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THE FIRST YEAR OF THE REPUBLIC

THE Republic completes the first year of its official life today, but no one seems to be keen on celebrating the first anniversary of its birth. The fast changing international situation, the growing disintegration of the Congress, the latest move on the political chessboard or even prospects of the general election attract more attention at the moment than the state of the Republic. Circumstances have pitchforked this new comer on the scene into a position in which she can influence, and has been influencing, the course of world events. But our awareness of world affairs has not grown any deeper, or else we could not have remained so indifferent to recent world events. For India's capacity to mediate successfully in the interest of peace depends on her own economic strength, and the economic ties she is able to build up with her neighbours. In neither has there been any progress which is at all comparable to what her representatives have achieved in the Council of Nations. Will the ship of state be able to weather the storm that has been gathering on the Yellow Seas?

This dim awareness is a part of the cynicism and disillusionment that has come over the people. The Congress Government, not being homogeneous in social structure, nor therefore in ideology, have been slowly

slipping away from their pledge to work for the establishment of a social and economic order which would secure the fullest utilisation of our natural resources, and bring a fuller life to the people. After a fitful start on an over-ambitious programme of economic development under the direct initiative of the State, there has been a climb down, by stages. The process of withdrawal from the ideal of an expansionist economy and social justice is not yet complete by any means. There is wisdom in knowing one's limitations and in accepting them gracefully. Where further advance is not possible, even present foothold is insecure. temporary retreat is accepted strategy. In the affairs of state, compromises are not to be spurned. It depends.

What has made people lose heart is not that the Government should have felt the necessity to retreat or withdraw, or that they have been compelled by circumstances to make compromises, judging from the prevailing mental climate, the new Republic seems to have passed at one jump from the immaturity of adolescence to the conservatism of old age. skipping in the process the intermediate stages of bold adventure, and the conservation that comes from maturity. The ship of state has been drifting in the home waters.

Will it survive if it is caught in a storm on the high seas?

The Government's earlier industrial policy statement has been a dead letter. As has been ably argued elsewhere in this issue by a contributor who does not mourn it, the changed situation demands efforts towards progress in a more positive direction. The policy of self-sufficiency in food was dead before it was born, because the one thing in which the present Government have patently failed is in carrying the people with them, gaining their confidence and organising their enthusiasm. Without enthusiasm there can be no worthwhile effort, and no successful results.

The signal for retreat has been put over in a different language, as a call for realism. The Government policies have been acclaimed as more realistic by the stock exchange, but they have not been acclaimed by the people. This is not to say that the Government have yet taken a definite stand on anything or that they have evolved a workable line in the pursuit of such realism as the Government have now in mind. If the previous expansion programme has been abandoned, the chronic problem of shortages imposes the inescapable obligation of still maintaining the framework of a controlled economy. That this framework has not yet broken down, despite the vacillation at the top which has been continuously undermining its foundations, is because hard necessity is still propping it up. Food is perhaps the worst instance, but there are others. And since the Government can only function through the administration, the deficiencies of administration, the question of personnel, and "corruption in public life remain the hard core of all the domestic problems to which source all other problems may be traced, be it high prices, food shortage or low production, or even lack of finance.

Experience and the course of events have crystallised the issue which can be put in a nutshell. Will the economic and social programmes and policies be cut short and modified so that they can be brought within the limits of the capacity of the administration, or should efforts be directed towards reorganising and reforming the present day administration as a first step towards building up a more efficient one, capable of working towards the ideal of a welfare state to which Government stands committed? Towards the

latter end in view presumably, the Planning Commission was appointed and the formation of an economic service on the lines of the existing administrative service has been suggested from time to time. Since instruments cannot be dissociated from the function they are to perform, the question of an appropriate administrative organisation cannot be decided unless the needs that such an administration is to serve are determined first. These needs remain more obscure today than ever before.

There is nothing spectacular or new about any of our internal problems. The country has survived food shortages of equal, perhaps of even greater severity. What we are passing through today is the cumulative effect of past mistakes and past neglect. But if realism becomes the watchword today, we cannot possibly fail to learn from the bitter experience of that past. Austerity, being necessary, is good. The framework of food control that has been built up over a number of years through trial and error, should certainly enable us to pull through if, in a temporary fit of insanity, the Government do not try to wriggle out of their responsibilities by undermining its basis. The cut in rations which has just been announced, though hard, would be still welcome, if it is shared equally by all, and if uniformity of rationing and procurement is enforced equally in surplus as in deficit areas. But along with the call for austerity, there have also come ominous news of derationing, e.g. in the rural areas of Madras. Austerity would be easier to bear if along with it there was greater evidence that something was also being done to restore and revive the falling productivity of our agriculture, especially in the production of food.

The industrial scene is equally bereft of exciting developments. Here as in the case of food or foreign trade, with a few exceptions, the real limiting factor is low agricultural productivity. Both of our major industries, cotton and jute, have run up against it and have been stalled. And if we are dragged into the turmoil of another war, or if presently world rearmament gets into swing so that shortages, among others, of shipping become acute, would we not be caught napping and left to flounder? To the problems of shortage at home and the crisis of confidence has now been added the operation of an altogether new fac-

tor, the consequences of our involvement in foreign affairs. The real weakness in our foreign policy lies in the structure of our economy, and its success depends as much on such things as availability of essential imports, food and fuel, and ships and shipping, as on what our representatives say or do in London, Washington or Leningrad. Success. Developments in the markets during the last few weeks have brought this out powerfully. The deterioration in our food situation which came to light about the same time only added further emphasis to what might have been overlooked under different circumstances—the hard fact that the economies of neutrality is as important as are its political implications.

Since India is neither a small country nor is she plated snugly in between the two warring camps to be able to benefit either by playing off one against the other or by being of service to both, such precedents hardly provide a guide to future policy.

And in addition, when neutrality is sought to be made into an active lone for peace, and is not just to maintain a precarious balance between the two, such precedents are worse than useless. Can a country like ours with so low an economic potential, dependent on foreign supplies for her most essential needs in food, oil-fuel and strategic raw materials of industry, aspire to avoid entanglements and steer an independent course of her own, not to speak of influencing others in an effective manner while doing so? This is not to say that economic self-sufficiency is an essential or a necessary condition for the successful pursuit of a policy of neutrality in a world heading towards war. No country can be fully self-sufficient nor is autarchy necessarily a worthwhile ideal to follow, even in a world split by hatred, suspicion and distrust. With our vast resources of man-power and land area, economic integration of the right sort to support and strengthen the desired type of foreign policy would be the obvious answer, not self-sufficiency or isolation.

Granted all that, since our success so far in forging closer economic links with our neighbouring countries has been so poor and our present efforts in this direction lack so greatly in imagination, drive or competence, our many deficiencies and our pathetic dependence, even

where such dependence is readily preventible, stands out stark and naked as our eye openers in the second year of the Republic,

The need for closer economic ties with our neighbours is as urgent as that of building up a sound economy at home; both demand re-orientation in the direction not necessarily of self-sufficiency but of reducing our dependence on imports and seeking sources of supply less exposed to the risks that are looming large in the horizon.

If better utilisation of our internal resources has to await even such foreign aid in materials and equipments as we could obtain during the post-war years, the pace at which we may have to go back will not be as slow as that at which we had been moving forward.

If past hopes proved false and forced us to retreat, let us try to retrace our steps and begin with the small things which we can accomplish easily. One such is to put through and complete the reorganisation of land ownership and not to leave it hanging; another is to revive on agriculture, and a third is to build up an administration capable of running efficiently a poor economy like ours which will also rid public life of corruption.

Public Corporations in Britain

IN their first hectic four and three quarter years as the majority government of the United Kingdom, the Labour Party was pledged to nationalise coal, gas, electricity, railways, inland waterways, road transport, airways the Bank of England and iron and steel.

Since the birth of the Labour Party fifty years ago, it had always been imagined that the bringing of industries into public ownership would by itself transform relationships between management and men. Incentives under capitalism were, on the one side, desire for higher pay; on the other, fear of unemployment. Under socialism, the main incentive would be a desire to save the community and the knowledge that, in the long run, such service was to the highest interest of the individual himself. So, in the publicly owned industries, the class struggle would disappear, restrictive practices be replaced by a thirst for technical progress, productivity would leap ahead. Likewise, workers would flock from the private sector to the better conditions that

this new harmony would engender. In fact, there was no such metamorphosis. Difficulties that had never been anticipated obtruded themselves; new loyalties were not engendered; the old owners were left in control, now as paid managers.

Lord Citrine, once secretary of the TUC, but now chairman of the British Electricity Authority, gave an interesting address to the TUC in September on some of the practical problems that had had to be faced. He could speak with first hand authority on coal as well as electricity, for, before taking up his present position he had spent some time on the Goal Board. "The Boards," he said, "Are in their infancy. The oldest of them, the National Coal Board, is a toddler some 3½ years old and I do not think it could be said that any of the nationalised industries are yet through their teething troubles. They have had a gigantic task to perform, a task so immense in its wealth of detail that only those who have been serving on the Boards can really understand its immensity.

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