In order to provide medical facilities to the workers under the ESI scheme, a new Employees State Insurance Dispensary had been set up at Konur to build up the health and the strength of the children and women-folk of industrial labour. An industrial nutrition programme for their benefit was implemented in the state. The budget of the scheme was meant to supply balanced diet to the pre-school students and pregnant women. In workers' families national employment service had steadily expanded its area of operation to include every type of employment seeker in the country to find out a solution to the problem of unemployment among the technically qualified personnel.

A stipendiary training scheme for unemployed engineering graduates, diploma holders and craftsmen had been introduced by the government and they were given training in various government departments.
Tamil Nadu Khadi and Village Industries Board:

The Tamil Nadu Khadi and Village Industries Board constituted on 1st April 1960 functioned for the development of Khadi and village industries schemes with the object of providing large-scale employment to the unemployed and the under-employed in villages and to supplement the income of the farmers by spinning during their leisure hours and encouraging village industries and thereby creating self-reliant communities in rural areas. The Board was then financed by the Khadi and Village Industries Commission by way of grants and loans for the implementation of its programmes.

There were "139 production and 173 Khadi crafts" during Karunanidhi's regime both in Tamil Nadu and Pondicherry states. The Khadi Craft at Kuralagam, Madras is the biggest sales emporium of its kind in India and offers a wide range of articles in Khadi, village industries and handicrafts for sale and attracts regular customers including foreigners. There are other medium type Khadi crafts at Tiruchinapalli and Coimbatore, Salem and Madurai.
The policy of the Board is to produce goods readily marketable in the Depots and Emporia in this state and reduce the purchases from other institutions and outside the state as far as possible. During the year "1972-73 a sum of Rs.87.16 lakhs was disbursed as wages to spinners, weavers and other artisans. There were more than 30,500 traditional kisan yard spinners and 12,200 Ambar and Textool yarn spinners producing 185-70 lakhs of hands during 1972-73. Khadi weavers numbering 2,200 produced 26.52 lakhs of meters of cloth, valued at Rs.115.62 lakhs."

The State Board had started "102 simplex and 6 twelve spindle Rural Textile Centres providing employment to 10,200 spinners." To attract more spinners by giving increased wages it had become necessary to introduce the improved version of the existing 12 spindle charakhas by 24 spindle charkhas to be operated on power.

The Board had also proposed 5 rural fabric centres as pilot schemes which aim at decentralised power spinning and power weaving to produce cloth similar to
mill cloth at a competitive cost. In these centres spinning was done in 9 frames of 48 spindles run on power. "Each centre had 432 spindles for spinning, 240 spindles for doubling 17 looms." 

The Board had created an 'Artisan Welfare Fund' by deducting 2½% from the weaving wages and one paisa per hank on spinning wages from the artisans. The Board will be contributing an equal amount to the 'welfare fund'. The payment from the welfare fund will be made only after three years. The Family Benefit Schemes ordered by the Tamil Nadu government had also been made applicable to the Board staff. The Board framed its own budget on the pattern of government budget under two separate funds viz., Khadi fund and village industries fund. The government sanctioned a grant of "Rs.29.34 lakhs for development of Khadi industry and payment of audit fees to the Accountant-General and the Chief Auditor, State Trading Schemes 1972-73." The grant and loan assistance was received from the Khadi and Village Industries Commission, Bombay for 1972-73. From 1st July 1973, as per orders of the government of Tamil Nadu, the Board had separated its
accounts from Public Accounts of Government and it had its transactions with commercial banks.

**Village Industries**

Village Industries Schemes are designed to alleviate rural poverty, by utilising locally available man-power and material resources and by supplying the consumer needs, especially in rural areas. The village industries programme at the state level is determined by the size of assistance received from Khadi and Village Industries Commission. The government also provided financial assistance by way of net cost grant and short term loans for special schemes. At the end of 1972-73, there were altogether 259 departmental units and 2,430 Industrial Co-operatives. The total value of village industries products produced was Rs.842.33 Lakhs, the total sales effected being Rs.959.40 lakhs. Under these industries Rs.210.90 lakhs was distributed as wages to 2.24 lakh persons.
Rehabilitation of Toddy Tappers:

Consequent on the government's decision to close down all toddy shops with effect from 1st September 1973, it had been proposed to take ameliorative measures to rehabilitate about 20,300 toddy tappers who had been rendered jobless. The total estimated cost of the scheme was Rs.40.60 lakhs. According to this scheme the ex-toddy tappers were enrolled as members of the Jaggery Manufacturing Co-operatives and they were provided financial assistance to the extent of Rs.200 each (Rs.25 as grant and Rs.175 as loan).

The government had agreed to share 25% of the cost and had sanctioned a sum of Rs.10.15 lakhs during 1973-74 out of this Rs.1.27 lakhs was grant and the balance of Rs.8.88 lakhs was loan to be repaid by the Tamil Nadu Khadi and village industries Board. The remaining 75% of the cost had been agreed to be borne by the Khadi and Village Industries Commission. In the wake of the growing unemployment situation in the state and more so in the rural areas, the Khadi and village industries programmes have acquired special significance. (1) Full Employment Guarantee Scheme: This
ensured credit facilities to "3.75 lakhs of artisans engaged in 17 village industries over a period of 5 years from 1974-75 involving an outlay of Rs.34.65 crores with the participation of the Khadi and Village Industries Commission, the State government and five nationalised banks had taken up the project. (2) ‘Half-a-Million Job Programme’ : Under this scheme of the Government of India, 'the formation oil societies' and rural fabric centres were proposed. (3) Gobar Gas Scheme : Due to energy crisis and oil and fertiliser shortage the Khadi and Village Industries Commission had obtained clearance from the Government of India, for erection of 20,000 Gobar Gas plants at the National level with 25% subsidy from the Central Government. Of this, Tamil Nadu had been allotted 2,000 plants for 1974-75. To enable the implementation of the scheme, it was proposed to manufacture 2000 gas holders with an outlay of about Rs.1.65 lakhs, which provided employment opportunities. A silk establishment farm was founded at Dharmapuri with an outlay of "Rs.37.20 lakh and the scheme brought Rs.90,00C as a return per month."
Natural Calamities:

Floods and droughts had always been a major problem in Tamil Nadu's economy. They periodically ravaged the country, resulting in famine and scarcity of water. In early March 1969 when Karunanidhi succeeded Anna as Chief Minister, the unexpected failure of the monsoon for the first time in 100 years of Tamil Nadu history brought new dangers and new emergencies. Fear and apprehension gripped the hearts of the people in every village and town.

As a result of the failure of monsoon in 1968, the economic situation in entire Tamil Nadu had deteriorated, the people had undergone sufferings in several ways due to the major economic depression for the first time in the history of the state. The food production had been adversely affected and the people had to face a very critical situation of unemployment etc. Fortunately public disorders and industrial conflicts were not there. Above all, there was a sense of social and spiritual responsibility among the people.
During Rajaji's regime, there was a mild type of drought in Tamil Nadu. The statesman in Rajaji appealed to the people to do Bhaja Govindam (to offer poojas to God X Govinda) to get rains. Even though Karunanidhi is a man of rationalistic principles, went to the extent to following the superstitious ideals of Rajaji and issued an official order to the Board of Hindu Religious and Charitable Endowments to perform pooja in all Hindu temples of Tamil Nadu. He had also requested Bishops of the state to conduct sermons in churches. He further had requested Muslims to pray Allah, the benovelent Almighty to get rain. On his request, "3 lakhs of Muslims did Mulla at Marina Sea-shore in which Janab Md.Koya and Janab Abdul Samad participated."46

In the Tamil Nadu Assembly there was 'Call Attention' notice on this matter of urgent public importance moved by the Chief Minister himself. The House "recommended to the Tamil Nadu government to impress on the, Centre to supply immediately along with the first instalment of one lakh tonnes of rice requested for, another instalment of two lakh tonnes of rice as it is feared that the drought condition will
extend to the other areas in this state and as it is expected that situation will become explosive with problems such as food scarcity, water scarcity and unemployment cropping up in a dangerous form." The House also recommended to the State Government... "to request the Centre to sanction immediately the amount requested for by the State Government as also additional amounts that may be required in the shape of grants to afford relief to the drought affected areas where the situation is worsening day by day...”

Karunanidhi had personally taken several emergency and revolutionary measures to afford relief to the people affected by the drought conditions. The drought relief (which was conceived by him), was one of the strong foundations laid as a permanent measure in the galaxy of his achievements to face any natural calamity even if it were to occur in future. In one of his schemes, "about 8 lakhs of people were employed in 4,000 varieties of relief work and a total amount of Rs.17 Crores was spent on this scheme. Of the Rs.17 Crores, Karunanidhi obtained Rs.14 Crores from the Centre with his diplomacy." Condemned wells and
deserted lakes were repaired and restored, large number of villages were provided with drinking water facilities and new bus-routes. Of the 17,000 villages in Tamil Nadu, 11,000 were affected by drought conditions and 1,107 high level water tanks and 2,150 hand pumps were provided during his regime. For deepening wells and for drinking water purposes Rs.33.5 lakhs, and Rs.2 crores were spent respectively.

For deepening and digging new wells, lakes and ponds the relief fund was distributed to the following districts:

- Chingleput: Rs. 65 lakhs
- North Arcot: Rs. 65 lakhs
- Tiruchi: Rs. 75 lakhs
- Madurai: Rs. 100.00 lakhs
- Tinelveli: Rs. 74.5 lakhs
- Dharmpuri: Rs. 30 lakhs
- South Arcot: Rs. 90 lakhs
- Tanjore: Rs. 45 lakhs
- Pudukottai: Rs. 99.50 lakhs
- Ramnad: Rs.150.99 lakhs
- Coimbatore: Rs.100.00 lakhs
Karunanidhi was the first Chief Minister to resort to scientific method to get rains. He had consulted Mr. Fred Clerk, the Chairman, Research work for Artificial Rain and Atmospheric Corporate of America. On arrival, Mr. Clerk stated to press correspondents... that it is possible to get 20" rain to Puzhalary lake by applying Silver Iodide to the rainy sky..." Tangible results were achieved in this Artificial Rain Scheme, the cost of which worked out to Rs.15 lakhs. The object of getting artificial rain was two-fold; one to get Puzhalary lake filled to supply drinking water to Madras city; and another to accumulate water at Nilgiri dams. Karunanidhi’s timely judgement and insight saved 4.5 million people from the epidemics. His programmes, unparalleled in the history of calamities in any state in the last 100 years, or so aiming to care for distressed, to provide employment, to aid agriculture, to maintain financial stability of the country, to safeguard the savings of the people, to protect their homes, were not mere paper plans, but were actually implemented.
Power for Prosperity:

Electric energy is the key to economic advancement and speedy change in industrialisation. It is the main nerve for a constantly moving technology, science and civilization. Its utility and indispensability to the developing countries was fully realised by Karunanidhi. He was familiar with the work of the great Lenin who shaped Russia after revolution by generating electric power. His government gave importance for procuring electric energy. The Legislative passed a Resolution as follows: "The economic development of Tamil Nadu will be greatly retarded if the ever increasing demand for electricity is not fully met. As the major hydel power possibilities in Tamil Nadu have been fully exploited, it has become indispensable to set up Thermal Power Plants. While there is the problem of coal shortage in the country there is an imminent need to exploit and utilize the available lignite found at Neyveli to increase the power generation in Tamil Nadu. Hence the Assembly earnestly requests the Union Government to include the implementation of the second mine cut and the associated 1,000 M.W. station straight away in the fifth Five Year Plan."
Besides being the mascot of industrialisation, electricity generation and use is the index of economic development of a society. Tamil Nadu was a pace-setter in power generation and supply. The power generation in Tamil Nadu was higher than the total output of the three Southern States. Tamil Nadu ranks the first in India in hydro-electric power, in the use of electric power and power generation and in the number of consumers. "Of the 4.6 crores of Tamil Nadu's population, about 3.98 crores i.e., 70% of the population are residents of villages and therefore 95% of the villages were electrified by the Karunanidhi government."54

It had taken second place in the utilisation and generation of electricity. The Nilgiris is the largest source of hydro-electric power. The generation of electricity was "5,076 million units in 1975-76 as against 2,505 million units upto 1967."55

With a wide network of transformers and distribution lines extending over a large area, electricity easily reached the remotest corner of the state.
The utilisation of power in industries upto 1967 was "1,603 million units and there was a steady rise and reached 2,348 million unit in 1975-76, and in agriculture 1,776 million units in 1975-76 as against 732 M.U. upto 1967." About "20,250 M.U. of electric power was provided to villages and towns upto 1967, but during 1975-76 it rose to 41,081 M.U. upto 1967 the total number scheduled castes colonies which received electric lights were 4,354. In 1975-76 the total number increased to 19,734. There were 2,89,903 electrified irrigation pumpsets upto 1967. The spectacular increase in 1975-76 was 5,99,682 pumpsets.

Out of 14,124 inhabited villages in the state, 12,841 villages has been electrified i.e., 91% villages were electrified. In respect of electrification of scheduled castes colonies, great progress had been achieved. Out of 21,000 scheduled caste colonies in the state, 83% of colonies had been electrified." 57

The phenomenal growth in power generation was witnessed in respect of installed capacity during 1967-76. There were "15 hydro-electric stations with
a total installed capacity of 1,145 M.W., and three thermal stations having a capacity of 251 M.W. The State's share in the total power generation in the country was 12.1. The per capita consumption of power in Tamil Nadu was higher than the All-India level. Tamil Nadu power grid was inter-linked with the systems of the neighbouring states in order to provide mutual assistance during emergencies and optional utilisation of electric energy generated. Tamil Nadu has the distinction of having constructed the first 230 M.V. transformer line in India.

**Electricity:**

The Madras Electric Supply Corporation was the first public electric supply undertaking in the state and it commenced generation and distribution of power in 1908 in Madras city. The second one was at Ootacamund formed in 1925 by the municipality. The State electricity department came into existence by 1927. The first 230 K.V. line in India was erected in Tamil Nadu. The first Hydro and Power station in the State at Pykara in 1932
had the highest head in Asia. Kundah Hydro-electric scheme, the largest single Hydro-scheme, was executed with the aid of the Canadian government.

The energy generated and purchased from the neighbouring states in 1950-51, was 1053 M.U. at the beginning of the first plan, which increased to 2,238 M.Us. at the end of second Plan. At the end of third plan the generation of power was 4,041 M.Us. During 1970-71, 6,189 M.Us. was the total energy generated.

Although, the population of the state constitutes about 7% of the all India population, Tamil Nadu generated 11% of the total power generated in the country in 1969-76. With the expansion in the capacity, the sources of generation had been diversified. "60% of the power was produced from Hydro-electric source, the thermal power accounting for 40% in 1970-71. In 1970 power purchased from other states rose in 1,063 M.Us. of which 32% was from Kerala and the balance 68% from Mysore State."59

The source of power in Tamil Nadu was only Hydro
electric potential with no oil and coal reserves struck in the state. Thermal plants have also been set up. There has been an upward trend in the consumption of electricity with the growth of power plants and the network of transmission and distribution lines laid to every nook and corner of the state. The power consumption in Tamil Nadu and the 3 Southern states in compared below:

<table>
<thead>
<tr>
<th></th>
<th>1970 - 71</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(M.M.)</td>
</tr>
<tr>
<td>Gross Gen.</td>
<td>Percentage of Total</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>5,638</td>
</tr>
<tr>
<td>Andhra</td>
<td>2,904</td>
</tr>
<tr>
<td>Kerala</td>
<td>2,129</td>
</tr>
<tr>
<td>Mysore</td>
<td>4,823</td>
</tr>
</tbody>
</table>

Tamil Nadu had made rapid strides in rural electrification.

Community Development Scheme:

One of the most enduring achievements of Karunanidhi,
has been the Community Development Programme, which brought the people and the government closer to each other, for the economic development of rural areas and helped in bringing about the green revolution. In this scheme, the local leaders had evinced keen interest and taken initiative in the execution of various responsibilities entrusted to them. The scheme had also brought about a silent psychological change, creating in the villagers an urge for betterment and self-reliance.

Tamil Nadu has two-tier Panchayat Raj institutions, the one at Panchayat level as the basis and the second at the Block or Panchayat Union level. At the district level, there is an advisory body, known as District Development Council and it had no executive powers. At the state level, Panchayat Development Consultative Committee is functioning, under the Chairmanship of Chief Minister. These three committees have been reviewing the work of the Panchayat administrative units. Many procedural problems, impeding implementation of the programme had been set right on the basis of discussions in the Consultative Committee.
Karunanidhi, the Chief Minister, highlighted the objectives of Community Development Programme in the budget speech of 1972-73 as follows:

"One of the principal tasks of a socialist government is to remove the disparities between the urban and rural areas. In keeping with this concept, this government have always shown a keen interest in rural development and the upliftment of the rural population. One of the goals we have kept constantly before us is to make available all modern facilities like electricity to all the villages in the state. Today there are no link roads or drinking water facilities in many villages. It has been estimated that more than Rs. 300 Crores would be needed if roads and drinking water facilities are to be extended to all the small villages and houselets. But if we are to be deterred by the magnitude of this estimate, we will not be able to make even a modest beginning. We have therefore decided on a time-bound and phased programme for meeting this target. As a first step, it is proposed to undertake a five-year programme to link all villages and houselets with a population of 1500 and more with main roads and also
connect the adjacent small villages. For this purpose, it has been decided to levy a surcharge, of 10% on Motor Vehicle Tax and with the proceeds set up a Rural Roads Development Fund. In addition, the ceiling for the local cess surcharge reviewed by the panchayat unions will be raised from 1.50 to 2.50 mainly to enable the panchayat unions to provide drinking water facilities and link roads for the small villages and hamlets.

Tamil Nadu has 374 panchayat unions, 12,642 village panchayats and 600 Town panchayats, covering a population of about 271 lakhs in rural areas. For administrative purpose, Tamil Nadu has been divided into fourteen revenue districts, with the Collector as head of each district. Of these 14 districts, Madras district which is purely urban in character and co-terminus with "The Madras City Corporation, does not participate in panchayat development and hence, Community Development Districts. There are 23 Development institutions functioning in the remaining thirteen revenue districts."

For the purpose of rural development, each of the ten bigger revenue districts, have been divided into two Development districts and the remaining three Revenue districts have been constituted into three Development
Districts. In 1972 there were 23 Development districts in 13 revenue districts of the state. A District Development Council has been formed, with the District Collector as the Chairman under the Madras District Council Act, 1958 "for each of the 23 Development Districts, as a permanent advisory body, consisting a chairman of all Panchayat unions, all MLAS, MLCs, and MPs of the district, Chairmen of Municipal Councils, Presidents of Co-operative Central Banks and Gazzetted officers of Government in the district concerned with planning and execution of Development." 62

Road Transport and Development Programmes in Tamil Nadu:

Karunanidhi held that 'Industrialisation of the country must be preceded by a revolution in transport. Otherwise industrialisation programme will become imperfect and incomplete.' 63 Road transport is an essential and integral factor in social and economic development. The Road Transport Industry is keeping pace with rapid industrialisation and economic development in both urban and rural areas. The 'transport'
industries which undertake nothing more than the mere movement of persons and things from one place to another, constitute one of the most important activities of men in every stage of civilisation."64 For the prosperity of a country, agriculture, mining and industry are very important. But equally important is the system of transport and communications, which makes trade possible. If agriculture and industry are regarded as the body and bones of the economy, transportation and communication constitute its nerves.

The main function of this Department in Tamil Nadu was to administer the provisions of the following Acts and the rules made thereunder: "(1) Motor Vehicles Act, 1939 (2) Tamil Nadu Motor Vehicles Taxation Act, 1931 (3) Tamil Nadu Motor Vehicles (Taxation of Goods) Act, 1952."65 The Transport Department is under the administrative control of the Transport Commissioner. The Transport Commissioner is also the State Transport Authority and he is assisted by two Deputy Transport Commissioners and two Assistant Secretaries. In the districts the collectors act as Regional Transport Authorities. They are assisted by Regional Transport
Officers who are secretaries of Regional Transport Authorities. In the city of Madras, the Commissioner of Police functions as Regional Transport Authority.

The policy of nationalisation of the Karunanidhi government remains unchanged. It applies to the following categories of bus routes: "(1) All routes of 75 miles and above, both express and ordinary service (2) All routes radiating from or terminating in Madras city irrespective of length; (3) All routes in the Kanyakumari district including those which are radiating from or terminating in that district." The policy was being implemented in stages. The routes are taken over when the permits of the private operators expire, including inter-state routes. For the effective and prompt implementation of the policy, certain provisions of the Motor Vehicles Act have been amended.

During the year 1971, an important measure was undertaken by Karunanidhi in the field of Road Transport Industry, viz., the nationalisation of fleet bus operator's concerns having 50 and more route buses with permits. "In pursuance of this policy decision, the Tamil Nadu
Fleet Operators Stage Carriages (Acquisition) Act, 1971 (Act 37 of 1971) was enacted and it received the assent of the President on 4th December 1971. This Act had enabled the government to nationalise the buses operated by the five leading operators who owned 50 and more route buses as on 19th June 1971. Transport Corporation to manage the services nationalised under this Act have been formed. During the Transport Development Council meeting held at Srinagar in August 1971, it was suggested that the existing departmentally operated State Transport undertakings should be converted into Statutory Road Transport Corporations as speedily as possible so that such corporations may have the benefit of capital contribution from the Ministry of Railways.

Taking this view into consideration, the Pallava Transport Corporation was formed and the bus services which were hitherto operated by the Tamil Nadu Transport Department in the Metropolitan city of Madras in the district of Chinglepet were transferred to this newly formed Corporation. The Tamil Nadu State Transport Department now operating the nationalised buses in the
Thus the year 1971 was a revolutionary year in the regime of Karunanidhi, which re-organised Transport Industry by making important changes for providing more public facilities on a socialistic pattern. Although this policy was initiated in 1967 the nationalisation of all the categories of routes, could not be completed as the operators had been taking the matter to the courts on one ground or the other. In August 1972, the government announced its policy to nationalise the entire passenger transport service within a period of 5 years. "The Tamil Nadu Stage Carriages and Contract Carriages (Acquisition) Ordinance was promulgated on 12th January 1973 to give effect to this policy. This ordinance was replaced by the Tamil Nadu State Carriages and Contract Carriages (Acquisition) Act, 1973." In pursuance of the Ordinance promulgated, the stage carriages in the Nilgiri district were acquired by the government on 14th January 1973 as the first step. But the Act had been struck down by a Division Bench of the High Court. However the grant of permits, renewal of
permits etc., had been ordered under the Motor Vehicles Act by the Supreme Court of India.

There has been a steady growth of vehicular population over a period of 10 years i.e., from 21,689 in 1962-63 to 42,768 in 1972-73. The Tamil Nadu State Transport had a sizeable share in Inter-State Transport. There were various stages of agreement between Tamil Nadu and Karnataka; Tamil Nadu and Kerala; Tamil Nadu and Andhra Pradesh; and Tamil Nadu and Pondicherry.

The actual position of Goods Vehicles and Contract Carriages in Inter-State Transport:

<table>
<thead>
<tr>
<th></th>
<th>Public Carriers</th>
<th>Private Carriers</th>
<th>Tourist taxies</th>
<th>Ordinary taxies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamil Nadu-Andhra</td>
<td>2500</td>
<td>100</td>
<td>20</td>
<td>150</td>
</tr>
<tr>
<td>Tamil Nadu-Karnataka</td>
<td>1200</td>
<td>50</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>Tamil Nadu-Kerala</td>
<td>800</td>
<td>100</td>
<td>20</td>
<td>250</td>
</tr>
<tr>
<td>Tamil Nadu-Pondicherry</td>
<td>4:1</td>
<td>No limit</td>
<td>No limit</td>
<td>No limit</td>
</tr>
</tbody>
</table>
Pallavan Transport:

It is well known that the Metropolitan Transport services all over the world sustain heavy losses and Pallavan Transport Corporation Ltd., is no exception to this rule. The operations are such that this is inevitable. The Corporation came into existence on the 1st January 1972. New socialistic ideas had been introduced. One such was the 'Collection Bonus' scheme under which a percentage of collection is divided among the traffic and technical staff. This new scheme has produced excellent results. Constant efforts had been made to streamline its operations and maintenance work and the administrative set up had also been recognised in order to fix up the responsibility on the Branch Manager for the total performance of the Depot.

The authorities have been evincing keen interest in the welfare of the labourers. A housing fund had been constituted by the corporation with a capital of Rs.8.77 lakhs. The housing colony at Chrompet was formed. Workers were given training on various courses.
Cheran Transport Corporation Limited:

It started its operations from 1st March 1972 with an authorised share capital of Rs.1 Crore of which Rs.35 Lakhs was subscribed and a fleet strength of 109 vehicles. During the last two years its fleet strength had increased nearly four-fold to 410. It had a unique distinction of showing a return of 20% on capital employed during the year 1972-73.

Pandiyan Roadways Corporation Limited:

This corporation was started with an authorised share capital of Rs.5 Crores and subsequently Rs.5.25 Crores during the year 1972-73. Its paid-up capital was Rs. 50 Lakhs. It had kept up its progress by increasing the fleet strength and its operations.

Cholan Roadways Corporation Limited:

The authorised capital of the corporation was Rs.3.0 Crores and the subscribed capital was Rs.48 Lakhs. At the time of taking over, Cholan Roadways Corporation had 176 vehicles; now it has increased to 313.
Anna Transport Corporation Limited:

Though it started with a small number of 45 buses and an authorised share capital of One Crore, it had more than doubled its fleet strength in just about a year's time. The period being very short, it is difficult to make any realistic assessment of its performance as far as profitability is concerned.

Katta Bomman Transport Corporation Limited:

It had started functioning on 1st January 1974. Its area of operation was limited to Tirunelveli and Kanyakumari districts. This had been formed out of the jurisdiction of State Transport Department and Pandiyar Road Ways Corporation. It had an authorised share capital of Rs.5 Crores and a fleet of over 400 vehicles.

There are four Regional Automobile Workshops and a Motor Vehicles Maintenance Organisation under the control of State Transport Department.

The scheme of employees' participation in the equity and the management had been introduced in this
Corporation on 10th June 1973. The Transport Corporation had taken full advantage of the half a million jobs programmes announced by the Government of India. The Transport Department of the Tamil Nadu Government proposed certain amendments to the Government of India's initial scheme which had been accepted by the Centre. Pension schemes had been extended to cover all the Transport employees.

Poompohar Shipping Corporation:

The Tamil Nadu Shipping Corporation had been constituted with the aim of increasing the volume of coastal traffic along the Southern and Eastern Coasts and also to avoid the present concentration and congestion of shipping traffic in Bombay. The Poompohar Shipping Corporation had purchased two ships, one from the Shipping Corporation of India, weighing about 10,900 tonnes for Rs.75 lakhs which was named after 'Periyar' and another one weighing about 7,750 tonnes for Rs. 1 Crore from Japan Shipping Corporation and was named after 'Anna'. Of all states in India, the Karunanidhi
government in Tamil Nadu was the first to come forward to purchase two ships for the state.

National High-ways :

The growing importance and urgency of National High-ways projects and other sector schemes necessitated the sanction of a separate National High Ways Department. The Government of India have assumed the responsibility for the formation and maintenance of the main arterial roads called National High Ways, but the works are executed through the agency of State High Ways and Rural Works Department by the National High Ways wing.

The Department which came into operation from 29th September 1971 was in charge of the National High-Ways Project, Metropolitan Road Development Programme, Central Road Fund and Pamban bridge work and so on. The major schemes which were undertaken by this department were:  

(1) Kodai-Palani Ghat Road  
(2) Kulithalai Bridge in Tiruchirapalli district  
(3) Gemini Fly-over in Madras city limits  
(4) Pamban Bridge on National High Ways  
(5) Forming Bhavani Bye-pass on National High Ways and East Coast Road.
The total mileage for the state had increased from 34,115 Kms. at the beginning of the first plan period to 65,933 Kms. at the end of 1969-70. The expenditure increased so far from the year 1967-68 to 1971-72. In spite of it the Road Development activities in the state was Rs.46.80 Crores due to the development activities and the estimated employment opportunity was about 5,64,000. "All the proposed schemes when implemented during the IVth Plan Period will increase the total length of the road, in the state to 77947 Kms. at the end of 1970-71 in all 122 major bridges, 3 subways over 2 bridges are so far completed."73

Karunanidhi's constant pressure on the Centre, finally brought forth the sanction for the construction of a road bridge across the Palk Strait connecting the Rameswaram Island with the main land at an estimated cost of Rs.532.87 lakhs (Bridge portion Rs.481.86 lakhs plus approaches Rs.51.01 lakhs). This Pamban Bridge Project was a prestigious project and unique in the sense it was built on the open sea overcoming a number of natural odds and it is the first of its kind in the entire country. He had also sent a titanic plan for
National High Ways worth Rs.75.00 Crores comprising Rs.65.00 Crores for road works and Rs.10.00 Crores on bridge works to the Government of India for approval in 1974.**74**

Cauvery Water Dispute:

Karunanidhi was exceptionally clever, politically well-informed, diplomatically sharp and highly Tamil-spirited in dealing with the Centre or handling Inter-State problems. In regard to the Cauvery water dispute, Karunanidhi said... "the Cauvery water problem is not merely a governmental problem, but it is of Tamils and Tamil Nadu."**75** Since King Chola's time, Tamil Nadu has been exercising a conventional right to use the Cauvery water, though it takes its birth in Karnataka. The June 1924 pact on Cauvery water between the two States stipulates "under any circumstances the water due to Tamil Nadu (endorsed in the official agreement) should not be reduced. Dispute or conflict, if any, should be discussed among the concerned states."**76** These two states had 12 official talks in the presence
of Central representatives from 1967 on. In all the discussions the Centre had supported Karnataka State for political reasons.

While adopting the budget of Karnataka State, in the Lok Sabha, during the President rule, the Centre sanctioned funds to build the Hemavathy Dam across the Cauvery to store water. On 29th May 1972 a Commission consisting of the representatives of three States passed a resolution that no State should store water and all states must follow the present system and the flow of water should not be reduced under any circumstances. Yet Karnataka government had infringed on the resolution of this Commission which was repeatedly brought to the notice of the Centre. The Centre then formed a negotiating committee between these two states but the prolonged negotiation pathetically failed. In the case of such unresolved state problems, Karunanidhi usually invited opposition party leaders for their suggestions. No Congress Chief Minister of Tamil Nadu had the farsightedness and the democratic sense to invite others party leaders or opposition leaders in such crisis situations.
But Karunanidhi set a shining example as a great statesman in respecting and recognising their valuable advices on state issues. More than twice is the State Legislative Assembly, he demanded the Centre to entrust this issue to a tribunal and to issue an order to concerned states not to violate the 1924 Pact. He also called attention to one of the clauses of the Pact which says... "the water position will be reviewed for modification after 50 years, but it is nowhere stated that the pact will expire after 1974." The Cauvery water dispute still remains an unsolved problem.

Agreement on Siruvani Water:

With all Karunanidhi's untiring efforts, a ninety-nine year agreement for the supply of 1300 M.cft. of Siruvani water by Kerala for the Tamil Nadu government's drinking water supply project in Coimbatore was signed at the conclusion of the two day inter-state ministerial level talks at Trivandrum on 19th August 1973. At the inter-state talks in May 1969, the accord was of a general nature. The present (1973) agreement through
Karunanidhi's influence finalised the details. According to the agreement "a dam across the Siruvani river was to be built as part of the project. The cost of the dam will be borne by Tamil Nadu which will also bear its maintenance expenditure. The control and maintenance of Siruvani reservoir will however be with the Kerala government." 78

This project was enabled to function after 5 years and it benefitted 5 lakhs of citizens of Coimbatore city and its neighbourhood.

Public Health and Family Planning:

The Karunanidhi government had been attaching the greatest importance to the maintenance of the sound health of the people as part of his strategy of economic development of the State. It was aware that every citizen should, within as short a period as possible, be enabled to have minimum necessities for the maintenance of sound health, namely nutritious food and a satisfactory medical health care. The government made
the medical services) more and more broad-based and efficient to provide an effective base for health services in rural areas so as to be within the easy reach of the common man, by expansion of medical and nursing services, by paying attention to Post-graduate Medical Education and Research and by training paramedical personnel to meet the minimum technical manpower requirements.

On the advice of Karunanidhi, the government had also taken effective steps for the control of communicable diseases like Tuberculosis, Leprosy and Cancer and ensured the supply of pure and standard drugs. The development of indigenous systems of medicine and homeopathy was receiving special attention during his regime as they were long neglected. Towards the achievement of these objectives, he formulated and implemented several schemes and found a rapid improvement in the level of people's health.

There was a progressive increase in the total outlay on medical services and Medical Education in respect of plan schemes. "About 706 medical institutions (including
the Primary Health Centres and ESI Hospitals) were under the control of the Director of Health Services and Family Planning with a total bed strength of 13,665."

Apart from the general medical facilities afforded to the people by the Directorate through the District Headquarters, Taluq Headquarters Hospitals, non-taluk hospitals etc., special programmes were implemented for the control of Leprosy, Tuberculosis and also Cancer.

The control of leprosy was an important welfare measure of Karunanidhi. Leprosy is an age-old disease handed over from generation to generation. To control the spread of Leprosy, the Karunanidhi government had launched a Leprosy Control Programme, as part of his constructive programmes.

During the year 1971-72, three control units were started by this government and six subsidiary centres had been upgraded into full-fledged control units. Under this National Programme, the government had started several control units for the control of Leprosy. Out of 411 lakhs of people inhabiting Tamil Nadu, 280
lakhs of people are living in rural areas. Among them 170 lakhs are being covered by the National Leprosy Control Programme either by government or by voluntary organisations. It was estimated that there were 1.5 lakhs of Leprosy cases in the state and about 3.7 lakhs had already been brought under the programme."

Karunanidhi government had been bestowing considerable attention to the control of the communicable disease of TB through the Tuberculoses control programme which is in existence for a number of years. The objective of this programme was to diagnose and treat as many TB cases as possible and thus prevent transmission of infection amongst children by giving prophylactic vaccination in a systematic manner.

His government had also a programme for the control of Cancer a deadly disease. The World Health Organisation was giving a grant-in-aid of Rs.1,50,000 each year for a period of 5 years for the Cancer control project in this state named Aringar Anna Memorial Cancer Institute, Kancheepuram. The grant will be available till 1974. A sum of Rs.3 lakhs had been released by the
World Health Organisation for the first two years through the government of India for further grants-in-Aid for the use of institution for the purpose equipment, and therapiic equipment. The government had under considera­tion a scheme for extending Cancer detection and treatment to the districts.

This government formed a separate Directorate in the year 1970 "to ensure rapid development of the Indigenous systems of Medicine, exclusively for the Indigenous Medicine under a separate Director. The Directorate started functioning from July 1970 and an advisory committee had also been constituted to advise the department on Indigenous Medicine and Facilities."80

The Directorate of Indigenous Medicine was responsable for the implementation of teaching, and training and research programmes relating to the three Indigenous systems of medicine, namely Siddha, Ayurveda and Urani systems. Five Siddha wings are functioning in the state now and three is a proposal to start 5 more Siddha units in the District Headquarters hospitals during the course of the year.
The government were also keen in forming the Homeopathy Council, and expedite necessary steps to regularise Homeopathy and permit the Panchayat unions to start Homeopathy dispensaries in the area.

**Family Planning Programme:**

The Karunanidhi government was anxious that the need and knowledge about the use of contraceptives should be brought to all the eligible couples so that they might guard themselves against the burden of too many children by planning their families. The provision in the Fourth Five Year Plan for the entire family planning programme was to the tune of Rs.2.01 lakhs. During this plan period, priority was given to Post Partum Scheme, Immunisation and Additional Nutrition for children and expectant mothers.

The 1971 census population figure for Tamil Nadu was 41,103,125 out of which 29,772,549 were male and 20,330,576 were females. The rural population of Tamil Nadu as per 1971 census is 28,656,265 and urban 12,446,860.
In the rural areas the Family Planning Programme was implemented through the Rural Family Welfare Planning Centres which were attached to the main Primary Health Centres.

There are 373 Rural Family Welfare Planning Centres at present. In the urban areas the Family Planning work was mainly organised through Urban Family Welfare Planning Centres, which were administered by voluntary organisations, and the state government.

As per the 1971 census population, the state was eligible for 249 sub-centres at the rate of 1 for 50,000 population. So for 233 centres had been opened, 149 urban centres had been sanctioned by the state government, 69 local bodies and 15 voluntary organisations. Intensive Family Planning drives were conducted with a view to maximise the number of eligible couples to accept sterilisation programme by intensive propaganda etc.

Karunanidhi said, ... "Matrimonial life has got an onerous responsibility of having children only by choice
and not by chance, and be getting children who cannot be supported properly by the parents, is a social crime. Therefore 'We Two - We Will Have Two' should be the slogan."

The object of the Family Planning programme in Tamil Nadu "was to reduce the birth rate from 36 per thousand to 25 per thousand by about the year 1978-79." However, the programmes implemented under the Family Planning are centrally sponsored and financed.

The importance of Family Planning programme need not be over-emphasised as a tool of economic planning in an over-populated state like Tamil Nadu. This is because over-population had resulted in the widespread prevalence of corruption, immorality and many other social evils, leading to a miserable fall in human values and normal standards. On economic grounds, too, family planning is an imperative and a compelling factor.

Tamil Nadu has set a 'second All-India record' in family planning. Karunanidhi's time-bound and target-
oriented programmes was an effective means in planned economic development.

In this chapter, we have tried to assess briefly the nature and impact of Karunanidhi's economic policies. The preceding chapter had focussed on social policy. But the distinction between social and economic policy cannot be too finely drawn because social justice and economic justice are vitally interconnected and interdependent. Therefore, some overlapping and repetition has been unavoidable. Nonetheless, such a distinction has been recognised in this thesis because it enables one to appreciate better the record of the D.M.K. Government under Karunanidhi's leadership.
REFERENCE

1. Karunanidhi's speech at the National Co-ordinating Committee for State Autonomy.


3. Ibid.


5. Ibid.


12. Ibid.


14. Agriculture Demands - Issued by the Agriculture Department, Tamil Nadu Government Publication.

15. Ibid.

16. Ibid.


20. Ibid.
21. Ibid.
23. Ibid.
24. Ibid.
29. Tamil Nadu Small Scale Industries Development Corporation Ltd., Sidco, A Review, 1973-74,
34. Ibid.
35. Ibid.
36. Ibid.
38. Ibid.
39. Ibid.
40. Ibid.
41. Ibid.
42. Ibid.
44. Ibid.
45. Ibid.
46. Sidambaranar Tamihaz Thalaivar, p.46, Erode Kudiarasu Pathippagam.
47. Veeramani, Thi Mu Ka Sadanaikal, p.4, Madras Viduthalai Pathippagam.
50. Ibid.
51. Ibid.
52. Ibid.
53. Ibid.
54. Ibid.
56. Ibid.
57. Ibid.
59. Ibid.
60. Ibid.
61. Ibid.
62. Scheme on Technical Education as quoted in *Progress of Education - 1974-75*.
63. Ibid.
64. Ibid.
67. Ibid.
68. K. Veeramanii: *Thi Mu Ka Sadhanaikal*, Vidyuthali, Pathippagam, Madras.
69. Ibid.
70. Ibid.
71. *Indian Express*, April 1975.
72. Quinquennial Review, p. 45.
74. Ibid.
75. Ibid.
76. Ibid.
77. Ibid.
78. *Tamil Nadu at a Glance - 1972*.
79. Ibid.

82. Ibid.

83. Quoted in Thi Mu Ka Sadhanaigal, Viduthalai Puthippagam.

84. Ibid.