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TO WHICH GOD ...?

THERE would be little to demur about the Finance Minister's assessment of the economic situation that it was difficult, but not desperate, had he not tried to prop it up by the indefensible argument that if prices had risen here, they had also risen in Britain and the US. In the case of both Britain and US prices are difficult to hold because they rise from over full employment and expanding business activity. The contrast this country presents is so striking that it should not be missed by the Finance Minister even for scoring a point against his critics in the Parliament. But let us not quarrel about it. Mr. Deshmukh has given a burial to his predecessors' resolve of bringing down prices, more specifically that of essential consumer goods by 10 per cent. The Government will now be content if they can ensure that no fresh inflation was generated. To that end, they intend to follow sound fiscal and monetary policies, and in particular not to relax in the pursuit of economy.

A new set of eight points now officially replaces Dr. Mattitai's eight point programme. Mr. Deshmukh had not been in a hurry to make a statement of policy. The time he took over it had raised expectations already high because of the great respect in which he is held for his ability and integrity—even higher. Therefore, had he uttered the usual conventional inanities appropriate on such occasions, there would have been mild disappointment, but nothing worse. It would have been excused for the speaks for the entire Cabinet, and it may not be for him to sway the minds of men. There would also be the consideration that he inherits legacies for which he is not to blame. But instead of the conventional mouthful phrases, Mr. Deshmukh has added sharpness and point to his enunciation of policy. He has made it precise.

From the point of view of immediate implementation, the programme hangs on the twin objective's of removing the strain on the country's economy by cultivating good relations with her neighbours on the one hand, and on purposeful planning for self-sufficiency in food, cotton and jute, on the other. Performance does not always measure up to promise. One may not ask, therefore, whether self-sufficiency in all the three is attainable at the same time. This is too stale a joke to be amusing any more; there is little use in flogging a dead horse. But one may still ask, can attainment of self-sufficiency in agriculture be reconciled with the aim of developing good relations with our neighbouring countries, to be pursued along with it?

If India is determined to grow all the jute and cotton she needs, Pakistan must find other markets for her surplus produce, however hard it may be for her growers of jute and cotton. 'On the other hand, if the Government are at all serious in their endeavour to remove or minimise the strain on the country's economy, attributable to her political and economic relations with neighbour countries, they should try to get more jute and cotton from Pakistan and ensure more regular.

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WEEKLY INDEX OF WHOLESALE PRICES

(Compiled by Economic Adviser's Office: base year ended August 1939=100)

Commodity Groups	Week Ending							
	8-7-50	1-7-50	24-6-50	17-6-50	10-6-50	3-6-50	9-7-49	2-10-48*
Food Articles	423.6	417.4	407.1	403.4	399.6	400.9	391.3	397.4
Industrial Raw Materials	504.7	496.2	494.2	484.3	493.5	490.7	446.6	431.8
Semi-Manufactures	339.2	337.0	335.5	335.2	335.8	335.6	325.5	339.2
Manufactured Articles	317.4	347.2	346.9	347.0	348.1	348.3	342.4	348.7
Miscellaneous	706.2	706.2	692.4	694.9	699.3	681.4	534.4	528.1
General	404.9	401.3	397.1	394.7	395.4	395.0	377.9	382.0

* Week before announcement of anti-inflation measures.

BOMBAY'S COTTON CONSUMPTION, EXPORTS AND STOCKS

(In bales of 400 lbs.)

	WEEK ENDING					Total since	
	20-7-50	13-7-50	6-7-50	29-6-50	22-6-50	1st Sept. to date	1948-49
Mills Consumption	19,250	19,250	19,250	19,250	22,670	924,503	1,100,374
Total Stock	560,143	572,153	537,518	542,643	536,539	—	—
Exports to:							
United Kingdom	—	—	359	—	1,407	11,516	22,171
Continent	—	543	—	530	—	75,032	156,480
China	—	—	—	—	—	—	21,601
Japan	—	—	—	—	—	61,933	47,184
U.S.A.	—	202	—	445	—	59,997	20,773
Other Countries	669	—	—	—	—	5,609	5,094
Total Foreign Countries	669	745	359	975	1,407	214,087	273,303
Coast Ports	3,951	5,482	5,458	2,737	4,849	116,190	148,003
Total	4,620	6,227	5,817	3,742	6,256	330,277	421,306

SUPPLY, STOCK AND DISTRIBUTION OF INDIAN COTTON

(In bales of 392 lbs. nett.)

Receipts at:	15-7-50	8-7-50	1-7-50	24-6-50	Since 1st September to date	
					1949-50	1948-49
Bombay	38,529	41,511	45,593	31,356	1,740,210	1,473,508
Karachi	—	888	1,208	3,256	1,130,390	810,161
Total	38,529	42,399	46,701	34,607	2,870,600	2,283,669
Exports from:						
Bombay	4,948	4,609	3,482	8,372	324,661	416,076
Karachi	—	59,000	20,000	35,000	999,000	678,000
Total	4,948	63,609	23,482	43,732	1,223,661	1,094,076

ALL-INDIA COTTON STOCK & CONSUMPTION

(In bales of 392 lbs. nett.)

	March, 1-9-49	1-9-48
Consumption	313,270	2,192,854
Stocks	1,035,275	—

BOMBAY BULLION PRICES (Closing Quotations)

	(In Rs. as. ps.)							
	Week ending		Week's range		Last week	Last year	Pre-war	
	27-7-50		High	Low	20-7-50	This week	3-9-39	
Gold Spot (per fine tola)	114	2 0	114	7 0	113 6 0	114 5 0	117 6 0	39 2 0
Gold Forward	114	0 0	114	6 0	113 5 0	114 4 0	118 1 0	39 2 0
Silver Spot (per 100 tolas)	179	2 0	180	6 0	179 14 0	180 15 0	182 15 0	60 10 0
Silver Forward	179	3 0	181	0 0	179 0 0	181 2 0	182 1 0	60 10 0
Sovereign	76	0 0	76	0 0	75 12 0	75 12 0	75 12 0	24 10 0

Disagreement on China

imports of rice from Burma and Slam. Though obviously much more realistic, this would run counter to the first objective of self-sufficiency. After all, we have never been completely self-sufficient in food. Though perhaps food imports were never very heavy, or rather not sufficiently expensive to create a foreign exchange problem, the alternative source of supply which was always open to us provided a good insurance against internal shortage arising from failure of crops or other causes. How can Mr. Deshniukh defy both history and logic?

The other points make a neat pattern by themselves sustained efforts to maximise national production, alleviation of rural underemployment and planned utilisation of the country's resources. Here again, they are made to hang on an unstated premise—more energetic functioning of private enterprise and the return of confidence in the minds of the private investors of which Mr. Deshmukh sees hopeful signs in the success of the new loans. Those who do not share his optimism are not necessarily carping critics. They are convinced that Mr. Deshmukh is relying on private enterprise for a job which is too much for it to take up.

The Republic

Editor: J. K. Banerji

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THAT M. Jacob Malik's ruling that the Chinese, Nationalist delegate, Dr. T. F. Tsiang, was not fit to represent China in the Security Council would be voted down by the United Nations Security Council was a foregone conclusion as also the fact that Soviet Russia, through M. Jacob Malik, the President of the current session of the Security Council, would take the first opportunity to press for the admission of the Peking regime. Seven months ago Russia decided to boycott the United Nations over the issue of the representation of China. It was, therefore, only to be expected that M. Jacob Malik would make a determined attempt to create the condition on which Russia had insisted since January as the prerequisite for her return to the Security Council.

It did not require a prophet to foretell that M. Jacob Malik's attempt would not succeed. For the position within the Council has not changed since January. Only five members have so far recognised the Peking Government. Even if all the live members had voted for M. Malik, he would have been two votes short of the necessary seven to push through his proposal. Moreover, it is apparent in retrospect that the Korean war has jeopardised the Secretary-General's initiative to end the deadlock in the United Nations by resolving the question of Chinese representation on the United Nations Security Council.

Both America and Britain were certainly within their rights in opposing M. Malik's ruling on procedural grounds. Yet, subsequent comments in Lake Success, echoing the Indian delegate's argument that the United Nations should not be crucified on rules of procedure, demonstrably proves that M. Malik has won a decisive first round in the propaganda war. Sane and peace-loving persons throughout the world will endorse Mr. Benegal Narsing Rao's clarification of India's stand on the question of Chinese representation on the Security Council, and, therefore, M. Jacob Malik's move to unseat Nationalist China's

representative from the Security Council.

At first sight, it may seem surprising that M. Malik risked Russia's reputation on a matter of procedure. Also surprising is M. Malik's deliberate decision to link the question of representation of China with the problem of a peaceful settlement in Korea. Since the "invasion" of South Korea, these two problems have been inseparably linked. Even so and, again, to stress the merely procedural aspect of the problem—M. Malik could have legitimately pressed for a settlement of the Chinese issue on its merits as a constitutional problem.

Instead, why did M. Malik deliberately link the two issues? As the men of the Kremlin have not yet committed any single diplomatic blunder in the "cold war," this seemingly undiplomatic move requires some explanation. And the explanation is that the Kremlin takes no step which is not calculated or deliberate. M. Malik knew for certain that his ruling would be overruled. Though defeated, he has proved to the world for the second time that America and the Western Powers are opposed to the Indian Prime Minister's "peaceable" effort towards a peaceful settlement of the Korean question through the Security Council with the participation of Communist China and of Soviet Russia.

But M. Malik's first action as the President of the Security Council, particularly his speech in defence of his move, gives an inkling to the surprise Russian decision to return to the Security Council after boycotting it for seven months. It is an attempt—an attempt which the Western Powers are determined to resist—to undo what the Security Council has done in relation to Korea. As the Chairman of the Security Council, the Russian delegate will enjoy certain advantages and initiative. And M. Malik has already served notice that the Soviet Union will use the veto if the American resolution condemning North Korea for defying the United Nations were put to the vote.