

amounted to but a small percentage of the total purchases, and the bulk of the cheaper descriptions was often available at considerably lower rates from other producing areas."

Since the delegation is so definite that it is relative prices which account for the decline of Indian tea exports to the U S A, one would expect to find some statistics of relative prices of tea from India and from other countries in the U S market. Here, however, one is disappointed. We have to take the delegation's diagnosis on trust. This would have been easy enough, had there not been a certain amount of evidence pointing against such a conclusion. Even a rough comparison of prices fetched at the London auctions shows that the annual average price of Ceylon tea was never lower than that for Indian tea during the whole decade 1951-60, except in 1954, when it was 0.46d per lb lower than that of North Indian tea. But even in 1954, price of South Indian tea was lower. These are, of course, annual average prices and give no clue to the relative prices of different varieties. Even so, one would be surprised if in the U S market there has been so steep a rise in price of Indian tea or fall in that of Ceylon tea as to explain adequately not merely a relative decline in the sharp of Indian tea but also an absolute fall in Indian exports. In 1961, following a large increase in production over 1960, there was a fall in prices of Indian teas. And this year prices have been even lower, reflecting, partly, the Government's decision to reduce taxes on exported tea. The export duty on tea was lowered from 44 nP per kg to 25 nP per kg in the 1962-63 budget. It was also decided to allow refund of excise duty to the extent of 15 nP on all teas exported. Thus the effective export duty has been brought down from 44 nP per kg to 10 nP. Even if the simultaneous increase in excise duty varying from 5 nP to 10 nP per kg is taken into account, the relief granted under the current budget comes to about 24 nP to 29 nP per kg.

That Indian exports of tea to the United States should have fallen so sharply in recent years is certainly a matter of concern. But, in order to take the right steps to stop the

rot, it is necessary to diagnose the causes correctly. It is here that one is left with the uneasy feeling that the delegation has perhaps too uncritically accepted the suggestion that it is the higher prices of Indian teas which have caused the loss of the U S market to Ceylon.

The above comments, it be better repeated, are based on what has appeared in newspapers. Perhaps the actual report will show at least let us hope so that the Tea Board has not been taken in by what the tea brokers told the delegation.

Another Effort in Congo

WITH the West Irian dispute apparently settled, the U N Secretary-General has turned his attentions once again to the problem of unifying Congo. The ten-point programme for ending the secession of Katanga which he announced this week appears to mix inducement and compulsion in judicious proportions. U Than has proposed a federal constitution for Congo. He has already despatched U N experts to Leopoldville to draw up such a constitution. Lest the experts' work should get bogged down in the quagmire of Congolese politics, the Secretary-General has set a definite time limit of 30 days in which the constitution has to be got ready. Pending the formulation of permanent arrangements by the Government of unified Congo, the Secretary-General has suggested ad hoc arrangements to regulate financial relations between Katanga and the Central Government. These centre on sharing of revenues from all taxes, duties and royalties on a 50-50 basis, Congo will have one currency and a unified army. The division of powers between the Federal Government and the provinces will be defined in the constitution to be drawn up but the Secretary-General has clearly indicated that Katanga will be asked to close down its offices in foreign countries.

The Secretary-General hopes to induce Katanga to accept this scheme with the promise that the Central Government will be reconstituted to provide representation to all political and provincial groups. Mr Adoula, the Congolese Prime Minister has, it will be recalled, already offered Mr Tshombe

the Vice-Presidency in the unified government. The U N plan also suggests a general amnesty to all political prisoners as a gesture of conciliation.

But while these inducements are held out to Mr Tshombe, he is not to be allowed to sit over the offer indefinitely and hold up the unification of the country, Katanga will be asked to convey its acceptance of the scheme within a "brief time". But what happens if Katanga spurns the U N offer? The coercive part of U Than's plan contains little that is new. The Secretary-General hopes to bring a recalcitrant Katanga to heel by imposing economic sanctions against it. This would involve among other measures, the blocking of Katanga's trade and financial relations with the outside world, particularly stopping its exports of cobalt and copper. To impose these economic sanctions against Katanga will require the cooperation of a number of foreign governments, particularly those of Belgium, Rhodesia, Britain and France. There is little reason to expect that this cooperation will be readily forthcoming. The idea of imposing economic sanctions against Katanga has been mentioned on more than one occasion in the past and all the Governments named above have openly declared their opposition to it.

Thus we are once again up against the U N tragedy in Congo: some of the very Governments which have committed the U N to its onerous task obstruct every step taken by the world organisation to fulfil this task.

By-Election in South

Our Madras Correspondent writes: THE DMK victory in the election for the Tiruchengode Lok Sabha seat is a significant portent. The margin was narrow — just over 700 votes out of a total poll of about two lakhs. But it cannot be overlooked that the Congress candidate this time polled over 14,000 votes less than what was polled by Dr Subbarayan only six months ago. True, the voting this time was poorer than at the time of the General Elections, as is normally the case with by-elections anywhere in the country. The DMK, however, maintained its vote a' around 97,000