

rubber companies, or many of them at any rate, have lost all their reserves and are not in a position to go ahead with ambitious programmes. The threat of ruin therefore faces Malayan rubber and the future of 400,000 Indians working on the plantations is also in jeopardy. Much more

is involved, of course, for the Western World would not care to precipitate an economic crisis in Malaya, which will have severe repercussions elsewhere and yet, so far at least as the planters are concerned, "if the rubber industry of Malaya falls, the economy of Malaya will fall with it."

tion for property acquired, have been incorporated in the resolution at the instance of industrialists. These are hedged in by other recommendations which will have the opposite effect on private enterprise, particularly point 15 of the resolution, which suggested that planning and control of industries should be undertaken by the Government. This is considered by many to be a complete negation of the earlier recommendations. These patent contradictions evoked the criticism, both in the labour and the capitalist camps, that Government were trying to run with the hare and hunt with the hound.

### *Our Delhi Letter*

## **Standing Committee For Industries**

**S**INCE he assumed office, our astute, incorruptible Finance Minister has been trying to build up a sound financial structure in the country according to the principles of economics he learned in his college days. Of these, the one about restoring the confidence of investors has been cardinal. This has involved a great struggle which he inherited from his predecessor, but has succeeded in doing quite a bit on his own, to push the battle further. There remains, nevertheless, a striking difference between his methods and those of the former Finance Minister. While Sir Shanmukham courted the shy Dame Capital, openly and unabashedly, Dr. Matthai has had to do a lot of tight rope dancing to win her. The other day, the juggler nearly lost his foothold.

The Congress Assembly Party was discussing the provisions of the draft constitution relating to the acquisition of property. Dr. Matthai counselled moderation. He advised that Government should soft-pedal their measures, particularly in relation to the abolition of zamindari. In expressing his views, he is reported to have spoken directly and sincerely, without reserve and without mincing his words. The Congress benches took umbrage.

Pandit Nehru himself had to remind him of the Congress election pledges. Quailing under the cross-fire, Dr. Matthai threatened to resign.

The crisis will probably pass off as legal luminaries like Shri K. M. Munshi, Sir Alladi Krishnaswami Ayyar and Dr. B. R. Ambedkar put their heads together and think out a suitable "formula". But the incident was revealing.

Dr. Matthai is not, however, the only Minister who has been struggling to achieve a middle-of-the-road economic policy which would be acceptable to all. Dr. Shyama Prasad Mookerjee is another. The 15-point programme to encourage private investors, drawn up under his inspiration by the Advisory Council on Industries, which met here last week, has been applauded as a masterly attempt at reconciling conflicting points of view. Actually, it merely puts the two points of view together, ignoring the contradiction.

The recommendations on the review of taxation policy, early completion of the work of the Income-tax Investigation Commission, depreciation on replacement value of plant, adjustment of wages and prices and on payment of fair and equitable compensa-

Official sources, however, pointed out that controls to be exercised under the Industrial Bill, will not necessarily be punitive or restrictive. If properly executed and administered they will have a beneficial and stimulating effect on industry. It was suggested that Government should set up a separate body of experts to exercise the functions of planning and control. Until this specialised machinery is constituted, hope centres round the 11-15 member Standing Committee of the Advisory Council on Industries which Dr. Shyama Prasad promised to set up this month. It is expected that the Committee will work as a high-powered tri-partite commission and will go into the technical problems of each industry with the assistance of experts. Thus it hopes to rationalise some of the major industrial undertakings in the country, cut down production costs, and eliminate uneconomic methods of work. The Ministers of Commerce, Industry and Supply, and Finance, leaders of the labour organisations, Mr. Ashok Mehta and Mr. Khandubhai Desai, and top industrialists are likely to be represented on this Standing Committee.