

Zealand and in Australia in the last general elections has been explained away as a natural desire of the voter for a change in Government after years of Socialist administration. A similar explanation has been offered for the defeat of the Labour Party in the last general elections in Britain. These are superficial explanations. The downfall of Labour in these countries was due to more deep-rooted causes.

There is nothing strange in the glorious, brief interlude of Socialism in Britain while it was beating a retreat in Western Europe, in New Zealand and in Australia. The policy of the first Attlee Government after the war was based on truly Socialist lines. It was not a policy of compromise. Class struggle was its basis. It was popular. It satisfied the needs and demands of the British people. By the time the Attlee Government sought a fresh mandate, the first phase of Socialism was over in Britain. Labour was returned to power. But the voter was emphatic in his verdict that the Labour Party must decide the way it would be going. The Labour Party did not heed the warning. So it suffered a defeat in the last general elections. This is the broader background of Mr Bevan's determination to re-annunciate the policy of the British Labour Party.

Transport House will celebrate Mr Bevan's submission to the dictates of the Parliamentary Labour Party as visible proof of its financial hold on the Labour Party. Mr Hugh Gaitskeli, a former Labour Chancellor of the Exchequer, will be jubilant that Mr. Bevan's alleged demagogic tactics "to foist "mob rule " on the Party has not succeeded. In his secluded sobriety, Mr Attlee will be thankful that Mr Bevan is too sincere a Socialist not to prejudice the cause of Socialism in Britain. But Mr Morrison, himself an expert party strategist, should know better. He is too familiar with party tactics not to sense Mr Bevan's dogged determination to convert his minority group to a majority in the Labour Party.

Before, and not after, the Parliamentary Labour Party issued the directive to disband all parties within the Party, Mr Bevan had invited all Labour members to attend and to participate, if they chose, in the discussions of the group. This move was accompanied by a more significant declaration, that he and his associates would seek election to Labour's " Shadow Cabinet ". Mr

Bevan knows the rules of the game. He does not deny the Parliamentary Labour Party's claim as the supreme policy-making organ of the Party. Mr Bevan had scored a sensational triumph at Morecombe. There is no doubt that the rank-and-file of the Labour Party supports Bevan-ism. That was why Mr Bevan and his lieutenants were selected by the Party constituencies as their representatives in the National Executive of the Labour Party.

But it is the Parliamentary Labour Party, and not the party constituencies, which is responsible for the policy of the Party. Mr Bevan and his group ate in a minority in this organisation. Mr Bevan left this body when he resigned from the Labour Cabinet. He now thinks it wiser to re-enter the " Shadow Cabinet " in order to have a chance to guide the Party's policy. He seeks re-election on the ground that his triumph at Morecombe reveals that the Party as a whole wants him to have his voice in enunciating the future policy of Labour. Mr Gaitskeli and his Right-wing group cannot have it both ways. They cannot deny Mr Bevan freedom to organise a " party within the Party ", and yet refuse him the opportunity to be a co-architect of the future policy of Labour. Mr Bevan has

wisely decided to fight the Party from within the Party. Even the strictest party disciplinarian can have no valid objection to it on the ground Mr Bevan has chosen to give battle.

World Socialism, as Labour in Britain, is at cross-roads today. It must choose the way it will be going. To argue that Mr Bevan is fighting against Britain's subservience to America in world affairs is to belittle Mr Bevan. To suggest that Mr Bevan is opposed to giving priority to rearmament to the neglect of social services is to tell only half the story. Bevanism means and involves a re-annunciation of the basic policies of the British Labour Party. The British Labour Party has two choices. It can either degenerate into a mere trade-union movement bossed over by trade union leaders who have lost touch with the common worker, with a parliamentary wing dominated by men who lack Socialist inspiration. Or it can blossom forth as a genuinely Socialist Party aiming at introducing Socialism in Britain and in the wider world. Mr Bevan wants the British Labour Party to be the torch-bearer of world Socialism, sane and thinking persons in many parts of the world will wish him ultimate success.

Kidwai Confounds

THE experts advising the Planning Commission were obviously scandalised by Shri Kidwai's drive for food decontrol. They could not see how the Food Minister's policy was compatible with planning, and very nearly suggested that the Government have to make up their minds about one or the other of the two, viz., planning and decontrol. Shri Kidwai could not, however, be pinned down by them because he argues on the basis of statistics which are mystifying even to those who have long been used to 'the peculiarities of Indian food statistics. He believes that enough food is available in the country to warrant a change in food policy, and has not much faith in the prognoses of experts.

That the Food Minister fails to appreciate the grim forebodings of the experts is not entirely his fault. The blame is as much the experts', because they have failed to speak in a language which the uninitiated can understand and appreciate. For, in a country which feels it has had had controls much too long, one has

to do more than merely assert that without them, all planning is a farce. It is not helpful to say that the 'marketable surplus' has to be increased in the agricultural sector so that capital formation might be accelerated. People will ask what exactly that means, and how controls—which, they believe, are difficult to administer—come into the picture. The experts in their wisdom might be impatient of explaining the desiderata for development; but it has to be done if their advice is to be heeded.

Basically the question is this. In what way would food decontrol interfere with the direction of resources to those ends which are sought by planning? In a poor country in which the bulk of the people are always at a subsistence level, the immediate impact of new incomes generated by increased development expenditure would, it is argued, be on the demand for food. Such an increase in money demand for food would, in the absence of an adequate supply, raise food prices and hit hard certain sections of the com-

munity. It would raise labour costs, generate a demand for higher money wages, and so to the famous spiral of cost-price inflation. That, the advocates of control point out, is something which should be avoided because it would mean more spending on consumption, distortion of investment expenditure, and so on.

Granted all this, Shri Kidwai has a couple of aces up his sleeve. First that the supply position is not as had as the experts believe, and second, that even if there is an increase in food prices (which he doubts) it will mean an increase in the incomes of agriculturists and is therefore beneficial. Fundamentally, therefore, the difference between the experts and Shri Kidwai turns around this question of incomes in the agricultural sector. The former argue that such an increase would make for more consumption than investment, while the Food Minister believes that it would mean more investment in food production and hence ultimate reduction in food prices. A priori either line of argument is possible; but what will in fact happen is more than anybody can establish firmly.

Is it, then, necessary for the sort of plan the Government have in view that food prices should be reduced or raised or kept stable? One of the main objectives of the plan is to raise food production in the country; for that, should incentives in the form of higher food prices be offered? Restriction on consumption of foodgrains is not a price that has been demanded of the country. Indeed, in the face of accumulation of stocks with the Government and acute hardship caused by lack of purchasing power with sections of the community, the objective has been to make possible a greater off-take of food and prevent starvation. Would a reduction in food prices help in these circumstances? Obviously not, for those who have little to buy with, it makes little difference. Nor would those who have the purchasing power buy much more foodgrains just because their price is reduced. It would on the other hand, seem plausible that by increasing the incomes in the agricultural sector, the necessary purchasing power would be made available. And if higher food prices increase the profitability of food production as against the production of cash crops, it would still be in accordance with the plan. Where then is the hitch?

The hitch is that one cannot be

certain of any direct relationship between a *given* stimulus and an expected reaction in a situation such as we are in. The only certainty, or near certainty, is that the expectations of Shri Kidwai about future food supply may not be shared by the general body of consumers and traders, and speculative buying of foodstuffs might push up prices further in the wake of decontrol. It would also make for uneven distribution of the available supply amongst the different sections of the community. But whether higher food prices will result in larger production or not, none can be certain.

That is because what determines investment in food production, or any type of investment for that matter, is none too clear. The experts have not unfortunately helped much in clarifying it. The experience of the post-war years of high prices and high incomes does not suggest that in a poor country those phenomena lead to increased savings and productive investment. Savings, such as they are, are dissipated on the purchase of assets like bullion, real estates, etc., the prices of which go up; and on the other side, sellers of these presumably are compelled to sell in order to inert their consumption expenditures. Indeed, the aspect of an undeveloped economy that comes to light most prominently on such occasions is the volume of potential demand for consumption that lies dormant and comes to life when the opportunity arises.

This, in any case, is inevitable so long as consumption of an essential commodity like food is kept low for the reason that the economy is undeveloped and incomes are low. Any increase in development expenditure must necessarily be considered as having that effect. The point is, what does one do to increase savings and to channel these into productive uses? If rising prices and incomes are not necessarily conducive to higher savings, is it any more true that an opposite movement in prices and incomes will have that result? If that is so, the experts will have to insist not only on maintenance of controls but also on reduction of control prices. And logically, that would mean reducing food prices without letting it affect food production. It does not help to maintain that food supply is not very price-inelastic.

Apart from the price-output relationship in agriculture, the argu-

ment would turn around the possibility of lower agricultural prices increasing investment in the economy as a whole. Even if lower agricultural incomes mean lower money savings in the economy, it has, to mean, for a consistent argument, two things: Firstly, that there is a consequent reduction in costs in the other sectors, and therefore a possibility of larger savings and investment. And secondly, that with lower prices, the farmer will try to increase his output and sales to maintain a certain money income. Both these are, theoretically, possible. But both of them would depend in the particular socio-economic, structure which is extant. All one can say is that if these are possible of attainment through organisation, physical controls, or otherwise, they would accelerate development—provided, of course, savings are channeled properly.

It would thus appear that food controls are not the only desiderata, but are just a part—certainly an important part of a wider plan of actions which the experts call increasing the marketable surplus and mobilising savings. All of which involves a great deal more of organisation of economic activity than either the Government or the experts are prepared to admit. As long as one fails to look at the problem of planning not only as setting targets but of working out the organisational implications of it, the question of what and how much to control will remain a matter for disputation. It is the tragedy of planning in India that of those who are concerned with it few concentrate on the question of organisation. They are lost either in finding ways of softening die butten or in disputation about the theoretical compatibility of controls and planning. No wonder that the man in the street who wants to know what is to be done in fact, here and now, to assure a better future for the country feels not only confused but bitter.

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