revolt has developed to a point where it seems to permit of no re-union with Egypt.

What meaning is one to attach to the present position? The information available on the crisis is too sketchy to enable anyone outside Damascus to say anything with clear authority; but a not implausible theory could be that the military leaders of the revolt—who started off with limited objectives under the guidance of Colonel Serraj—unexpectedly saw their horizons widening. What may have begun as nothing more than an attempt to make a stern deal with Cairo about the legitimate importance of Syria in the United Arab Republic, only too easily developed into a feasible dream of Syrian sovereignty under, possibly, ambitious military leadership. This would explain the sudden anxiety to get rid of Colonel Serraj. who was the chief architect on the Syrian side of the Syro-Egyptian union. It this interpretation of the events is anywhere near accurate, the U A R is perhaps irrevocably dissolved and a chapter of military dictatorship in Darn a sens has opened—au ironic finale to a move which was born with the idea of asserting the rights of the Syrian people against the domination of Nasser's dictatorship.

President Nasser must, of course, take his full share of the blame for this successful challenge to his authority. It is possible that being the stronger partner in the union, he may have only deceptively seemed to be lording it over the Syrians. Such an appearance is impossible to avoid in any partnership which is basically so unequal as was that of Egypt and Syria. But if that was so, the reason was all the greater for according intelligent respect to the susceptibilities of the Syrians. No one can accuse Nasser of having done that. Indeed, he clearly went to the other extreme of reducing the authority and importance of men like Serraj in the UAR Government. There was even an attempt to weaken the Colonel by forcibly merging his party with its counterpart in Cairo and, in fact, purging the Syrian army of officers loyal to him. The worst error of judgment was to force through a new policy of nationalisation which would have had a grave impact on the prosperous Syrians. Serraj had repeatedly warned against such a move; but his warnings were not heeded.

The break-up of the CAR, which seems unavoidable at this stage, is certainly a regrettable development from many points of view—not the least because it will seriously undermine the prestige of Nasser and deal a consequent blow to the influence of the neutrals—but it is perhaps the inevitable result of political ineptitude and folly on the part of the Egyptians.

Groping for a Policy

THERE is a certain amount of compulsion for exports, such as, is being imposed on the co-operatives processing oilseeds. The latter have to earmark a proportion of the groundnut oil and oil cakes crushed by them for the State Trading Corporation for purposes of export. This is, however, not a new development; but it appears to be the Government's policy to explore this avenue more fully.

Nonetheless, when the Minister for Commerce and Industry announced at the last meeting of the Export Promotion Advisory Council that the Government of India had under consideration a proposal to make it compulsory for industries to export a proportion of their output, it came as a complete surprise. Though references to the possibility of such compulsion had been made in ministerial speeches earlier, these were so casual that it did not appear possible that the Government was giving serious consideration to any such proposal. It is true that the need for expanding our export trade has become increasingly urgent and that our exports have not so far responded very significantly to the efforts that have been made to increase them. There is, however, no need yet for desperate measures: a genuine long-term export policy has not yet been formulated, leave aside being tried. Compulsion of different industries to export a proportion of their output must undoubtedly be considered a desperate measure to which it is not necessary to take recourse until a genuine long-term export policy has been really tried and found unsuccessful.

The opposition to the proposal for compulsory exports which has been expressed by the Federation of Indian ' Chambers of Commerce and Industry in a memorandum submitted to the Import and Export Policy Committee is, therefore, fully justified. The Federation has taken the view that a blanket provision requiring each industry to export a certain percentage of its production would result in lowering the competitive capacity of India s exports and strengthen the bargaining position of the foreign buyer. It has argued that the move for compulsion would thus defeat the very objective of boosting exports and raising earnings.

The proposal put up by the Federation for the creation of a Hefinanee Corporation for Exports, however, is bound to have a mixed reception. Whenever there is a problem, it is easier to suggest that a separate institution should be set up for it than to find out a solution. In fact, unless a clear case can be made out that the financing needed for a particular line of exports is so special that only a separate institution can provide it. it would be justified to remain sceptical. With export risk insurance now freely available, exporters should be able to get bank credit as easily as other parties. True enough, when the credit situation is tight, they suffer like the others. That would be a case for relaxing credil conditions so that legitimate requirements can be met.

Exporters can also be easily put in a slightly preferred position, if the Reserve Bank includes export bills among the bills eligible for re-discount. This will need a slight amendment of the Act. but that is a very simple matter. It is surprising that nothing has been done about it so far. though the Reserve Bank as well as the market have been aware all this time that lack of re-discounting in India costs the country an appreciable amount of foreign exchange. On rough guess, payment for 40 per cent of our exports is obtained through bills which the exchange banks habitually and promptly discount in the London market or with their London office, and do not hold to maturity, thereby causing a loss of foreign exchange earnings to the country of quite a sizeable dimension.