

Marshall Aid

April 3, 1948-Dec. 31, 1950

economic crisis from which Europe was rescued by Marshall Aid in 1947. The greatly increased cost of raw materials which European countries must import promotes inflation, and a re-opening of the trade gap. Faced with an adverse balance of trade, countries may tend to cut their imports, turning away from the liberalisation of trade achieved in Europe by the OEEC, and back to the bilateral barter agreements which were symptomatic of the crisis of 1947.

The shortage of raw materials, accompanied by the imperative demands of defence production, would mean less production for civilian consumption and therefore a more dangerous inflationary gap between spendable incomes (increased by employment in defence production) and available goods for sale on domestic markets.

The necessary first condition of consolidating the achievements of

Marshall Aid, is therefore, a solution of the raw materials problem. It is in this light that the OEEC views its tasks ahead. The first four objectives of a 10-point programme are: (1) increase of raw materials production in Western Europe; (2) increase of raw materials production in overseas territories; (3) to ensure that scarce materials are used for the most urgent purposes; and (4) measures to ensure the equitable distribution of scarce materials between countries.

The OEEC notes the general difficulty of increasing the output of raw materials fast enough to keep pace with the growing needs of industry all over the world, and insists: "It is of the utmost importance that member-countries continue to work in the closest co-operation with the United States and Canada. The position of North America is a dominant one in the world economy."

Then; is also, of course, much for European countries and the overseas territories linked with them to do for themselves. The doctrine of self-help in this direction had not

been practiced in the past. Coal, iron ore and scrap sulphur and Substitutes for sulphur are at the top of the list of production objectives. In overseas territories output of cotton, sisal, rubber, copper, lead, zinc, tin and phosphates have all increased in the last three years. Extensive investment is needed to raise production further. In Africa south of the Sahara, the OEEC estimates that \$5 billion in investment is needed in the next five years.

The OEEC had spotlighted the dangers of raw material shortages as early as September last. It is now undertaking the examination of the problems and policies of member-countries in their efforts to hold back inflation, and has called on member-countries to prepare production programmes for scarce materials. These are the two main problems ahead.

Another limiting factor, pointed out by Prof Myrdal earlier, goes much deeper. Unless Eastern Europe is brought within the orbit of the western countries, the scope for further recovery will remain restricted.

DESTINATION

Greece	Denmark	Norway	Ireland	Sweden	Turkey	Portugal	Trieste	Iceland	TOTAL
34.9	4.0	1.4	2.0	...	9.1	2.0	4.9	...	69.6
4.9	...	1.1	...	...	6.5	0.1	...	0.1	43.6
199.1	69.6	75.1	66.2	...	12.8	18.3	11.2	5.8	2911.8
111.5	2.3	36.2	19.1	...	12.8	18.3	7.0	1.7	1440.7
3.0	15.3	10.7	0.2	...	...	...	2.7	0.7	44.2
2.9	20.3	18.1	43.9	...	...	...	...	...	350.6
30.0	...	2.8	0.6	...	...	...	...	0.3	282.9
11.4	0.2	...	0.2	...	...	...	0.1	...	156.0
15.5	...	...	...	...	...	...	1.2	...	1.3.1
...	28.8	7.3	...	...	...	...	...	2.1	54.0
10.5	...	...	...	...	...	...	...	0.6	80.3
22.1	51.0	29.7	13.3	56.0	2.6	8.1	9.5	1.1	1356.6
21.5	48.0	29.1	13.3	56.6	2.6	8.1	8.9	1.1	1081.5
0.5	2.9	...	...	...	...	...	0.6	...	275.1
57.3	45.9	56.9	13.8	24.8	6.8	3.2	4.7	2.0	3150.6
12.0	12.8	1.9	0.2	2.1	...	...	2.2	...	1227.1
3.8	12.8	5.0	...	2.4	0.8	0.3	0.4	0.1	629.5
14.2	13.8	31.4	2.1	7.3	2.9	2.4	0.4	0.6	227.4
12.2	1.6	2.7	0.4	4.9	2.3	0.4	0.6	0.1	262.2
6.5	0.2	0.9	3.8	...	0.7	...	0.7	...	125.6
...	...	1.9	...	0.4	...	...	...	...	131.2
0.7	0.7	9.3	2.1	2.2	...	...	...	0.6	109.1
0.6	...	...	4.2	...	...	...	0.1	0.4	112.6
1.1	1.1	1.2	0.2	5.5	0.1	0.2	...	0.1	98.8
6.2	...	0.4	0.7	...	...	...	...	...	80.5
65.8	38.5	29.7	12.0	25.2	63.9	12.0	1.1	8.0	1603.1
51.7	30.8	27.1	7.7	21.5	55.8	7.5	1.0	6.7	1259.6
12.6	5.8	1.2	4.3	3.5	7.1	0.8	...	0.6	198.7
0.6	0.8	1.0	...	0.2	...	0.3	...	...	90.5
0.8	1.0	0.5	...	...	0.4	3.4	0.1	0.6	54.3
19.0	18.4	16.2	35.2	1.1	3.0	0.1	0.3	0.3	519.3
...	16.5	14.4	33.9	...	...	...	...	...	400.7
16.5	1.8	1.8	1.2	1.1	3.0	0.1	0.3	0.2	99.2
402.3	227.3	210.5	142.6	107.6	104.7	43.8	31.6	17.3	10643.9

Management of penicillin Bottling Plant

The Government of India have set up a Committee of Management for the penicillin bottling plant located at Bombay. The plant is a part of the Government of India's scheme for the establishment of a factory for the manufacture of penicillin.

The Committee will consist of Mr. M. S. Joshi, LC.S., Secretary to the Government of Bombay, Development Department (Chairman), and Dr. G. Sankaran, Officer-in-Charge, Penicillin Project, and Shri V. N. Adavi, Accountant-General Bombay (Members).

The Committee will be generally responsible for the efficient management of the bottling plant and the marketing of its production, and will have power to take such action as may be necessary or expedient for this purpose, subject to any conditions or terms of reference as the Government of India may lay down from time to time.

Mineral Prospecting

Mineral prospecting during the latter part of 1950, according to the quarterly report (October-December, 1950) of the Geological

Survey of India just published included survey of iron ore deposits in Orissa, mica deposits in Hazkribagh District and limestone deposits in Orissa and Madhya Pradesh.

A re-survey of the Bokharo Coalfields in Bihar, magnetic survey for manganese ore deposits in Madhya Pradesh and a mineral survey in Ambala District and Himachal Pradesh were other special investigations undertaken.

Work in connection with water supply in some of the river valley projects including Bakhra-Nangal, D.V.C., Hirakud Kakrapar, Kosi and Tungabhadra was continued.

The Mineral Information Bureau attended to 808 enquiries during the period as against 772 and 681 during the corresponding periods of 1949 and 1948.

New Coalfield in S. Wales

A new coalfield with an annual production capacity of 1,000,000 tons for at least 50 years of the world's best anthracite, has been found in South Wales, in one of Britain's richest coal-producing areas. The nearest big town is Llanelly. The Regional Coal Board reports that after almost two years'

boritig, the big vein—a seam 7 ft. 6 in. deep—has been struck at a depth of 2,550 feet.

The new mine should help to put British anthracite production up to the level from which it began to fall in the 1930's. In 1934, 6,000,000 tons of anthracite were mined. Last year, including open-cast mining, production was under 4,000,000 tons. Welsh anthracite has a world-wide reputation for quality. A "hard" or "steam" coal of great industrial value, it is practically pure carbon, and burns without a flame.

Treasury Deposit Receipts

Government of India Treasury Deposit Receipts of the value of Rs. 5,12,25,000 (Rupees five crores, twelve lakhs and twenty-five thousand only) were sold during the month of May 1951 as under:—

	Rs.
6 Months' Treasury Deposit Receipts	1,25,000
9 Months' Treasury Deposit Receipts	10,00,000
12 Months' Treasury Deposit Receipts	5,01,00,000
	Rs. 5,12,25,000

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