

Our Delhi Letter**Following up Sydney Plan****Planning Commission Flouted**

THE Economy Committee of the Cabinet, the Planning Commission and the Reserve Bank, in collaboration, are formulating proposals for the implementation of the Sydney Plan. A meeting of the Joint Consultative Committee is likely to be held in Colombo on July 24 and feverish preparations are being made to get ready with concrete suggestions for technical aid that India may give or receive from the countries of the Commonwealth and South East Asia.

Urgency has been imparted to the job, it is believed, at the personal initiative of the new Finance Minister, Mr. C. D. Deshmukh, who is credited with the plausible view that to play an effective role in the economic and political development of her part of the world, India must take a leading share in all attempts at mutual co-operation.

The Planning Commission is understood to have taken a hand in drafting a detailed questionnaire which is being circulated among the various Ministries of the Government of India with a view to eliciting opinion and probing the gaps which could be plugged with the help of foreign technical equipment and personnel.

It is realised that the material that may be forthcoming from the Commonwealth countries would be limited and will have to be supplemented by other countries, notably the United States. An attempt will therefore be made to formulate proposals in such a way that they would dovetail with the suggestions for aid from the United States or the specialised agencies of the United Nations.

Earlier in the year, it was expected that India may be able to absorb technical aid worth two million dollars from the US and three million dollars from the UN during 1950. These estimates may have to be revised downward in view of the fact that a substantial part of the year has elapsed without any aid materialising and India's own schemes for industrial development have been pegged down on account

of financial stringency.

Another limiting factor, decidedly, is the meagre funds that the countries of the Commonwealth and the United States have decided to fork out. With only about \$35 million from the US under Point Four and £8 million under the Sydney Plan, the under-developed countries of the world are not likely to go far.

As it is, the implementation of the Point Four scheme is pretty slow. Though funds were voted more than a month ago, no Administrator has so far been appointed. The Government of India have not yet officially received any request from the US Embassy in Delhi or from Washington to participate in the Point Four programme.

Officials here, however, note that the Sydney Plan, though of later origin, is being pressed forward with greater vigour. After the proposed Joint Consultative Committee meeting in Colombo next month, a meeting of the participating countries will be held at ministerial level in London to decide priorities and finalise the Sydney Plan.

COTTON IMBROGLIO

Those who feared that the National Planning Commission may develop into a parallel Cabinet can rest in peace. The Commission has been virtually overruled on a crucial issue. In May last when the Government of India were to announce their new cotton policy, the Commission was asked to go into emergency session. After a few days of hectic consultations between the Ministries of Industry and Supply, and Agriculture, and the Planning Commission, the material view was practically negated. It was decided that the being prices of cotton should not be raised because the incentive of higher prices to the cultivator in fact existed most of cotton sales being made in the "black market." The Bombay Government powerfully supported the Planning Commission in their crusade against higher prices.

The Commission rightly felt a rise in ceilings will be reflected in

an increase in the prices of cloth and, in turn, in higher cost of living. Thus the step would go directly counter to the Eight Point Plan to check inflation. The Commission's idea therefore was to make the cultivation of cotton economical for the cultivator, not by raising the prices of cotton but by pegging down the prices of wheat and oilseeds, thus furthering the process of disinflation. Hardy within two months, however, the interested parties have been able to move the Government and force a revision.

Apologists for the Commission still believe that its point has been substantially met by exempting the current year's crop from the new price increase. The argument, however, is frivolous. The need for discouraging inflation is likely to remain as urgent, if not more, a year hence as it is now. Therefore, the ultimate rise in cotton price, will reflect itself adversely on the economic situation. If the "cotton incident" is a pointer, and the progressive advice of the Planning Commission is to be set at naught by departmental string-pulling, then its high-powered members may as well go back to their respective jobs and forget planning!

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