

Foreign Investment Laws and Regulations of the Countries of Asia and the Far East: UNITED NATIONS

THIS is another of the publications by which the UN is putting every student of Asian economic affairs in its debt. Nowhere except in these UN booklets is it possible to find the information one requires so conveniently arranged; very frequently it is not possible to find it elsewhere at all without months of search.

Of this the booklet under review is an admirable example. It is under 100 pages in length, yet it contains everything one needs to know on the subject; and the laws and press statements from which the information has been taken run into several hundreds, many of them not elsewhere translated or published outside their home country.

The point of outstanding interest is the way in which the laws and regulations conform to a pattern. If one knows the rules in India, one has an immediate guide to the rules everywhere else. High rates of tax, for example, are universal. Even in Malaya the maximum rate is over 25 per cent; in Thailand it is 50 per cent in the Philippines 60 per cent (though only on that part of one's income which exceeds Rs. 45 lakhs). Only Nepal is still in the fortunate position of having no income-tax—and that is an exemption which will doubtless not continue under the new regime. In some countries the maximum is of an English fierceness; in Burma it is 15/2 annas in the rupee, in Pakistan 14 as., in Japan almost the same.

The restrictions on foreign investment, too, conform to a pattern. Everywhere public utilities are either state-owned (the general case for railways and hydro-electricity in particular) or very closely state-controlled. Everywhere the defence industries are a special state concern, and in most places they, too, are state-owned. Everywhere mining leases are given only by the state, and, except in Malaya and Thailand, the rule is very considerable discrimination against foreigners. Everywhere insurance companies have to make a deposit with the state against their business, and almost everywhere the functioning of banks, and especially the opening of new branches, is tightly regulated.

Of direct discrimination against the foreign investor there is, on the whole, rather little. There is no tax discrimination at all, and, except in Korea, profits can usually be remitted. Apart from mining, public utilities and defence industries, the foreigner can usually invest in what he likes and how he likes; even where, as in Pakistan, there are apparently rigid rules about local participation, these do not seem, as yet, to be enforced.

in places, where a foreigner cannot, for example, own land, even urban land, or accept deposits, or operate a transport company, or hold a mining lease; but since there is an exemption until 1974 for US companies and citizens, the restrictions are in practice not very important.

Indeed, taking Asia as a whole, the limitations on foreign investment are, on an average, no more severe than in Europe, hardly more than in the United States itself. The reasons for the reluctance of the foreign investor to invest must be looked for elsewhere, in the fear of political instability, and the reluctance to face an intellectual atmosphere normally profoundly hostile.

M.Z.

The Make-up of Politics

M. J. G.

IN official parlance, the writer's attention has been drawn to the fact that to say that it takes a girl five minutes to make-up is an extremely gross under-statement. The five minutes' work is just like what a present-day landlord does to his tenant's flat when the latter complains that, having never been looked to during the last fifteen years, it is falling to pieces: or to give another comparison, the five minutes shake-up is akin to the time the permanent President of the BPCG and the (semi-permanent) Mayor of Bombay would take by way of preparation for meeting and addressing the members of his Committee. The point one is striving to make is that make-up, in a girl's life as in politics, is a much more serious and studious affair. It is said that a thorough renovation and overhauling with mud packs and oils and creams and powder and rouge and lip-stick should take at least as much time as the Prime Minister of India might take to convince his countrymen that there is nothing wrong in amending the Constitution, after having given an assurance only a few months ago that such a move would be sacrilegious—say, at least two hours! That's why the disillusioned bridegroom of the West, like a similarly displaced voter (at the 1946 elections) in India bewailed his lot this wise:

" *Twinkle, twinkle, little star,
Now I see you as you are.
Minus powder—minus paint,
What you once were, now
you ain't!*"

And the last line embodies the refrain, not only of Maganlal, Mahomed, Manek and Michael of India *vis-a-vis* the party in power but of James Burnham and Louis Fischer and the other cultural pearls in relation to Soviet Russia, and of Winston Churchill and his one-time Cliveden Set with regard to Mussolini and Hitler!

Must then politics always remain a matter of make-up at its best—a layer of unreality and falsity beyond which are revealed selfishness, self-interest, greed and lust for power in all their naked ugliness? This is a very important issue that has to be faced frankly and squarely, when, with the elections not so far distant, parties are multiplying with the rapidity and the recklessness of rabbits!

That too much make-up or even opportunity to do so was disastrous, to the infant democracy in the Motherland has been realised by the present Parliament, and it has therefore already issued a "Road Closed" notice against licence-holders, permit-grabbers, Government contractors and others of that ilk. In this, it did no more than anticipate the 1951 Wimbledon authorities, who got the non-playing Captain of Britain's Wight-man Cup team to 'speak to the girls privately' about their attire on the tennis courts, when they noticed a couple of American contestants for their Streamlined costumes. One of them had shorts with split-sides, but within the eye-brow lifting danger

stage and the other had form-fitting nylon outfit which might be distracting, if not exactly improper. It seems that like Satan and Jove, make-up also assumes many forms and Parliament was therefore quite right in barring the door of political carverism to licensees and the rest, for their attentions, too, when not improper, may still be distracting as a bitter experience in all the States has shown in the four years of a newshorn freedom.

It may however be said that this is not going far enough and the cynic may even sneer that make-up is to politics what water is to milk in Bombay. That this need not be the case would be clear to any body who watched Gandhi, the politician. Smiling his famous toothless smile, not bothering to make-up by artificial devices the wide open gaps in his mouth, he was never-tired of owning up his mistakes, never obsessed by a false sense of prestige and was therefore too perfect a politician to be within the sacred circle of dabblers in the game of politics, either in this country or any other. Occasionally therefore he baffled his closest colleagues; he would even relinquish the hold when victory seemed within his grasp, because there would be an element of make-believe or make-up in it and his cherished principles would be flouted. Today some of the most devoted of his disciples have severed their connection with the party in power and are highly critical of its-antics. It is however the next step of these reconverts to the doctrines of their Master, that needs to be watched very warily. Will they also take two hours of make-up to elucidate their stand and two minutes to water it all down? As one has repeatedly asserted, there does not seem to be much danger of the apple-cart of the Congress toppling down at the end of this year, despite the dissidents. The latter may therefore safely hold out all kinds of promises of cleaning true Augean stables of the muck of nepotism and graft, of establishing the principles of an equalitarian economy and of pushing off from the lips of the defence forces the cups that inebriate but also give supreme courage, if the supreme judiciary of the land can have a proper appreciation of the matter. For the opposition the present is a held day for making promises, signing blank, post-dated cheques regardless of the present state of the balances in their political accounts. This may even be slightly excused, if, along

with it, making common cause with older parties in the opposition of the right, that is the correct, variety, namely the Socialists and other kindred leftists, as strong an opposition as possible is made to face the ruling party when it re-assumes the reins of office. But the real test will come for this opposition, if it can only unite on some common leftist programme, when in the next decade it must take the responsibility of governance. Gandhiji would then be dead thirteen years, not three. Will his non-make-up in politics and his utter sincerity and straightforwardness be then remembered?

Is the secularity of the Indian State an original tint of the Indian Republic or only one of the seemingly endless varieties of make-up that have to be scratched to reveal the true communal colours? In a righteous and quite rightful attitude of abolition of communal and separate electorates, the secular character of the State is emphasised and underlined. So, in distributing the loaves and fishes of office, it is stressed that all are Indians and communal considerations cannot and must not prevail; in such a set-up is it merely a coincident v or a 'blue-eyed boys' business all over again, when appointments, as of public prosecutors for this city go wholesale to the majority community and the new plan involves also from the Public Exchequer a much larger layer of expense than the practice so far followed? Had the Perfect Politician been alive, he might have been questioned. Had he been convinced that in such cases some one had blundered or sinned, with his vast moral stature and influence he would have insisted on making amends. Cannot those who take his name countless times in vain get some genuine *shakti* that may be able to commune with him and let his countrymen and the world at large know his views on a number of matters—what, for instance is a secular state, or the freedom of the press or the sanctity of a constitution? That should be a real revelation that might pierce the make-up of so many politicians.

If enough has been said about the make-up of politics, the question naturally may arise if there is also politics of make-up. The answer is easy and as old as the hills and has existed even before the two-legged monster called Man started strutting cm this globe, for nature saw to it that long before

Cleopatra or Helen or even five made-up, the process existed in the animal kingdom. But nature was kind, and meant only the male to show off before the female and attract her to him after full deliberation and choice and mindful of the consequences. Only among human beings was the process reversed and the politics of make-up was to snare the unwary, incautious male and sweep him off his feet, even before he could say "jack Robinson!" once! Well has it been said:

In ancient days when wilderness was here.

With pannier in his gun, the man went out and got his deer.

But now the limes are changed; on quite another plan,

With powder on her cheeks, the dear goes out and gets her man!"

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