

Weekly Notes

Still the Land of Freedom ?

WHERE in the world as it is at present, should I find the greatest amount of freedom ...?" J B S Haldane is not sure of the answer, but he suspects that the answer is "In India". This is because, among other reasons, half of the Indian systems of philosophy are atheistic, and "Indians are not subject to compulsory military service". On both points, developments subsequent to his last visit to India should give Prof Haldane cause for much thought, if not to revise his opinion. *Nastik* is the provocative title of a film which has been banned by the Ministry of Information after it had been passed by the Censor. It may be, the reason for it is not atheism, but the thin end of the wedge of compulsion in the Territorial Army (Amendment) Bill which is now before the Parliament cannot claim a similar benefit of doubt.

The amending Bill makes "persons belonging to certain classes" liable to perform service in the Territorial Army when called upon to do so, because recruitment to the urban units of the Territorial Army, specially in the technical units, "has not so far been satisfactory". The liability to service will be utilised to "fill up deficiencies in the authorised strength of Territorial Army units" and to bring about its expansion in an emergency. That recruitment has not been satisfactory is in fact a reflection on the government but turning to this easy method of solving the problem facing him, the Minister for Defence Organisation, Shri Mahavir Tyagi, is falling into the same line and impinging on the freedom of the individual as in Preventive Detention Act, the Press Act and the amendment of the Criminal Procedure Code now under consideration.

The Bill applies only to persons employed under the Government or in a public utility service. But should Government servants or employees of public utilities be discriminated against in this way? The objection is to compulsory military service as such particularly in times of peace, and to singling out a limited class of persons for imposing a liability of this kind only because it is convenient for the Government to do so. Public utility concerns have been included in order to en-

sure that essential services continue to function in an emergency. There are other measures which the Government could utilise to achieve the same end; it was hardly necessary to apply military discipline for that purpose. There can be little doubt, therefore, that this measure is wrong in principle and that Parliament should throw it out.

Egypt Bans Ceylon Tea

THE ban imposed by the Egyptian Government on the import of tea from Ceylon will naturally be welcomed by Indian tea interests in view of the resistance they have been meeting in the Egyptian market because of the marked consumer preference for Ceylon teas. Over a series of years, though not lately, Indian tea in Egypt had been losing ground to Ceylon. Indeed, compared to the position before the war, Egypt is one of the markets in which Ceylon had greatly improved its position, its share in Egyptian tea imports having steadily moved up from 17.6 per cent in 1938 to 66.9 per cent in 1950.

The reason given for the ban is heavy accumulation of rupees which Egypt does not want to pile up any further. True, the balance can be wiped off substantially through larger imports of Indian tea but it does not appear to be a convincing or sufficient reason. Under the Agreement entered into in July 1953, only 40 per cent of Indian imports from Egypt are paid for in rupees, the balance being paid in sterling. The rupees so paid "will be utilised by Egypt only for financing purchases of goods from India". In case the aggregate amounts credited to Egypt during any one year of the Agreement reach Rupees ten crores, any further credits will be convertible into sterling. Even before this amount is reached the "Reserve Bank will favourably consider granting reasonable Rupee-Sterling swap facilities to the National Bank of Egypt".

India's imports from Egypt amounted to Rs 18.48 crores from April 1953 to January 1954. About Rs 7.4 crores of these must have been paid for in rupees in accordance with the Agreement. After paying for Rs 2.9 crores worth of imports from India, there would be a balance of 4.5 crores of rupees to Egypt's credit till the end of January.

Even assuming that the position worsened during subsequent months, it is hardly possible that these balances should reach or exceed Rs 10 crores. The surplus, however, whatever its amount, must be embarrassing, since it can be utilised only for importing goods from India.

Ceylon's normal trade with Egypt being even more unbalanced—she is no buyer of cotton—Ceylon is actively considering some arrangement for triangular trade and payments which may enable her to keep the Egyptian market for her tea. It would be farsighted for India to join in forming such a triangular arrangement with Ceylon and Egypt, foregoing the short-term advantages which would result from the present ban.

Rubber

THE International Rubber Study Group which concluded its eleventh meeting in Colombo on May 11, reiterated its faith in the stabilisation of the world's rubber markets at equitable prices, but failed to agree on the means by which such stabilisation was to be achieved. The Group did not have any immediate problem before it, for the position of rubber has improved substantially. The surplus of natural rubber which had assumed threatening proportions after the collapse of the Korean boom has been steadily worked off. There has also been a steady reduction in production while consumption, after falling sharply in 1952, has recovered. The surplus is expected to be reduced still further this year, as the break in rubber prices last year tempted the U S to increase its purchase of natural rubber. This has had a steadying effect on the market. Consumption is expected to improve to 1.68 million metric tons in 1954, against an estimated production of 1.7 million metric tons. So, for the moment, things are not so bad. (See Statistical Summary, page 617.)

The significant development in the world rubber market however is the grip that the U S has got on it, in view of its position as the largest single buyer who can any moment reduce its purchase to an apparently indefinite extent by stepping up the production of synthetic rubber. America's purchase policy, therefore, decides the fate not only of the rubber growers but of the economies of South East Asian rubber growing

countries; through rubber the U S exercises a strangle-hold on a large part of South East Asia.

The meeting of the Rubber Study Group was staged to appease the U S representative but nothing came of it because the Randall Commission had rejected all proposals for buffer stocks, unilateral or international. The US delegate, however, was willing to help, not by raising prices of synthetic rubber, but by assisting them in other ways. He remained deaf to the appeal of the other members of the Group that a

higher price for natural rubber would help the producers, especially in countries which were dependent mainly on rubber exports for their economic welfare and development. This alone would facilitate their efforts to re-equip their industry and enable replanting on a scale adequate to put the industry on a more competitive footing and to meet the probable future world demand. The meeting ended with a request to the U S delegate to transmit to his Government the request to reconsider whether in the light of the above,

the U S Government could not see its way to revise the price of synthetic rubber upwards.

It would be wrong to suggest that the U S has not relented. It has, to the extent of taking a little more of natural rubber after last year's break in prices. But even so, natural rubber did not exceed 46 per cent of its total consumption. The quantity of synthetic that the U S chooses to consume and the price it fixes for it continue to decide the fate of the rubber producing countries and of millions of rubber growers.

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