

International Economic Conference

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Part I

THE origins of the International Economic Conference held in April, 1952, at Moscow are well-known by now. Its initial impulse was the desire of the overwhelming section of humanity for peace. This century has concentrated in its fifty years more wars and more destruction and more comprehensively permeating evil than any three previous centuries. In these years, Europe, the vanguard of human civilisation, has lost its right to lead and abdicated its duties towards maintaining and enhancing the dignity of man in its mad career of regimenting the major part of its respective national resources for war in the sacred name of self-defence. In that process of losing and abdicating it has dragged the rest of the world to the depths where all is dark for the human spirit. While it is true and partially consoling that the Western Imperialism is declining, the very process of its disappearance and disintegration has involved untold misery for Asia, and Africa, because Imperialism dies hard, takes protean shapes in order to survive, and creates noxious fantasies, images, symbols, myths and legends even in the very heart of resistance. Imperialism is twice-cursed; it curses itself and it curses those who resist it. The grand result is that peace posits military preparedness, and nationalism demands large defence budgets, even though the nationals live in perpetual penury. The initial impulse of the Moscow Conference for peace was thus simple, decent and human. On the lower plane, the common men and women of Europe, as well as their counterparts in Asia and Africa (there were representatives from Africa), have been tired of war, and at Moscow they were trying to find a way of ending a state of affairs which had become intolerable.

That being the case, the venue of the Conference, *viz.*, Moscow, did not suggest to the delegates any sinister political motive on the part of the USSR or any malignant design to convert the naive to its way of life. For the Indian delegates, Moscow was not, and is not the New Jerusalem; for at least some of them the trip to Moscow to attend the International Economic Conference was the logical extension of Gandhiji's basic teach-

ings and Pandit Nehru's doctrine of neutrality, which bears the positive meaning that it is every Indian's duty to make a constructive effort for peace by removing the causes of mistrust and restricting the arena of conflict. The mistrust has gone deep, and no Indian worth his salt can forbear from reducing it. This writer's additional interpretation of neutrality is scientific attitude. He has refused to be bamboozled by propaganda on either side, and being what he is, he has devoted his energies to maintaining a balance of mind and spirit, which, in his view, can only be done by scientific attitude towards the main issue of the day, *viz.*, peace or war. The relative merits of systems, however pertinent, are subsidiary to that issue. That they were held to be so by one of the first series of resolutions in the plenary session of the Conference was more than wise; it was realistic and scientific. No reference to the defects of Free Enterprise or the virtues of Socialist planning was made; no analysis of the connection between capitalism in its last phase and war was offered and mooted; nobody spoke with mental reservations. The proceedings of the Conference were really open in word and in spirit. They had no need to be otherwise because the desire of the people for peace is real, and the people know that war is secret and peace is open. This was the realistic basis of the Conference. Its scientific attitude came from the Economics of Peace.

Herein lay the significance of the Moscow Conference being an International Economic Conference. Economics, the science of the basic type of human behaviour, is the organisation of economy, and not of diseconomy, or waste. Every schoolboy knows its basic assumptions of free and perfect competition, free and perfect market, free and perfect mobility, free and perfectly knowledgeable individual, etc. Beneath them all lies the ground of peace without which neither freedom nor perfection is possible. It is because peace is held to assure the maximisation of aggregate demand and satisfaction, the optimum allocation of scarce resources between alternative ends, and the constant increase in the level of employment, income and output for

the community, that the Science of Economics has been possible.

The modern emphasis on imperfections in competition, market and behaviour arise from the facts that are associated with the shift in that ground. Classical Economics rests on hedonism and the philosophy of Enlightenment. Its pleasure-principle is a derivative of Reason and Progress, both of which, as Kant showed, spell perpetual peace. Its very technique of model-building is the gift of the faith in Reason, which is identical with Harmony. Its glory was the concept of *Free Trade*, a consequence, and an agency for international peace at the same time. Unfortunately, nationalism grew and that ground-assumption was forgotten, or rejected. The world shrunk into the nation and the nation was concealed, into the State. In consequence, the Science of Economics became an apology for protection, autarchy, exploitation at home and abroad, that is monopoly and Imperialism, and a screen for fair and unfair business practices. If today Economics has tended to become a branch of the theory of business, it is because of the fact that business is essentially a national endeavour that need not build itself on peace between nations. In fact, it does not; it needs war to grow. The fear of a truce causes slump; the hope of war means stock piling and good business. When business becomes Big Business national frontiers are transcended, but its motives seldom work for peace. True Economics is the system of organising economy; and as there can be no economy of one nation without the economies of all nations, the opening of trade-barriers, the removal of unfair practices and the expansion of the propensity to commerce and industry are the primary requisites of making economics the science of the most important aspect of human behaviour.

The Moscow International Economic Conference revealed how every nation- and forty-nine nations were represented, some officially and others unofficially—was suffering from these restrictive and unfair practices in the shape of halted and unnatural growth, lowering of the standard of living, unemployment and sharp fluctuations. And

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the tragedy is that these practices are being defended and perpetuated in the name of ideology. As the state is the supreme ideologue in these days, ideology was sought to be excluded from the Conference. Once that was done, it was easy to show that free commerce and trade conducted either on the principle of free enterprise or socialist planning would make the twisted economics of communities grow naturally, improve the standard of living, diversify occupations, secure higher level of employment and national income. The biggest bottleneck in the freedom of international enterprise, and hence of national enterprise, was proved by delegation after delegation to be the extraordinary ideological conflict raging in the world today and its consequences in economic policy and practice. Everybody was convinced that peace is essential for economy, that the two are identical, and that to establish the identity an international, global outlook is necessary.

In other words, if politicians had driven the world into war, so it was felt, let the realists like businessmen, trade-unionists and co-operators, and scientists like economists, take a hand in bringing back the world to peace which they did. As a result of the contacts established in the Conference and followed thereafter, the total value of the British transactions concluded in Moscow was of the order of £56.5 millions. And the commodities did not belong to the official restricted list for which specific authorisation by the Government is necessary. They did not come under the provisions of the Battle Act. Out of that amount a fair proportion was for textiles to be sold to China. With the crisis facing Britain's textile industry, this must have been a boon to Britain and a further argument for peace with the Chinese Republic. Similarly French businessmen announced agreements worth 25,000 to 30,000 million francs, including 3,000 million francs with Rumania and 3,500 million francs with the German Democratic Republic. Those who know the strain which the war in Indo-China and the European Defence programme have caused to French economy will appreciate the worth of these agreements conducted during and after the session of the International Economic Conference. Tentative estimates offered there went to


show that Soviet orders to Western Europe alone would provide jobs to about two million people for three years. It was forcefully pointed out that at least one hundred thousand Italian workers, mostly in shipbuilding, would get work if discriminatory measures were removed and trade with the People's Democracies furthered. The same story was told for France, Holland, Western Germany, Austria, and even Japan. Two million unemployed getting employment means the livelihood of six million human beings. That is no mean prospect for peace by business, particularly when peace by negotiation brings us no nearer to settlement.

Unfortunately, and this point has to be emphasised, the economic case for undeveloped countries was not presented in that concrete fashion. Excellent reports on the pattern of international trade, balance of payments, etc., were read by able representatives, but little mention was made of the positive, concrete results of the defects and the removal of defects in terms of standard of living, national income, employment, diversification of industries, tempo of industrialisation and agricultural development. Much of this unpreparedness was due to the absence of statistics, but a great deal was traceable to the unofficial nature of many delegations, their unrepresentative character, the lack of public understanding, sympathy and organisation.

The Indian delegation was unprepared for the importance of the Conference. It was not ready for business deals. It lacked confidence in itself. It met with difficulties in approach from its own side, and therefore, from that of others, including the USSR. Big industrialists were few in number, and the rest were an assortment of big, medium and small businessmen. The genuine needs of industrial development in the shape of capital goods, long-term credit, transport facilities, guarantee of contract, timing of delivery, etc., were raised, but neither pushed nor met. Only the exchange question was raised and solved. So from the immediately practical point of view no big deal was transacted by Indian businessmen. Yet their participation in such a Conference was an excellent beginning. It is clear that the next Conference should have the benefit of a more

representative and better organised delegation. For which a National Committee for the promotion of International Trade has to be formed. So far as this writer can guess, the Union Government is not averse to the proposal. If Indian business suffers from handicaps in their trade with the USSR, China or Peoples' Democracies in practice, they should come out in the open with their demands and needs. Big things like peace and the fulfilment of the Plan are at stake. There is profit, too.

(To be continued)



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