

# The Economic Weekly

A Journal of Current Economic and Political Affairs

(Established January 1949)

July 14, 1956

Volume VIII—No. 28

Eight annas

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## Mineral Policy and Export of Ores

JULY 15 is the D day for mining companies who produce for export markets as well as for exporters and shippers of ores. Pending finalisation of the new licensing procedure for export of ores, current quotas and registration slips have been validated uptill that date. On that day, the export procedure for ores is expected to be announced.

There have been some important changes in respect of minerals. The future development of selected minerals only mining in the cast' of iron, manganese and chrome ores etc., and both mining and processing in the case of the others is now the exclusive responsibility of the State. The inclusion of these minerals in Schedule A of the new Industrial Policy Resolution however, has not made much of a difference: in mining policy. On the contrary, applications for prospecting licenses for these minerals which had been kept pending after the announcement of the Industrial Policy Resolution, will now be freely granted. Similar licenses would be issued in the future also, as in the case of many of the minerals under Schedule IV of the Mineral Concession Rules, 1949.

The Mineral Concession Rules, however, are to be changed very substantially but the major changes would relate to the term., of lease granted before the present rules came into force. In fact, this has been long over-due. The conditions of the earlier leases, which are very much out of line with current regulations, will be amended by a bill which will be presented when the Parliament meets.

It is lately that the Government, has woken up to the necessity for a more energetic development of minerals. The First Plan did not even provide for a systematic investigation of our mineral resource;; it was later that the allocation for the purpose was more than doubled. But all this takes us very far away from the question of export policy which is the immediate concern of mining interests. It is here that State trading comes in. ; The functions and aims of the State Trading Corporation had been deliberately left vague, when the Corporation was formed. In the very first meeting of the Board of Directors of the Corporation held on June 2, however, it was given out that "the Corporation aims to play a leading role in promoting export.; of ores, particularly iron-ore. manganese ore and chrome ore from India". (All these, it will be called come under Schedule A of the Industrial Policy Resolution), It was at this meeting that the Board "decided to take over' the export of iron ore (manganese was not mentioned).

Leaving aside coal, which is a subject by itself, the Second Plan merely mentioned by way of a mineral policy that the unceasing participation by the State in basic industries like iron and steel will require detailed investigation of deposits of mineral raw materials such as iron ore, manganese ore, etc." This throws no light on the manner of exploitation of these minerals which came out later. In a press note issued by the Ministry of Commerce and Industry on June 22, the Government first gave out its ideas about export policy for ores. The major considerations which appear to have influenced the Government were (1) "developments in certain countries in the matter of purchase of ores and their effect on India's foreign trading" and (2) the conviction that the existing trade mechanism was quite inadequate to cope with these developments. There was a further consideration: the difficulty of

maintaining equitable distribution of wagons among mining and trading interests' had made it virtually impossible "for the limited resources (of transport?) to be used to the maximum advantage" or "for economical arrangements to be made for the transportation of ores and for their bundling at the ports".

All this, the press note stated, had made it necessary for the Government, to play a more positive role, (a) to overcome the obstacles in the way of increasing foreign exchange earnings from the export of ores and (b) to canalise these exports in the "progressively increasing measure" through the State Trading Corporation. The Corporation, however, as

it has already done in the case of cement, may use the existing trading agencies "to the extent practicable". Limited opportunities, nevertheless, are to be given to mining and trading interests for direct export within the limits of the broad policy that may be laid down. This led to allocation of transport for export of ores and the issue of quotas separately for manganese and iron ores, on the basis of actual exports in the past in the case of shippers and of royalty paid excluding royalty on quantities supplied for domestic consumption in the case of mine-owners.

Conservation of minerals in the interest of future development of the country is a sensible policy. So is

active development of minerals to the extent that resources permit and the general state of development of the economy may require. The range for it is wide smelting, refining, beneficiation, development of metallurgical industries and fabrication. It is not that the Government intends or hopes to utilise all the iron and manganese ore for the above purposes. In fact, the export target for both have been substantially increased for the Second Plan period. But a dog in the manger policy promotes no development. If there is more to it, perhaps the Government would take not only the trade but also the public into its confidence.

## Socialists' Opportunity

MUCH, too much, has been heard about Khrushchev's speech before the secret session of the 20th Congress of the Soviet Communist Party. Mr Dulles' decision to publish the text of Khrushchev's secret speech has paid quick dividends. There is bewilderment among Communist parties outside Soviet Russia. Toghatti is critical. For reasons entirely different, Khrushchev's speech is disapproved by Thorez. Within the Soviet bloc, the reaction has been different. Eastern Germany and Communist Eastern European countries generally welcome the crusade against the "personality cult". Moscow's policy of relaxing its hold on the Soviet bloc has had a favourable reaction. The Poznan riots may indicate that the process of democratization will have to be gradual. But the process is not likely to be reversed. Within Russia, the new policy is popular. Khrushchev's position still remains secure.

In publishing the text of Khrushchev's secret speech, Mr Dulles has succeeded in spreading embarrassment to Communist leaders and parties outside Russia. This explains the French Communist Party's belligerent attitude. More relevant is Togliatti's theoretical approach to Khrushchev's secret speech, Mr Dulles had ulterior motives in publishing the text of the secret speech. His purpose was to make it clear that the present men of the Kremlin could not absolve responsibility for the crimes of Stalin. Not only the present leaders of Russia, but the leaders of all Communist parties in all countries are in a predicament, Khrushchev has tried to explain away his and his

associates' compliance with Stalinist terror by their impotence and powerlessness. Communist leaders outside Russia can plead no such excuse in defence of their servile support to Stalinism.

When Khrushchev made his secret speech, he took a calculated risk. Despite the Poznan riots, subsequent events do not prove that the men of the Kremlin have taken too great a risk. It is hasty to conclude that the new Soviet policy has caused a loss of political cohesion within the Soviet bloc. It has, on the contrary, led to a partial reconciliation between Belgrade and Moscow. Mr Dulles is over-optimistic in hoping that the democratizing process will hasten the disintegration of the Soviet bloc in Europe. Along with Russia, Eastern European countries may abandon the monolithic structure of Communism. But the latter are not likely to prefer capitalist democracy to Communism. With the gradual acceptance of individual freedom, with Moscow's efforts to foster national Communism, Eastern European countries are likely to remain within the Soviet orbit. Russia and Eastern European countries are dominated by the Slav people. Racial affinity is a binding force between Russia and her Eastern European neighbours.

If the new Russian policy is not likely to wean Eastern European countries away from Communism, it has been tremendously successful in its international aspect. As the men of the Kremlin have announced their determination to reject the "personality cult", Russia has gained new friends. Totalitarian aspects of Communism have been ever deplored

by even those who reject American Capitalism. By espousing the cause of tolerance, Moscow has succeeded in acquiring new sympathisers. Not only Tito, but Sir Anthony Eden, M Mollet and Pandit Nehru are impressed with the changing outlook of Moscow. As the international tension has eased, Moscow has not only loosened its grip over Eastern European countries. Russia has utilised the opportunity to curtail her military expenditure and armed forces. It is America and some of her Western allies who are now made to look as militarists. Simultaneously, Russia has diverted part of her former military expenditure to raise production so as to enable her to function as a source of supply of capital goods and technicians to under-developed countries.

Crusade against "personality cult" will not prejudice the future of Communism. Mikoyan's outspoken criticism of some aspects of the Marxist-Leninist theory of the inevitable collapse of Capitalism is far more damaging. So is Togliatti's repudiation of Khrushchev's explanatory analysis of Stalinism as "un-Marxist". This is where the struggle between Socialism and Communism assumes significance. Moscow may have retrieved its position to some extent by conceding national Communism. But there are other strategic fronts on which the battle between Socialism and Communism will be fought and won. As Communism fosters and encourages individual freedom, it will be fighting the war from a vantage ground. On the economic front, there may be nothing much to choose between the two ideologies. But both Socialism and Communism have a