

The Economic Weekly

A Journal of Current Economic and Political Affairs

(Established January 1949)

September 19, 1953

Volume V—No. 38

Eight annas

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A Lament for the Planners

TO the superficial observer, the present economic situation appears puzzling. On the one hand there are reports of distress in the unorganised sector of industry and growing evidence of unemployment, both in the rural and urban sector. On the other, production is maintained and the general level of prices continue to remain high. Complaints about unemployment and distress have not been ignored by the Government. The Planning Commission have responded to the wide public concern over these developments and sought to take the wind out of the sails of the opposition by drawing up an II point programme. The demand of those who wanted the Plan to be scrapped and economic policy reorientated in favour of more labour intensive production have been met half way. Measures are being learned to help cottage industries; short term, quickly maturing projects to help agriculture are being taken up in the Community Projects. Agricultural Extension is being expanded on a very large scale.

The organ of the AICC had demanded that suitable adjustment should be made in the Plan in order to create greater employment and that the process should be gone through during the present year. This has been done. And quite untouched by the irony of the situation, it is the Finance Minister, one of the chief architects of the present Plan, who moved the resolution in Parliament for a 'revision' of the Plan to meet the growing unemployment in the country. But since much of it is window dressing and adorns the Plan by merely adding some hills to it rather than altering its main structure, there can be no objection to this reorientation, provided there is a reasonable certainty that what amounts in effect to additions to the social expenditure in the Plan will not cut into the resources needed for erecting the main structure.

If the situation is puzzling to those who look to indices of production, prices and money supply, it is disconcerting to those who try to make sense of it by relating current developments to the policies that are being pursued. To begin with, the Reserve Bank is happy that "the Indian economy displayed a substantial degree of stability" during the last financial year and that money supply had been adjusted to seasonal demands in an orderly manner. The Minister of Commerce, and Industry is in high glee that his commercial policy has succeeded cent per cent; imports have steeply fallen, exports have been fairly maintained and there has been a continuing favourable balance on external payments. The Food Minister naturally glows with pride that at long last, the country has been relieved of the necessity of importing foodgrain in ever increasing quantity.

What does it all add up to? The Planning Commission pinning their faith on large investments—that is all that the Plan boils down to—have been planning for deficits in the balance of payments while both the monetary and commercial policies have, been directed to securing a favourable balance. In the event, the country cannot utilise the foreign aid it succeeded in securing after so much effort and the sterling

Yearly Subscription post free
India and Pakistan Rs 24/-
Foreign Rs 27/-

The Economic Weekly
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Fort, Bombay.
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