

Quaid-e-Azam Mohammad Ali Jinnah's Speech in Response to the Chairman's Address at the 88th Annual General Meeting of the Chamber in 1948

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Mr. Chairman, Members of the Karachi Chamber of Commerce, Ladies and Gentlemen.

It gives me great pleasure, Mr. Chairman, to be here this morning with you all at this your 88th Annual General Meeting. I notice that you are holding this meeting in the premises of the Karachi Cotton Association. One can hardly dissociate Karachi from commerce and the commerce of this place from cotton; whether this is accidental or otherwise, it is very appropriate.

You have, Mr. Chairman, covered a very wide field in your address, from the founding of the sovereign and independent state of Pakistan to the petty usurpation of power by minor officials here and there over this far flung Dominion, from the intricacies of the cotton trade to the commonplace of delays. You will, however, hardly expect me to follow you in every detail in my reply.

I cannot, however, let an opportunity, such as you have presented to me today, pass without calling attention to certain salient points arising out of your address.

Let me, Mr. Chairman, first acknowledge the tribute which you have justly paid to my Government and my people for the manner in which they faced up to the tragic events which so closely followed the establishment of Pakistan. It was inevitable that many otherwise sensible people should greet Pakistan as an unwanted and intolerable child whose birth could not long survive their displeasure. You have rightly pointed out how mistaken were the people who, because the idea of Pakistan was new and unfamiliar to them, thought that Pakistan would have but only an ephemeral existence.

None can doubt, in your words, Mr. Chairman, that a new Power was born among the Nations of the World on August 15, 1947. The difficulties and tribulations through which Pakistan has passed have helped to strengthen and temper the new state which is now well and truly set upon her course on the uncharted seas of the future. The people who have made the effort which secured their separate freedom in the face of derision, disbelief and the utmost political opposition, will not fail to make the additional effort

necessary to consolidate their liberties and any delusion and illusion from which some people still suffer let me make it clear that the sooner they bury this notion – Pakistan surrendering to India or seeking Union with Central Government – the better it will be for the peace and prosperity of both the Dominions and it will help a great deal to establish goodwill and good-neighbourly feelings.

I am glad to note that you disaffiliating your Chamber from the Associated Chambers of Commerce of India as a necessary corollary of the partition, and intend to form an Association of your Pakistan Chambers of Commerce.

You, Mr. Chairman, have rightly given pride of place to cotton in dealing with trade and commerce. I am glad to know that you have recognized that Pakistan's cotton policy could not have been more liberal or less restrictive than it was until the impact of India's decision to decontrol cloth and refuse it to us except in return for cotton, forced measures of regulation on us. Even so, all contracts made before January 23, 1948, by traders in Pakistan – national or foreign – were honoured. That the cotton trade should have shown such admirable capacity to adjust itself to changing conditions is a matter for gratification. I would like to express the appreciation of the Government of Pakistan for the manner in which traders have played their part in helping to move cotton to the port and from the port to the markets of the world.

You have also referred at some length to the port policy of the Government of Pakistan and internal controls exercised within the country and have pleaded that as few handicaps should be placed on trading as possible. Regulation and restriction with their attendant administrative evils will be imposed only where conditions compel, and any expressions of opinion you care to make from time to time will always receive my Ministry's careful thought.

I can assure you on behalf of the Government of Pakistan that it is their intention and policy to let the channels of free trading flow as freely as possible. In so far as the internal controls on essential commodities are concerned, my Government have already decided to review them at a Conference with the Provinces in an attempt to relax and remove as many of these circumstances would now permit.

So far as overseas trade is concerned a considerable sector of imports has been released from licensing by the notification of an Open General License for a wide range of goods coming from Commonwealth sterling countries.

This list will be kept under constant review with the object of expanding it and the question of including therein imports from other Soft Currency areas is now receiving the attention of the Ministry for Commerce. The situation in regard to dollar imports and other hard currencies is, of course, very difficult and licensing must continue to protect the balance of payments. Even in this field, however, you can assist by bending your energies to directing and increasing our exports to dollar and hard currency countries. This fortunately should not be difficult in the case of the major Pakistani raw materials and I shall look forward, Mr. Chairman, to your constant support in this matter. Anything that Government can do to facilitate exports to those areas by removing as many restrictions as possible will be done.

I have little doubt, gentlemen, that your efforts in this direction will bear fruit as we are rich in the commodities which the world so badly requires, like cotton, jute, hides, skins and wool.

You have made a plea that in the interests of trade, Government should make an announcement of the Import Policy in good time. The Government of Pakistan fully appreciate this view and will do all they can to make this as early an announcement as circumstances would permit. The uncertain factors which delayed the announcement of their policy in the past will, Government hope, not recur in future.

The complete breakdown of the banking and financial mechanism in the West Punjab is a matter which governmental action alone cannot remedy. We can make the conditions as favourable as possible but bankers alone can repair the machine. It is our unalterable determination to maintain law and order and to secure and retain public confidence in our administration of affairs. In this context and given your goodwill, the reconstruction and restoration of commerce and trade should process apace. This is my appeal to you today, Gentlemen, to make a ready and sustained effort to help us to help you.

There is one matter, Mr. Chairman, which you have mentioned only in passing, namely, the Statement

issued by my Government on the Industrial Policy of Pakistan. The Statement is of such far-reaching character that I would ask of you as a business community to examine it, with the care and attention which the importance of the subject and the direct bearing it has on your own well-being, require. That my Government should have taken time to consider matters carefully before formulating their policy which must vitally affect the future of the country is a matter that need not cause any sense of frustration.

I am reminded in this connection of an observation of that wise man, Francis Bacon, who said – “It is good to commit the Beginnings of great Actions to Argus with his hundred Eyes and the Ends to Briacus with his hundred Hands; first to Watch and then to Speed.”

Whilst I do not propose to recapitulate the Statement here, I would like to call your particular attention to the keen desire of the Government of Pakistan to associate individual initiative and private enterprise at every stage of industrialization. The number of industries Government have reserved for management by themselves consists of Arms and Munitions of War, Generation of Hydel Power and Manufacture of Railway Wagons, Telephones, Telegraph and Wireless Apparatus. All other industrial activity is left open to private enterprise which would be given every facility a Government can give for the establishment and development of industry.

Government will seek to create conditions in which industry and trade may develop and prosper by undertaking surveys of Pakistan's considerable resources of minerals, schemes for the development of the country's water and power resources, plans for the improvement of the ports and transport services and the establishment of an Industrial Finance Corporation.

Just as Pakistan is agriculturally the most advanced nation in the continent of Asia as mentioned by you, I am confident that if it makes the fullest and the best use of its considerable agricultural wealth in the building up of her industries, it will, with the traditions of craftsmanship for which our people are so well known and with their ability to adjust themselves to new techniques, soon make its mark in the industrial field.

I am glad to know that you are favourably impressed with the concessions announced by the Finance Minister to new industrial enterprise in the matter of

income tax and depreciation and that you regard the statement as holding out more encouragement to new industry than the corresponding statement of policy made by the Government of India. If you want any clarification of any aspect of the policy, my Government will be only too willing to furnish the same.

Fortunately, in the port of Karachi, we have adequate facilities to handle not only the trade of Western Pakistan but also such trade as offers for Afghanistan and the adjoining areas of the Indian Dominion. For reasons into which I need not here enter, this trade has suffered a severe setback since partition. I hope that in every body's interest you will endeavour to restore Karachi's standing in this regard. I have no doubt that the port of Karachi has a very bright future. It is the only port which serves this side of Pakistan and the location of the Pakistan Naval Headquarters has added greatly to its importance. I can look with confidence to its rapid development.

The scheme of remodelling the East Wharf and the provision of Naval and Commercial Dry Docks is under our active consideration and should, when completed, make Karachi one of the most modern ports. I may assure the business community that I am watching with keen interest the present and the future interests of the port.

The end of the period of “Stand Still” and the consequent entry of India and Pakistan into normal international relations, should advance and give precision to the movement of trade. Bonding facilities are being provided by my Government in Karachi Port for this purpose.

On the other side of the sub-Continent, the Government of India have also agreed to provide bonding facilities in Calcutta so that from now on the capacity of the Port of Chittagong to handle raw jute will be supplemented by transit facilities through the Port of Calcutta.

In the field of Civil Aviation, Pakistan is fortunate in having at Karachi, the best equipped in the East. Its position and climate are in its favor and now that Karachi has become the Capital of Pakistan there is no likelihood of the airport ever losing its importance. Its pre-eminent position will be maintained and we are alive to the need of its continued development in accordance with international standards and to the

need of facilitating in every way national and international air transport operations.

Karachi will remain one of the main centers of international air traffic as most of the progressive countries of the world have approached us for the bilateral air transport agreements and we already have agreements with U.S.A., France, Neitherlands, Iraq and recently negotiated agreements with India and Ceylon. Delegations from the U.K and other countries are expected in Karachi soon. For all these Karachi will remain the airport of entry and departure.

The use of Bombay as a port of entry for a Trans-World Airlines was provided for in the Air Transport Agreement between the U.S.A and India before partition, and does not indicate a subsequent tendency to transfer operations from Karachi to Bombay. On this service Karachi Airport was used, in the first instance, as a temporary measure pending the provision of health facilities at Santa Cruz.

You have referred to the rise in airline operating costs occasioned by the recently increased cost of aviation spirits in Pakistan. This is a question which I have no doubt will be considered by my Government in the light of your observations.

I am glad to hear that you have appreciated the difficulties which beset Orient Airways in establishing, at very short notice, vital air communications within Pakistan between Eastern and Western Pakistan and between Karachi and Delhi and Karachi and Bombay. These arrangements had to be made on a temporary basis while a long-term national air transport policy was being formulated.

The Government announced their policy on December 5, 1947, limiting air transport operations to two commercial airlines to be selected for the operation of all the scheduled services to be licensed by the Government. The names of these companies will be announced shortly together with the routes to be operated by them subject to finalisation of the agreement recently negotiated with the Government of India.

To serve these companies and, to a large extent, the Royal Pakistan Airforce, it is also proposed to establish, at Karachi, a company to carry out major overhaul and repair of aircraft, the training of mechanics and maintenance engineers, and such other common services as the Government and airlines may require. The

Government will participate financially in this enterprise and plans for the establishment of this company are now under active consideration of the Government.

You have referred to the difficulties experienced by your members on account of the uncertainty of booking restrictions. As you are aware, booking restrictions have been rendered necessary on account of coal shortage due to spasmodic and insufficient receipts of India. The North Western Railway has always endeavoured to move as much traffic as possible with their available resources.

The movement of refugees placed a heavy strain on the Railways' capacity at a time when coal receipts were at their lowest, but in spite of these difficulties, essential goods, e.g., food stuffs, kept on moving though restrictions had perforce to be imposed on the movement of goods carried under lower priority. The Railway, however, relaxed restrictions to the extent possible whenever there was even a slight improvement in coal receipts, but whenever the coal position deteriorated restrictions were reimposed.

In spite of the manifold difficulties created by inadequate supplies of coal from India, the refugee traffic, the numerous staff problems created by partition, the Railway administration, as and when the position improved restored the facilities which had to be curtailed from time to time. I hope that the Chamber would appreciate their efforts in keeping the rail transport going. There were some improvements in the coal position on the North Western Railway during February and March and, as you are aware, unrestricted booking was resumed with effect from March 4 in looking bookings and from April 12 in foreign bookings.

Unfortunately, coal supplies from India have been inadequate during April, and, although some of the coal ordered from U.S.A has been received, stocks are dwindling. Representations have been made to India, and it is hoped that there will be no reimposition of the previous unfortunate restrictions, except those occasionally imposed for operational reasons.

As regard the complaint that the railway staff at stations are unaware of the restrictions imposed from time to time, I am advised that all restrictions are conveyed to stations immediately on their imposition. It is possible that in the early days after partition due to

large-scale transfers of staff, there was a certain amount of disorganization resulting in incorrect information being furnished to merchants. The North Western Railway has, however, taken suitable action to ensure that correct information relating to restrictions is conveyed to merchants.

As regard pre-partition claims, I hope you are aware of the provisions of the Indian Independence Rights, Property and Liabilities Order, 1947, under which the liabilities and financial obligations of the Governor-General in Council outstanding immediately before August 15, 1947, devolved on the Dominion of India. The Pakistan Government have already made the position in this respect clear in their Press Note of 25th March, 1948. The matter is under correspondence with the Government of India and it is hoped that a settlement with regard to this outstanding question will be reached at an early date.

Reference has been made by you to the difficulties and anxieties which naturally spring from the shortage of residential and office accommodation in this town. The Government of Pakistan, subject to the approval of the Constituent Assembly, decided to locate the permanent Capital of Pakistan at Karachi, detailed planning of the lay-out will take some time but this should not delay construction of some residential accommodations.

In this field, as in many others, gentlemen, you have a big contribution to make. There are vast open areas where buildings could, with advantage, be constructed. Building materials such as cement and stone are available in abundance, though steel and timber are rather scarce. All the same my Government would like to see the business community of large-scale building construction in Karachi.

My Chairman, Commerce and Trade are the very life blood of the nation. I can no more visualise a Pakistan

without traders that I can one without cultivators or civil servants. I have no doubt that in Pakistan, traders and merchants will always be welcomed and that they in building up their own fortunes will not forget their social responsibility for a fair and square to deal to one and all, big and small.

Government have for sometime been perturbed over the constantly rising spiral of prices for the necessity of life in Pakistan. They are now engaged in a study of how best the spiral could be broken and prices brought down. I have little doubt that my Government can confidently count on your full support in every measure that they may decide to take to achieve this object.

Commerce, Gentlemen, is more international than culture and it behoves you to behave in such a way that the power and prestige of Pakistan gain added strength from every act of yours. I have no doubt the commerce of Pakistan would be an effective instrument in the establishment and maintenance of high standards of business integrity and practice. If Pakistan goods are to be established for themselves a reputation all their own, a beginning must be made now and here. I assure you, Gentlemen, that anything my Government can do to achieve this end they shall do. I would like Pakistan to become a synonym and hallmark for standard and quality in the marketplaces of the world.

Let me, Mr. Chairman, thank you once again for the honour you have done me in asking me to be the guest of your Chamber on this occasion. I wish you and your Chamber well in the many years that lie ahead of us and may you, as true Pakistanis, help to reconstruct and build Pakistan to reach a mighty and glorious status among the comity of nations of the world and that let us pray that Pakistan will make its contribution for the peace, happiness and prosperity of the world.