would be Ugandans who will ultimately take over the entire management.

This is the ideal form of aid which India can extend to more underdeveloped countries. In two earlier comments on the subject (October 24 and October 31, 1964) it was pointed out that such assistance should preferably be extended by or through the public sector and that managerial, financial and technical control over the enterprises concerned should pass into local hands over a specified period of time. This is the only arrangement which would be consistent with our own attitude to foreign aid and would also assure export of indigenously manufactured machinery on a long-term basis. Indian private enterprise which is going into Ethiopia, Nigeria and other African countries is, on the other hand, motivated entirely by profits without any serious intention of repatriating them home or placing orders for local machinery — the Birla cotton mill in Ethiopia purchased its equipment from Switzerland and others are also hunting for foreign exchange under the guise of exporting a handful of machinery — or training the Africans to finally take over. Profits in Africa are large but we cannot afford to lose what little goodwill there is for Indian business by the export of, among other things, sharp practices which are already creating a bad impression over and above the traditional antipathy which Africans have towards domiciled Indians.

Since this is the first organised attempt to export Indian machinery and technical and managerial know-how, a conscious effort would be required to make an exemplary success of it. Both machinery and men would have to be the best that can be offered and maintained. Public relations, as the Russians demonstrated in Bhilai, are a key factor. The Indian personnel sent to Uganda must be carefully selected and put through an orientation course to avoid mishaps in human relations. The African may be innocent and backward but he is sensitive and eager to be accepted as an equal — just as we are in dealing with westerners. Any impression that we are out to exploit African backwardness must be avoided.

Weekly Notes

TTK and Bankruptcy

PEOPLE often say things which, on sober reflection, they wish they had not said. With Ministers this is an occupational hazard, but our Ministers have struck upon (and have overworked) a device to get themselves out of trouble — they just say they were misreported. One sincerely hopes that the Finance Minister was indeed misreported when he made the amazing assertion — amazing even to those familiar with a Minister's idea of his own importance — that as long as lie was Finance Minister the country would not go bankrupt! "After me, the deluge" — shades of the Bourbons!

Presumably, the Minister was referring to external solvency. We are not bankrupt in the sense that our international cheques have not bounced yet. We have been spared this ignominy directly through a refunding of our obligations by institutions like the I M F and by some countries and indirectly by the provision of non-project aid. The Minister possibly wishes to take credit for arranging this to-funding in view of his willing acquiescence in the stern measures of internal monetary discipline which our foreign creditors *are* prescribing for us. But how long can we travel on that road? What happens when we use up the remainder of the stand-by credit (a mere $ 75 million now) and do not get adequate cash aid in time? The time for financial brinkmanship would then be over; we would have gone over the brink and a regular stabilisation programme would be insisted on. The Finance Minister may stay (for the nation's good, of course) but only as an agent for carrying out policies indicated in the programme.

There seems to be a queer coincidence — if it is only that — between the tenure of office of TTK in Finance and our parlous financial straits. In 1957-58 we were running through our reserves and, after starting with a comfortable reserve cushion in 1956 on the eve of his assuming office, we were forced to draw on the Fund for a sum of $200 million. By 1958 we had hegun to pass the hat around. Internal deficit financing was also highest in 1957-58. Now, once again, his holding of the office has coincided with a severe exchange crisis. The bottom of the barrel has been scraped but we have a seemingly cheerful Finance Minister assuring us that we will not go bankrupt. That is a tribute to the resilience of the economy more than anything else. A cynic might say that we will not go bankrupt—despite the Finance Minister.

Snail's Progress

THE Ranchi snail is nowhere near the end of its long and arduous journey. Its new chairman, T R Gupta, former chief executive of Jay Engineering, appears to have brought some drive and much more optimism, but the goods are a long way off from delivery.

Four major projects come under the Heavy Engineering Corporation: the machine building project, the foundry forge and the heavy machine tools project at Ranchi and the coal-mining machinery plant at Durgapur. Of these, only the first has really gone into production; its entire construction, erection and commissioning is expected to be completed some time next year. Out of 44,000 tonnes of materials and equipment including structural required for the plant, about 36,000 tonnes have been shipped from USSR; of the 838 standard machine tools to be installed, 690 have been received at site and 561 have been installed. The plant needs advance orders, much more than those for 40,000 tonnes of machinery and equipment which include the orders for Bhilai and Durgapur expansion, booked already. It is negotiating for fur. ther orders, of 58.000 tonnes for Bokaro and other steel plants. Gupta is confident of turning out a completely *swadeshi* steel plant by 1972-73, though less well-informed persons would like to know what precisely complete self-sufficiency in the ma* nufacture of large plants means. For the time being, even the heavy machine building plant is bedevilled by lack of firm orders, made worse by the continuing handicap of both H E C and potential customers in designing and by the unfortunate prolonged delay in the foundry forge project.

The foundry forge plant is way behind schedule. Civil work on it is in the preliminary stages; civil construction of the main production buildings are still at 5 to 18 per cent completion stage. Out of 41,500 ton—