

From the London End

## The Week of the Old Horse

THE portrayal of the leadership of the Trade Union Congress as an ageing horse in saddle by Mr. David, now Manchester Guardian's cartoonist, was never more apt. At last week's conference of the Congress, the old leaders—aver 90 per cent of whom have been on the General Council of the TUC for over 10 years and have earned the title of "Right-wing"—were able as in all previous years to maintain just that degree of restraint and moderation which would in Tory eyes make the TUC an institution worthy of continued praise. But this by no means suggests that the Conference was of little significance.

There was to be perceived at times an almost perceptible movement away from the "sense of responsibility to the broader needs of the country" argument which the platform has invariably used to the satisfaction of the authorities. More than this, the schism between the representatives of skilled workers and the more right-wing leaders of the less organised, unskilled sections was more marked. Another notable feature was the considerably greater attention given by the Conference to national economic policy than to matters of international significance.

For weeks the TUC Conference was heralded by a spate of inspired publicity on the part of the semi-official press about the "dangers" to the economy resulting from the current round of wage claims. It was, therefore, not unexpected that the centre of controversy in the Conference should have been the motion (sponsored by the Electricians), calling for full TUC support to all the wage demands of affiliated trade unions. In the climate of the "card vote"—that hideous practice of Labour democracy—it was inevitable that this motion should succumb to a resolution somewhat milder and less obnoxious to the authorities. And yet the trend of discussion was particularly illuminating and instructive.

The Electricians' resolution had necessarily called for a free discussion of Government's economic policy. That there was a crisis in the economy nobody doubted, and it was expected that the T.U.C. General Council, who before the Conference had had an interview with the Prime Minister, would outline Governments

plans to meet domestic inflation. In its report, the General Council found the policy of Government "obscure and difficult to understand". This was not surprising. What was surprising was the counter suggestion included in the Presidential address and reiterated in the Council's report that (a) the time had come for a "concerted" study to be made of the "national economy" and its attendant problems and (b) that the Conference should not do anything which would anticipate Government's policy. It was clear to all concerned that these proposals were suggestive of nothing more than a lack of policy on the part of the TUC General Council itself.

The crisis in Government policy is a real one. The "credit squeeze" through monetary policy has taken too long to have any effect on inflation, which has already begun to gnaw at the vitals of the price mechanism. Government would wish to add wage restraint to its armoury of economic weapons, but can only do this by limiting dividends and levying higher taxes on profits, and this, of course, is outside the Chancellor's powers. Apart from proving how utterly wrong Government had been in its revolutionary abandonment of controls over the economy, such a step would meet with widespread opposition from the Federation of British Industries and suchlike august institutions of capital.

Taken by itself, the credit squeeze appears to be having greater impact on the living standards of the working man than on profits. The sharp rise in interest rate? has pushed up household rents while the current profits boom is able to take the higher cost of borrowing money in its stride.

These immediate effects of the credit squeeze were not beyond the comprehension of the Conference. Indeed, many of the delegates, sensing the negative policy of the General Council, were able to argue, and cogently too, that a large proportion of the blame for the current gap in the demand and supply for resources lay at the door of the rearmament programme. And it must remain one of the more remarkable turnabouts of our decade that official thinking has come to argue on these lines as well.

The Times, that ever loyal interpreter of Government's point of view, in an editorial comment, put the now-publicly-recognised truth thus:

"Naturally, if international tension were to be permanently relaxed, the problem of the double burden would fade away. Without that the prospect is forbidding—those who can see the end of the cold war, can see the escape from the dilemma. For the rest the dilemma remains."

The Financial Times, too, quickly faced up to the reality. It described the rearmament programme as the "storm-centre" of the current inflation. It was, therefore, not easy for the General Council to oppose the resolution for a cut in "call-up",



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i.e., a cut in the period of military conscription.

The impossibility of reinstating the wage-freeze, in view of the difficulty the Authorities would experience in placing controls on dividends and profits and the recognition now that a cut in rearmament spending would bring balance to the economy, is possibly the most important lesson that came out of the Trades Union Conference. Another lesson was the exposure of the "inflationary wage-price spiral" argument which has now been peddled for years. By discerning the causes of inflation in the existing economic structure and policy and especially in the rearmament and cold war programme, it could be realised that wage demands were not the starting point of inflation but its reflection. "Prices are not panting after wages", as one dele-

gate put it, "wages are panting after prices".

The failure of the Electricians' resolution by a vote of 5 to 3 and the adoption of a milder resolution moved from the platform did not fully reflect the temper of the debate. What is, however, clear and definite is that the authorities will now not be able to solve the present crisis by means of a wage-freeze.

The split between representatives of the skilled and unskilled workers at the conference was illuminating because had the controversies taken place a few years earlier, the split would have been described as being between the Left and the Right in the British labour movement. The controversy on this occasion was on the question of the granting of powers to the General Council to

intervene in industrial disputes in order to avoid strikes. In the past, the Left always supported proposals for increasing the powers of the TUC. On this occasion the reverse situation was reflected.

The Right-wing now finds that it is the Left-controlled Unions which are more and more resorting to direct industrial action, and it was with a view to circumscribing the individual union's powers in this field that they were prepared to grant greater "sovereign" powers to the TUC which they controlled. The voting was close: 5 to 3.5 in favour of increased TUC powers. It showed that the common ground necessary in trade union policy was sadly lacking: suspicion and mutual distrust were all-pervading. A common front with a common policy was thus not the outcome of this year's Trade Union Congress conference.

### From the Calcutta End

## Jute Target Under Second Plan

BOMBAY'S prosperity is based on the cotton textile industry. Calcutta is the home of the jute textile industry. There are some, other States where there are cotton mills. Statistics indicate a relative expansion in the cloth industry in States other than Bombay. Even so, Bombay remains the major cloth-producing State in this country. West Bengal is the only State which manufactures jute goods. Bengal may have lost its near-monopoly in the world jute industry. But West Bengal retains its monopoly status within the country as the producer of jute goods.

India was formerly a considerable exporter of raw cotton. She is still a minor exporter of short-staple cotton, in which she has a monopoly. India's transformation from an exporter of raw cotton to an exporter of cloth is a partial reflection of her growing industrial status. India was never a large-scale exporter of jute. But partitioned India is an importer of raw jute from Pakistan. India's cotton textile industry is expanding. Her jute industry is threatened with the emergence of Pakistan as a serious rival. After eight years of independence, this seems to be the major economic consequence of partition.

At the time of partition, both the textile industries were faced

with the problem of an internal shortage of raw materials. For the cotton textile industry, the main problem, was the shortage in quality cotton. For the jute textile industry, the raw material shortage was both quantitative and qualitative. This was another immediate economic impact of partition. This problem has been solved in respect of the cotton textile industry. For the jute industry, too, there is no longer any quantitative shortage in raw material. This is one of the main agricultural achievements since partition.

### Welcome Developments

But quality raw jute is still in short supply. India has to import quality jute from Pakistan. Opinions differ whether India can ever become self-sufficient in quality raw jute. Official efforts have led to an improvement in the quality of raw jute produced in this country. Modernisation of jute mills has, one gathers, minimised the industry's requirements in quality jute. These are welcome developments. But, for some years to come, India will have to rely on Pakistan for supplies of quality jute. This is where Pakistan will continue to have an advantage.

This is also where the Indian Central Jute Committee enters the picture. ICJC does for raw jute what the Indian Central Cotton

Committee does for raw cotton. Both these organisations undertake agricultural and technological researches to improve the quality of the raw materials concerned. These bodies exist for the benefit and welfare of the growers. Interests of the industries concerned are looked after by separate organisations. LIMA is to the jute industry what the Bombay Mill-owners' Association is to that city's cotton textile industry.

### ICJC

Last week, the Indian Central Jute Committee held its annual meeting in Calcutta. A committee was formed to study ICJC's agricultural and technological research on jute. This committee will investigate ICJC's actual achievements of practical utility to the jute-growers and the jute mills. ICJC has also recommended to New Delhi a scheme for undertaking extensive trials all over the jute-growing States to study the performance of the improved varieties of jute and different manurial treatments under varying soil and climatic conditions.

Expansion in jute cultivation since partition has been astonishingly rapid. There has also been some improvement in the quality of raw jute produced within the country. Even then, production of adequate quantities of quality jute remains the main problem before the jute-