

which a reorientation was confidently looked for was that of treatment of cottage industries. When the then Commerce Minister, Mr. K. C. Neogy, promised that handicrafts would feature prominently in the Government's export drive, it was expected that some such pioneer effort would be made pretty soon. But that was some time ago. That Dr. Deshmukh has brought up this long neglected proposal again to the forefront, albeit through the back door of state trading, is highly gratifying.

The main handicap of state trading, as in many other fields of state activity, is the lack of trained personnel. For, ultimately, the venture would be judged in terms of cost, and the setting up of the corporation would only be justified if it can conduct the trading at a lower cost to the ultimate consumer. But to put the case in this manner is not perhaps quite fair, for obviously all the functions of the corporation are not such that they could be conducted through the normal trade channels equally well, if at all. The particular case of handicrafts is an instance in point, in which it is not so much the commercial efficiency, but the ability to co-ordinate a number of things which will be necessary for success—new designs, proper selection, internal procurement, and assistance to the cottage industries in the matter of ensuring supplies of the requisite materials—fast colours, dyes, yarn, metal sheets, tools and implements, etc. To get together artists, talented craftsmen, and the requisite industrial materials, and ultimately, to make the job commercially paying, is a major undertaking in itself.

A generation of students of economics have been brought up on the faith that machines can never kill art. This has now to be put to the test. On purely economic grounds, the chances of survival of cottage industries spring from the artistic value of the products on the one hand, and their ability to supplement machine production on the other. The All-India Village Industries Association took it upon themselves to demonstrate that handicrafts can survive even when they do not supplement machine

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## Centralised Economic Control

THE Parliament has assumed powers to enable the Centre to legislate on certain State subjects in order to enforce a uniform price policy in the country and to put down black-marketing and profiteering. This is not one more of the steps that the Government take from time to time, and to which the public surrenders in a spirit of resignation without expecting any great results. The extraordinary nature of the step now taken will be realised when it is remembered that it is virtually an amendment of the Constitution. The enabling resolution itself is an extraordinary measure taken in the national interest which requires under the Constitution a  $\frac{2}{3}$ rd majority of the House for its approval. And yet the urgency of this measure was appreciated so widely and keenly that the resolution was passed without a single vote of dissent.

What has attracted most attention is the enhancement of penalties against offenders under the Essential Commodities (Temporary Powers) Act. But this is the least part of it, profiteering cannot be put down by penal measures alone, however severe they may be. The critical food situation that has now arisen—the speculative rise in prices and the disappearance of stocks following the outbreak of hostilities in Korea, crop failure in Madras and the ravage of flood in Bihar,—cannot be met by hanging hoarders and profiteers. Not that the enhancement of penalties amounts to anything so drastic.

Far more important is the assumption of power by the Parliament to enforce its directives to the States. It is common knowledge that food control never worked efficiently because it was a subject under the jurisdiction of the States. The Government at the Centre could only advise and recommend; it never had any statutory powers to enforce its directives. And yet this Government was saddled with the responsibility of meeting the food deficit by imports when procurements from the States in surplus

fell short of the requirements of the States in deficit. It had all along been an impossible situation and Mr. Munshi could justly complain that his thankless office combined the maximum of impotency with the heaviest of responsibilities—responsibility without power. Now we shall have a more effective control of the situation. The Food Minister has already issued directives, rather mild ones for the present, to expedite the movements of food.

What this present enabling measure makes possible is something of much greater importance. For the first time, by the introduction of a uniform system of procurement—uniform prices for foodgrains becomes a practical proposition. The final effects of these revolutionary changes cannot yet be gauged accurately. That it will greatly increase procurement, and modify, if not eliminate altogether, the wide disparities in the consumption of food between the different States can be asserted with confidence. This may not resolve our food problem entirely, but it will certainly make it much more manageable.

This bold step has put an end not only to a long-standing grievance that was crying for rectification; one of its immediate effects may very well be a big stride towards what had hitherto remained an aim impossible to achieve—a move towards self-sufficiency, even by 1951, though it may not be complete self-sufficiency.

The wider implications of the present step are equally important and deserve serious attention. The emergency now created may well lead to the very desirable development of ending fissiparous tendencies and undermining the economic life of the country. There would be few now who will regret the loss of independence by the States in economic affairs. Even the very limited experience of the last three years has proved beyond a shadow of doubt that on the basic economic questions this independence can be purchased at too great a cost.