

fail to add that he was referring to his own experience in Orissa, and would not speak for other provinces.

The note of realism he struck by opposing prohibition, Mr. Mahatab maintained throughout in that meeting at Green's where questions were freely asked, and he answered all of them, without, however, giving out any tips on which one could have a flutter on the stock exchange. The fear of nationalisation, he said, was a figment of imagination, since the Constitution guarantees compensation whenever Government choose to acquire any property. He agreed that control of ginned cotton, while unginned cotton or *kapas* was left free, made no sense, but he did not say how the two could be reconciled—by decontrolling cotton, or by bringing *kapas* under control.

Mr. Mahatab knows that a certain section of the people hold the view that managing agents take away most of the profits. It is, difficult, however, to get the right people to work for less profit. This was, after all, against human nature. When the right type of people came forward to work for less profit, then of course, the system of managing agency could be done away with. But, not before then? Any way, the Government of India were looking into the matter.

Bad reporting obscures somewhat his views on corruption. It appears, nevertheless, that Mr. Mahatab does not profess to know the extent of corruption in the ranks of the officials but is convinced, nevertheless, that it is nothing compared to the general corruption prevailing in the country. It is, in any case, on the decrease, and could be completely eradicated with more public co-operation and vigilance. According to one of the versions appearing in the daily press, Mr. Mahatab is reported to have said: "I would rather say that persons like that prominent industrialist are responsible for the existing corruption in the Government machinery." If he has been correctly reported, who is the prominent industrialist he picked on?

The Minister of Industry and Supply made no secret of the fact, that Government officials controlling industries like textiles had no practical knowledge of the working of mills or of the cloth trade. This is a fact, and this was his complaint,

and Mr. Mahtab said, this time obviously not in his individual capacity, that he was thinking out a proposal to recruit officers from industry itself to work the technical departments of his ministry.

In short, the Minister of Industry came out with flying colours from the catch-as-catch-can verbal wrestling bout which he had so sportingly joined at the instance of the Progressive Group. Indeed, his performance highlights all our failings as well as our strong points. It is possible for the Central Government to advocate something. At least one of the Cabinet Ministers speaks out boldly that prohibition is not a practical policy, and yet it is open to the Ministers in the States to pursue quite the opposite policy,

and to push prohibition to the bitter end, while in a neighbouring State in the same Indian Union, prohibition is ruled out as impracticable.

Equally striking is the existence of controls side by side with absence of controls as between one State and another. The explanation offered by Mr. Mahatab of what appears at first sight to be such a great anomaly, deserves serious attention. Orissa could do without controls, according to its ex-Chief Minister, because its administration was efficient and it could influence the people. In short, it could evoke the co-operation of the people, and achieve good results without taking resort to the machinery of police and penitentiaries. It almost sounds too good to be true!

Import Policy, July December

THE Commerce Ministry has created history by announcing its import policy for the second half of the year from July to December in advance. This is an improvement; it was only in March last that the import policy was announced for the period January to June.

In the foreign exchange budget for the next half year, imports will not exceed the earnings from exports and the releases from the sterling balances. This is the expectation. As a target, this is of course unexceptionable. But what shape the foreign exchange accounts will finally assume, how far the expectations will be realised—that is quite a different story. Perhaps the Commerce Ministry itself will not know how many import licences will be revalidated, how many of them will be actually utilised during this specified period and what would be the arrears carried over from the past.

The decision to introduce a measure of decentralisation in the issue of licences would be welcomed. Import Trade Controllers at the Ports are to be authorised to grant licences to a limited extent for some of the items. Some of the items will be completely transferred to the Ports.

Another welcome departure from past practice is the introduction of long term licensing, i.e. for a year instead of for six months in respect of a substantial range of commodities.

but complications of accounting apart, which interest nobody until things go wrong—any way the sting is always in the tail whenever there is a sting—the announcement suggests a greater liberality in the issue of import licences. Capital goods and machinery retain their high priority, about which there has never been any doubt; nor would the imports of raw materials for industry be touched in any way. This also could be taken for granted. There is more room for gratification that the ceiling for essential consumer goods such as drugs, medicine and paper will be raised. The new policy recognises India's need of surgical instruments, the announcement adds, and adequate provision is made for the import of penicillin, streptomycin and surgical appliances, both from dollar and soft current areas.

With the prospect of getting petrol without coupons in the near future, the news that imports of motor cars and trucks in a completely knock-down condition will be permitted,

though mainly from soft currency areas, will also cause some jubilation. The Government seem to have relaxed their former determination not to import any more American cars, for some dollar cars will also be allowed.

Pending a revision, however, of the import duties on motor car parts which were drastically and unjustifiably raised in the last budget, even this relaxation will not bring much relief. Now that the Government have started an enquiry into this matter, it should be expedited and not left hanging indefinitely. At the time of the budget proposals, the rise in these duties did not receive the attention it deserved, it was only later when prices of motor cars were raised that the full impact of this step came to be realised.

Unfortunately, the question lends

itself to a very irrational treatment. Glaring instances of conspicuous consumption which the sight of brand new luxury American cars excites in the minds of the spectators tends to weaken their perception that a ban on imports, or what nearly amounts to the same thing—very high rate of import duties on motor car parts—raises the cost of road transport which hits rich and poor alike, besides slowing down industrial development in every possible way. Imposing such a heavy burden on the community is hardly justified on the off-chance that it may help to bring into existence an automobile industry in this country. Dr. Matthai's defence of these duties in the Parliament were weak in the extreme. And the experience of the last few months has shown how thin they were.

So far, the USA has not shown the slightest indication of her willingness to recognise Communist China. Nevertheless, she will not obstruct, by the use of her veto, a majority decision in the Security Council over the question of admitting Communist China in the United Nations, if such a decision is at all reached. But is such a decision likely? Seven members will have to vote for her if Communist China is to be admitted, but no more than five are in a mood to vote in her favour. Evidently, Mr. Lie has not been able to find a solution for this impasse. The question of China apart, much can be done by the United States to help Mr. Lie. to set the UNO functioning again. But, as things stand, there is little chance of such help forthcoming from the State Department, when Mr. Acheson says "we must carry forward in our own determination to create situations of strength."

Return of Trygve Lie

MR. TRYGVE LIE. Secretary General of the United Nations is back to his desk again after a resplendent visit to the capitals of the Big Four with his memorandum of 10 points for a 20 years peace programme to relax the world tension. He handed over the memorandum in person to the respective heads of the Big Four nations. He met President Truman; he met Premier Attlee; he held audience with Mon. Bidault; and was even admitted to the holy of holies, the presence of Comrade Stalin. Now, on his return, he has reported about his visits to the Big Four to the 59 members of the United Nations. He may, in all probability, place the report on the agenda of the General Assembly scheduled to meet at Flushing Meadows on September 19, by which time opinions on Mr. Lie's programme will have crystallised. These efforts of Mr. Lie may yield good results in the long run. but just now, the parties to the cold war do not see an Aladdin's Lamp in the 10 point programme which is, after all, an amplification of the ideas enshrined in the United Nations Charter. Into the bargain, Mr. Lie has been dubbed a communist agitator by the US Republicans for a long time. What they said on the other side has not yet crossed the iron curtain.

The programme includes—

- (1) Inauguration of periodic meeting of the Security Council;
- (2) Control of atomic energy;
- (3) Efforts to stop armament race;
- (4) Provision of an armed force to Security Council for enforcement of its decisions;
- (5) Universality of UN membership;
- (6) A programme of technical assistance;
- (7) More vigorous use of UN specialised agencies;
- (8) Respect for human rights;
- (9) Uplift of the colonial people; and lastly
- (10) Speeding up the development of an international law for a universal world society.

There can be no two opinions as to the need for an earnest study of this programme by member nations. Indeed, all the nations will give it the attention it deserves, but, what worries Mr. Lie at the moment is how to save the United Nations from the peril raised by China,

Does such determination suggest the possibility of ending the cold war? In the light of these unpleasant facts, it would be difficult to share the optimism of Mr. Trygve Lie about the future of the UNO

The Republic

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