Weekly Notes

Who *Commands Nehru ?*

"HE said what he was told to say. So meticulously careful was his briefing that nothing was left out. The press and the wicked citizens, who should have minded their own business, were, of course, there. The zamindars, the Communists who always fish in troubled waters, the erstwhile bus owners exploiting the situation for their own ends, the Rajput-Kayastha. casteism—all these were there and many more tendentious things".

These lines are from a statement issued by Shri Jaiprakash Narayan on Pandit Nehru's Patna speech. Commenting on the same subject, it had been remarked in these columns only last week that 'the Prime Minister has no other advisers except the official bloc in the Congress which is one and the same as the Government on which he naturally leans heavily." Even from this distance, this was obvious and clear. But one could hardly imagine that Pandit Nehru could be dictated to in such a fashion and made to give a "command performance".

This is not all. It was the burning of the national flag which pained and provoked Pandit Nehru beyond endurance. Even so, the following comments from Shri Jaiprakash Narayan deserve careful attention:

"When the Prime Minister shouted at the top of his voice that he did not care whether ten thousand or ten hundred thousand persons were shot dead and that he would not permit the dishonour of the national flag, he was employing accents of totalitarianism. Democracy above all is the rule of law; there is no law in this country according to which anyone can be shot for burning the national flag; and there is no such law in any civilised country. This, in spite of the fact that all citizens are agreed that the national flag must be respected and honoured."

T T K Said Nothing

T T K opposes neither nationalisation nor mutuallsation of insurance companies. He said nothing at all or nothing that was intended for publication. The following correction appeared in The Times of India of August 11 which had escaped our attention;

"The informal talks which the Union Minister for Commerce and Industry, Mr T T Krishnamachari, had with some pressmen in Bombay on Tuesday were not meant for publication nor did they touch the question of nationalisation of insurance companies. The U P I report published yesterday was. therefore, wrong and its publication is regretted."

Our hunch has come true. T T K could not have said that mutualisation would rob policy-holders.

Border Trade with Pakistan Resumed

THE Indo-Pakistan Trade Agreement which comes into force from the 1st of this month was negotiated before devaluation ' of the Pakistan rupee. That the agreement was not modified after devaluation suggests that, at least for the time being, a fairer rate of exchange cannot help much to expand trade between these two countries. The reasons are not far to seek. For one thing, judging from current prices and costs, the over-valuation of the Pakistan rupee has been reduced; it has not been removed altogether and hence parity between the two rupees is yet to be attained. For another, Pakistan's existing commitment under the American aid agreement debars resumption of trade with India on the only basis on which trade is possible viz. the exchange of Indian cotton textiles for Pakistan raw cotton, among other things.

Though the present agreement removes all impediments to foreign trade between the two countries in major commodities also Article VIII stipulates that in respect of all commodities, import and export licences valid for the non-dollar currency area shall be valid for India and Pakistan also its special concern Is to facilitate exchange of (1) items which do not normally figure in foreign trade, such as cinema films, books and publications; (2) border trade in everyday necessaries of life. The latter varies according to the border.

A quota 17 films has been fixed for the import of Hindi and Bengali films into East Bengal. The Government of India has placed import of films from Pakistan on the open general licence. But there is an ominous hint that the "exchange earning from the export of Pakistan film to India will be utilised for the import of Indian films into West Pakistan". If this means a quid proquo, then few Indian films can be exhibited in West Pakistan!

Besides coal, exports from India entitled to special treatment include stone boulders, hard and soft wood, mica, bauxite, betel leaves, ayurvedic medicine, biri and hookha tobacco and biri leaves, chemicals and pharmaceuticals, mill board and straw board and spices. Exports from Pakistan include raw jute, hides and skins, betel leaves, fish, poultry and *egg.* betel nuts, salt-petre, and rock salt. The permissible staple length of raw cotton is 15|16" 17|8") but with surplus American cotton in the offing and Indian mills eager for African varieties, what scope is there for importing Pakistan cotton?

Voluntary Credit Restriction in Switzerland

THE Zurich Correspondent of The Statist (dated June 11, 1955) gives an interesting account of the gentleman's agreement entered into by the leading Swiss commercial banks for credit restriction. The agreement, effective provisionally for a period of one year from June 15, 1955, comprehends all banks with balance sheet totals exceeding fr. 50 million, and these account for nearly 90 per cent of the corresponding aggregate for the Swiss banking system.

According to this agreement, commercial banks will deposit 3 1/2 per cent and mortgage banks 2 1/2- *per* cent of their short-term liabilities as on December 31, 1954 i.e. funds callable at sight within a month. plus 15 per cent of all savings deposits for which no notice of withdrawal has already been given, in blocked accounts at the Swiss National Bank during the currency of the agreement. It is also provided that on September 30. 1955. the proportion of funds to be impounded in blocked accounts will be recalculated on the position of short-term liabilities as on June 30, 1955, and again on March 31, 1956 on the basis of the position as on December 31, 1955. If, however, the object of the agreement ceases to exist before the due date of expiry, it is open for the concerned banks to terminate the agreement.