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## Moscow's Peace Offer

GAMBLERS and speculators may be unproductive members of society, but neither their capacity for intelligent anticipation nor their sense of realism has ever been in doubt. Wall Street might have been cynical, but it was not unrealistic in boosting war equities on the assumption that the launching of an earth satellite by Russia would speed-up defence outlay by America and her Western allies. In its behaviour, Wall Street seems to have correctly anticipated Washington's reaction to Moscow's scientific achievement. M Khrushchev's offer to ensure international control of all new scientific developments, including the earth satellite and all pilotless missiles, so as to avoid "the dangers of even more horrible weapons that, science was bringing to the horizon" on condition of an understanding between USA and USSR on peaceful co-existence has been promptly turned down on the plea that America is opposed to any bilateral agreement with Russia. Washington's rejection of Moscow's gesture is sought to be justified on the ground that any such bilateral agreement would be contrary to the principles of the Charter.

There is something in the argument, but it can be emphasised. It is an undeniable fact that there can be no world peace without a prior understanding between the two Giants. More than once, similar offers by Russia have been rejected by America on the same grounds. America's concern for the prestige and authority of the United Nations is commendable. But a closer analysis of the world situation makes it clear that reasons for the repeated rejection of Russia's appeal for an agreement, on peaceful co-existence lie elsewhere. America and her Western allies may not be unwilling to reach an understanding with Russia, but they have insisted over and over again that the Soviet Union will have to accept their terms and conditions for an agreement on world peace. It is the Western Powers' obstinate refusal to agree to disagree that perpetuates "cold war" and the resultant world tension.

Such an uncompromising attitude on so vital an issue as world peace can hardly ever have any logic behind it. It censes to have the least justification after repeated peace offers by Russia. Ever since the "cold war", the Western Powers have seemed arrogant. It was these powers which pursued a policy of building positions of strength. Such a policy was defended on the ground that only thus could Russia be forced to negotiate on world peace. There was a time when the Western Powers attained a favourable world balance of power. But that superior strength was never exploited to conclude an agreement on world peace. It was more than once issued as a threat. Experience has shown that the Great Deterrent has only provoked the Soviet Union to manufacture bigger and better armaments. In the devastating and dangerous race for missiles and nuclear weapons, the balance has now tilted decisively in favour of Russia. Yet, and this is a reflection of Moscow's good intentions, her military, technological and scientific superiority has not, unlike the Western Powers, debased the Soviet Union into issuing threats of "massive retaliation". In their hour of supreme triumph, the leaders of the Kremlin have shown statesmanship in making a peaceful gesture to America and her allies. If there had been some distressing signs of Russian arrogance after her experiments with ICBM, the successful launching of the artificial earth satellite seems to have had a sobering

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effect on the men of the Kremlin. Realisation that the rocket is "a pitiless weapon" has evoked an assurance from M Khrushchev that "we don't want to abuse our superiority". In this statesmanlike gesture, the world has an encouraging proof of Moscow's sincerity,

America and her allies would be wise in accepting the changing realities of the world situation. Moscow has shown imagination in not issuing boastful threats about Russia's undisputed technological and scientific supremacy. But some of those countries or powers whom America has been wooing have not missed the implications of the changed balance of power. There are many reasons why Japan is now eagerly searching for friends in Asia. But there are growing signs of a shift in Japan's foreign policy. Japan's alliance with America was mainly a marriage of convenience. But the Russian ICBM and the earth satellite seem to have cooled Japan's ardour for America. Only recently, the Japanese Premier had occasion to remark that there was need for "a re-adjustment" of Japan's relations with America. No less signi-

ficant is the sudden and swift change in west Asia's political climate. While America hastened a debate in the United Nations on the Syrian situation, the discussion disclosed a decisive shift in west Asia's attitude to the Eisenhower Doctrine. Washington must have been—indeed was intrigued by both Saudi Arabia's and Iraq's support to Syria. Arab solidarity will be welcomed on wider grounds. No doubt, Israel is a constant reminder to Arab States to patch-up their quarrels. But it is a permissible inference that recent Russian military and scientific achievements may have induced Syria's unsympathetic neighbours, who had only recently shown a preference for the Eisenhower Doctrine, to concede the socio-political basis for that which is resented and exploited by Washington as Communist subversive tactics.

Almost without exception, all small powers will welcome an agreement between the rival camps or peaceful co-existence. It is now more than time for the Big Powers to make another sublime effort to reach an understanding on the sum-

mit level. It might be argued that the Geneva Summit Conference reached such an agreement, and yet, subsequent events have shown that world peace is no nearer sight. An agreement on peaceful co-existence will elude the world as long as both sides are unwilling to make concessions. There will be need for adjustments by Russia on some of the crucial world issues in dispute. There is an equally urgent need for the Western Powers to accept the full implications of competitive co-existence. Experience suggests that an understanding on peaceful co-existence is not likely to be reached without an agreement on world disarmament. That being so, M Khrushchev's proposal for a high-level disarmament meeting is to be doubly welcomed. Along with the joint Indo-Japanese initiative for banning nuclear tests, small powers, including India and Japan will enthusiastically endorse M Khrushchev's proposal for summit talks on disarmament. And the common man in all parts of the world will hope that the proposed disarmament talks will succeed so that he can enjoy plenty in peace.

## Appraising the First Phase

THE last four weeks or so witnessed a campaign for wooing American economic assistance, public as well as private, on a scale never known before. Now that the Finance Minister has rounded off his talks with a thirty minute interview with President Eisenhower and the Birla Mission is on its way home, the first phase of the campaign can properly be said to have concluded, and it seems appropriate to assess the achievements of this phase. No campaign is ever a complete success or a complete failure. Success or failure is usually partial but there is a wide range of variation between the various levels of success or failure. In fact, reviewed in this light, the words 'success' and 'failure' can be employed to indicate the same phase of an achievement. The purpose of this appraisal is not to arrive, therefore at a verdict completely one way or other but to find out the extent to which the objectives aimed at by the campaign are nearer reached than they were before the campaign started.

This campaign for U S economic assistance was launched at two levels. The one at Government

level was handled primarily by the Finance Minister himself, although some amount of initial spadework must have been put in by the Indian Ambassador in Washington, just as he has now been asked to follow up the negotiations where the Finance Minister has left them. The other, at the level of private enterprise, was entrusted to the Mission of Indian industrialists led by Shri G D Birla. These two wings of the campaign should have been complementary in more than one way. True, that, the assistance obtained either through private channels or through Government sources will ultimately help in the easing of our foreign exchange difficulties and in the furtherance of the Plan objectives. (Of course, this implies an assumption that assistance from either of the channels is for purposes provided for in the Plan, and this, it must be granted, is not necessarily a valid assumption.) However, the division of the campaign between the two wings was ingenious and should have proved tactically advantageous, for in a country like the U S A, where the degree of influence exercised by private business on the

Government's external economic policies and by the Government on private investments abroad is very substantial, the good work done by one wing should have created a better climate for the other wing and vice versa.

In the context of India's immediate difficulties, the main task of the industrialists' mission was to help to create a climate favourable for the funds needed in the public sector; for it is in the public sector that there persists the danger of a shortfall in achievement even though the targets have lately been scaled down. As for the private sector, foreign exchange for nearly two-thirds of the total investment envisaged in the Plan as re-calculated in terms of higher costs is stated to have already been released. And what remains to be provided for in the private sector is a small proportion of the total order of requirements. Of the estimated uncovered deficit of Rs 700 crores for the remaining Plan period the private sector's Plan projects should account for not more than Rs 150 crores. Even this does not give a correct idea of the extent to which the present foreign