

(Premiers) and Dr Zanganah (a Minister in Razmara's Government) between the latter part of 1949 and the earlier half of this year, besides the attempt on the present Premier Mussadq's life. In Syria, the head of the Nationalist Party Anton Saadoh, President Zairn and Premier Berazi were all murdered in Damascus during the months of July and August 1949.

This year, Riad Beh Solh, ex-President of the Lebanon Council first fell a prey to the assassin's bullet, followed by King Abdullah of Jordan and, last but not least, Liaquat Ali Khan of Pakistan.

While King Abdullah of Jordan was a staunch supporter of the British who broke away from the Arab League and was contemplating a separate Middle Eastern bloc which would collaborate with the West, Gen. Razmara of Iran was a moderate who could not ask the British to quit Iran. It was in short extremists discontent with moderation which found expression through terroristic violence against individuals thought to be responsible for the alleged pale-facedness.

In Pakistan, particularly, Liaquat Ali was a sobering influence which, according to the more fanatic elements, was a drag on the progress of the State towards pure pan-Islamism. A zamindar from the United Provinces, the ex-Nawabzada, notwithstanding the fact that his forefathers had migrated from the land of five rivers, was out of caste with the Punjab Pakistan.

Liaquat's additional disqualifications were that he passed through the portals of Aligarh without getting tonlaminated with communalism and that he cast wistful glances towards Dr Ansari and the Nationalist Muslims during the days when Pakistan was not a creed with the Muslim League.

The Quaid-e-Azam knew him to be a middle-of-the-road man and made use of him to sugar his bitter pills for the Congress. The Bhulabhai-Liaquat Pact was an instance in point: none but Liaquat could have achieved it. Similarly when the League had to work in a Government along with the Congress, Liaquat was chosen to head their team leaving the Quaid-e-Azam live to pull strings from behind.

Alter Jinnah's death, Liaquat had to play a dual role. To steal the extremist thunder, he had to flaunt the clenched fist; to avoid the catastrophe of an Indo-Pak military showdown, to the disastrous effects of which on both the countries he was

fully alive, he had to hold back the over-enthusiasts. But in the latter capacity, he could not be positive for fear of falling out of favour with the fanatic section. Pulled in two opposite directions, he could not disarm the Right wing but on the other hand played into their hands by launching an onslaught against the Leftists. Ultimately, he fell a prey to the venomous serpent whom he led, however reluctantly though he did not raise it.

Pitted against him was an assorted group of opportunists, as unscrupulous as one can be in politics. On one side, Fatima Jinnah with the purse strings of the Muslim League intact in her hands gave him no peace. She assailed him from right and left and charged him with deviating from the Quaid-e-Azam's path. Her recent broadcast partly blacked out by Radio Pakistan, was a broadside against the Liaquat Ali Government for being soft towards India, especially on the Kashmir and evacuee property issues. Behind Miss Jinnah were others like Khaliqzaman, powerless by themselves, but bent on unseating Liaquat Ali, through hook or crook.

A llama Mashriqui, whose disciple the assailant is said to be, is another adversary on the Right. His Khaksar organisation was anti-British in

#### *Calcutta Letter*

### **American Protest Against Jute Export Duties**

N. R. Gopalakrishnan

EVERY possible argument has been brought forward by those connected with jute to explain to the Government that the current level of export duty cannot be maintained without seriously affecting India's overseas trade. Lest it be mistaken to be an agitation by the local industry to increase its profits, there is sufficient evidence also to show that consumers abroad themselves are much concerned over what appears to all to be an endless down-hill movement of burlap.

This new-found voice of the consumer in matters of jute is a significant development. Over a number of years when he was tossed about between different shades of control and put to considerable difficulty otherwise, he held his patience. He still bought burlap, without much outward sign of agitation, in the hope that with the return of normal conditions, which, he thought, would not take long, these aberrations would automatically cease and bother him no more. There were,

the pre-Pakistan days but it was more an emotional opposition than anything else. Allama, a Pa than hailing from Amritsar, started in the Indian Educational Service and rose to be an Assistant Secretary to the Government of India. He relinquished his job and took to politics which ultimately landed him in jail. But he was never serious about what he said or did. At times, he was even talking as a Communist, threatening to seek Soviet help to drive the British away.

After Pakistan became a reality, he had no more causes to champion and so became an advocate of pan-Islamism. He planned to re-unite India and Pakistan under Islamic rule.

In this welter of confusion whose only characteristic is an absence of ideology and an abundance of leisure-class opportunism, it is difficult to unravel the motive behind the murder. It is undoubtedly a political murder and is an attack from the Right, however much the Pakistan authorities may try to present it as a foreign-inspired crime. The nomination of Khwaja Nazimuddin, to succeed Liaquat Ali, however, is an indication that moderation will not be thrown to the winds. What this will mean to the future of Indo-Pak relations only time can show.

doubtless, protestations that reticence on his part would be misunderstood for satisfaction; he was particularly urged to make his voice heard when the antics of the export control department became intolerable, late in 1950. But till now it has been to the good fortune of jute goods that they were accepted without much question, and the intractable conduct of control stoically put up with. But the patience of almost all consuming countries seem to have been exhausted, and New Delhi is now left with no doubt how their mind is working.

Thus it is that the Textile Bag Manufacturers' Association of the United States issued a long and closely reasoned statement on what they thought would be the inevitable fate of burlap if the present rate of the duty was maintained any longer. The argument was not whether the duty by itself was high or low. It was that, to the consumer, burlap, with the present duty, was uneconomic in relation to cotton and

paper, which could be advantageously substituted for it in many uses and which are cheaper and available in sufficient quantity. The Association put it as the unanimous view of US consumers that a lasting harm had already been done to the domestic burlap market by the high cost of this fabric.

" It is a demonstrated fact that the US bag buyer has shown ample evidence that he can get along with less than half of his former volume of burlap bags. It is also an axiom of American business that it may not be difficult to hold a market but it is a big undertaking to re-capture a market."

And, finally, the Association cast the entire responsibility on India and said unqualifiedly that " through the short-sighted policy of the Government of India the American burlap bag business of over 70 years standing, is fading lastly into extinction and taking with it the burlap importing trade and the used bag business."

The same line of argument, supported by equally indisputable figures, has been taken up by Chase Bag Company of New York — for hundred years in the line, as they say—in their open letter to the Finance Minister of India. Attention is particularly drawn to the comparative figures of export to the United States and to the record of US burlap consumption during January-August, 1949, 1950 and 1951. They are reproduced below and speak for themselves.

Finally, the Finance Minister is told that " exports during the first eight months of this year are 34½ per cent less than for the similar period in 1950 and that the consumption has fallen by 27½ per cent." And the Government of India are asked point blank whether they are " interested in retaining and resuscitating the American market for burlap."

Exports of Burlap from India to US ('000 yards)

	1949	1950	1951
January	89,600	45,600	46,300
February	55,400	79,100	52,000
March	66,500	50,300	31,100
April	43,700	48,900	34,700
May	47,300	47,600	58,900
June	44,000	45,000	33,900
July	69,100	88,600	30,600
August	82,800	53,800	13,100
<b>Total</b>	<b>498,400</b>	<b>458,900</b>	<b>300,600</b>

US Consumption of Burlap including Continental Goods ('000 yards)

	1949	1950	1951
January	69,100	52,800	70,300
February	67,100	46,800	51,500
March	66,100	64,100	47,100
April	66,300	66,400	47,600
May	63,100	64,400	42,200
June	64,300	66,000	36,700
July	47,700	58,200	33,000
August	69,100	87,600	38,800
<b>Total</b>	<b>512,800</b>	<b>506,300</b>	<b>367,100</b>

Apparently the Company have received no reply from the Government yet. But as far as published intentions go. Authority apparently does not see any reason to cultivate the US market by reducing the export duty. The Finance Minister said in Parliament that there has been a " revival " of interest. The

Minister for Industry assured Parliament that the Government was watching the situation.

Meanwhile, however, a late report from the United States indicates that the concern over the duty and the consequent fall in burlap consumption...is not confined to the trades people alone. Speaking at the Far East Conference, of the Far East America Council of Commerce and Industry recently, a spokesman of the Office of the International Trade, US Department of Commerce, is reported to have observed that the most notable of the export duties imposed by South East Asian (Countries was that on burlap, increased on three occasions. After emphasizing the importance to India of maintaining burlap exports to the United States, he argued that there was no indication that consumption would increase at the



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present Calcutta prices. Approximately one-third of this price was accounted for by the export duty. His fear, as that of every knowledgeable person, was that once, consumers took to alternative packaging materials, they are not likely to revert to the original product, except partially.

To crown all is the still more recent information that in September the total US consumption of burlap was just 37 million yards compared with about 85 million yards in September last year. Even granting that the latter figure is somewhat unusual, there is no mistaking the precipitous fall in the last nine months.

The reader may well be left in doubt why we should bother so much about the American *consumer of jute* when he, the consumer of ever so many things, is himself kicked about or completely ignored. The reason is not far to seek. Jute goods are out and out a commodity for export. And unlike in cotton textiles, there is no balance of an internal market. And, what is more, jute goods have only parasitic existence; to add to which is another virtue, that they are at no time irreplaceable. And if further asked why the *American* consumer in particular, it is well to be reminded that US takes well over 50 per cent, of the total burlap goods production, or about a quarter of the entire jute manufactures; and this item provides more than half of the total dollar earnings of this country. And no one has ever said that the Americans are at any time without resources. In fact, the trouble has been that US is self-sufficient in so many things and potentially so in many more.

Tin has not much in common with burlap. But it is on somewhat similar ground as regards the influence of the American consumer. Facing a sudden fall in price recently it appears that two Malayan mining companies asked the Malayan Federal Government to invite US tin experts to ascertain production costs and determine a fair price for the metal. This was in reply to the US Reconstruction Finance Corporation's remark that while the Corporation was willing to pay a fair price for tin, no purchases would be made unless purchasers kept their profits at a lair level. It appears that the suggestion of the mining companies has now been accepted by the BFC.

A development worth taking note of in industries other than tin also.

## Delhi Letter

# Four Years of Parliament

THE last pre-election session of Parliament which commenced on August 6 came to an end on October 30. Members and Ministers alike were happy that the long and protracted session was over and that they were free at last to go to the electorate for nursing the voters. Now that Parliament is dissolved, one may try to assess its achievements during the last four sessions. I find from my talks with politicians, industrialists and others that the assessment of the Parliament's work varies from circle to circle. Congressmen, by and large, seem to feel that it has done exceedingly well all these years while political groups opposed to the Nehru Government naturally emphasize its various omissions and shortcomings. A dispassionate review of the work turned out in Parliament should reveal, however, where the politicians have failed the people and how Parliament functioned in initiating reforms and regulating the executive to function on right lines. One can also draw valuable lessons for the voters to profit by.

It must be said in defence of the Members of Parliament that, they had to go through a heavy and unplanned agenda of bills and resolutions. During the past four sessions, Parliament had to examine and deal with 150 bills—by no means a small number, considering that the great and arduous task of drafting a Constitution for free India had also been carried out by it. During the last session alone, Parliament had 50 sittings and dealt with 2 050 interpellations and as many as 54 bills besides amendments to delimitation orders. It has passed a few very important economic measures. Among them some deserve special mention.

In August last Parliament passed the Tariff Commission Bill to set up a Tariff Commission as recommended by the Fiscal Commission. This measure should, if effectively implemented, protect Indian industries against foreign competition and at the same time, ensure that consumers are not exploited by the producers. Though the Government would not include cottage and small scale industries in their scheme of protection. Parliament secured an assurance from the Government that the interests of small enter-

prises would be fully safeguarded. Another important economic measure passed by Parliament was the Company Law Amendment Bill. This Bill seeks to make it impossible for antisocial elements to corner shares of public-limited companies with a view to trading in those companies at the cost of the consumer and the shareholder. Though the House was not bold enough to demand an outright abolition of managing agency system, it willingly empowered the executive to put down unscrupulous elements with a firm hand.

Another noteworthy economic measure passed by Parliament was the Employee's State Insurance Act (Amendment) Bill. This Bill seeks to distribute the burden of employees' insurance scheme among the employers in the whole country. As if it was contended that the competitive capacity of industries in Delhi and Kanpur (where the scheme was to have been launched as a beginning) was adversely affected, the Government decided to make employers in all centres pay some contribution, the employers in Delhi and Kanpur alone paying slightly increased amounts. This, it is believed, would remove one great obstacle to the early implementation of the employees' insurance scheme on a nation-wide basis.

More controversial, and one that was originally expected to encounter stiff opposition in Parliament, was the Industries (Development and Regulation) Bill. This measure, when it was placed before the country three years ago, had to face severe criticism particularly from the business community. It was then taken as a danger signal that the public sector was trying to swallow up the private enterprise. The Bill was considered as an overt attempt at nationalisation drive intended to perpetuate wartime economic controls. In September and October this year, the Government revised some of its provisions so that the Bill could have an easy passage through Parliament. The Ministerial Benches sponsored the measure as necessary for implementing the Five-Year Plan, and Parliament which was not opposed to economic planning and Government assumption of necessary powers for planning, approved it