

against him, as Nehru's blue-eyed boy, in a sphere reserved for others, would be impossible to overcome..

This leaves Mr Krishna Menon a lone wolf in the field of Indian politics; every movement of his will be watched and will continue to give rise to speculation. Having attained the eminence he did in so spectacular a fashion, fading out from the public eye is itself going to be a difficult feat for him to perform. What a pity that retirement to the Himalayas or seclusion in an Ashram no longer offers scope for a vanishing trick for men of his type!

#### Colin Clark for Pakistan

PAKISTAN has lately been importing foreign experts to improve her statistics of which publications like *Pakistan Economy* and *Statistical Digest*, which have been reviewed in an earlier issue of this paper favourably, are the first fruits. The Pakistan financial press, however, has not been quite satisfied with the results. Among its standing complaint is the absence of an all-Pakistan, wholesale price index. This raises obvious difficulties of averaging heterogeneous data, which may be one of the reasons why foreign statisticians, if they are worth their salt, may well hesitate to launch on so hazardous an undertaking. But a democratic government has to respond to public opinion and *Pakistan News* issued from New Delhi by the Press Attache to the High Commissioner for Pakistan in India goes all out in meeting possible criticism, while announcing the appointment of Mr Colin Clark to compile Pakistan's national income statistics.

After explaining what national income! is and emphasising that "only an expert can collect figures to any degree of accuracy," *Pakistan News* goes on to say what the compilation of the national income statistics will do for the tax-payer. First of all, it will assess his taxable capacity without causing any hardships to him. But not content with this accepted use of national income statistics, the publication goes on to recount the other services to which national income data can be put. One of these is to "find out how much currency should be circulated in the country at a given time, below which the trade of the country would be retarded and above which it would lead to a tendency towards inflation and other evils." Mr Colin

Clark has the reputation of being a bold statistician. He is often prepared to venture where others would fear to tread but even so, will he not squirm when presented with so bold a task?

#### Clipping the Presidential Wings

A SUCCESSION of dramatic developments in the USA—the seizure, in the anti-seizure decision by the Supreme Court, and the subsequent refusal of the Senate to empower PRESIDENT to seize the steel mills again—has brought to the fore, for the first time after Roosevelt had his wings clipped., the limits to the powers of the President under the American Constitution. The shape of things to come—not to speak the effect of Supreme presidential elections—will largely depend on these historic events. As if the assault by the Supreme Court on White House were not enough, the Congress has now dealt a severe blow to presidential prestige by forcing him to do what, in the heart of hearts, the President did not like to do, viz., to call into use the Taft Hartley Act the passing of which he had so vehemently opposed. The Supreme Court held that the PRESIDENT is only to execute the laws, and not to make them; even in emergencies, he cannot lay hands on private property without the prior sanction of the Congress. The majority judgment was that,

"Even though 'theatre of war' be an expanding concept, we cannot, with faithfulness to our constitutional system, hold that the Commander-in-Chief of the armed forces has the ultimate power as such to take possession of private property in order to keep labour dispute from stopping production. This is a job for the nation's law makers and not for its military authorities,"

The net result of the Supreme Court's decision, coupled with the Senate's refusal to grant him any special powers to resolve the steel deadlock, was that the delicate balance of power between the PRESIDENT as the champion of the underdog on the one hand, and the legislature and judiciary as the guardians of the vested property interests on the other, has now been tilted heavily in favour of the latter. One wishes that the unhappy chain of events occurred after the presidential elections. A bold, and independent minded president would then have a chance. But now, the

successful aspirants to the office will be those who are by nature timid, and who will be content to run the administration as the legislature wants them to run it. In other words, the initiative, in all probability, will now pass from the PRESIDENT to a slow-moving and unwieldy legislature. The rebuff against presidential invasion of the field of legislature will now probably have the effect of encouraging the legislature to assume, in some subtle ways, executive powers for itself. That, in any case, will not only delay action, but may result in virtual inaction at a time when an emergency demands immediate measures. "This is a warning to future presidents. This is also a warning to the US citizens.

#### Japanese Investment in Malaya

THE Kokan Kogyo Company, a Japanese mining firm, recently concluded a provisional contract with an American firm, the Metal Export Incorporated, for developing an iron mine, on which the American firm holds a concession, in Kelantan State, Malaya. The mine is reported to have deposits of 6 million tons of high quality ore (56 per cent in iron content plus 2 per cent manganese content); after further exploitation they may be increased to 20 million tons.

According to the agreement, all the mining activities will be carried out by the Kokan Kogyo Company, which, in turn, will pay royalties, either in dollars or in sterling, of about 10 per cent of the cost of each ton of ore produced. The contract will be in effect for 21 years from the time of formal signing, which is expected to take place in Tokyo soon.

With the three leading iron and steel manufacturers, Yawata Iron and Steel, Fuji Iron and Steel and Japan Steel Pipe Companies, as guarantors, the mining firm expects to receive loans of 800 million yen from the Japan Export Bank and 200 million yen from commercial banks to finance the project. By the end of this year, the firm will ship to the mining area in Malaya all the necessary mining and transportation equipment.

If there are no hindrances, the company will be able to start shipping iron ore to Japan next January at the rate of 500,000 tons annually. Since Japanese vessels will be used for transporting the ore, the price is likely to be fixed at US 18-19, cif, per ton.