

Weekly Notes

Reappraisal by Prime Ministers

FROM the communique issued at the conclusion of the Commonwealth Prime Ministers' Conference, it is apparent that Pandit Nehru and Sir Anthony Eden have convinced their opposite numbers that inevitable developments in Russia call for a reappraisal of the attitude to the East-West conflict. Non-Asian members of the Commonwealth have not turned "neutralist"; nor have they abandoned their faith in regional military pacts. But the Commonwealth as a whole would seem to have accepted the need for a more sympathetic attitude toward Russia. Though the communique is less emphatic about Communist China, it is clear that the Commonwealth is in favour of Red China's admission to the United Nations, and will welcome increased trade relations with that country.

Washington may feel irritated at the Commonwealth's efforts to pursue a foreign policy which is not endorsed fully by it. But some Commonwealth members may have a grievance that the Commonwealth has not emerged definitely as a third force. This raises the problem of the future of the Commonwealth. There are indications that Britain as well as other members are inclined to stress the economic aspect of the Commonwealth link. Satisfaction is expressed in the communique over Britain's "determination" to function as a source of capital for development in the Commonwealth countries. Whether Britain will be able to provide the needed capital, is doubtful. Economic ties are not unimportant. But it is likely that the basic political unity may be a more binding and continuing link. In the "common heritage of parliamentary democracy", the Commonwealth has a dependable foundation. This base will become more solid as the Commonwealth's professed respect for "aspirations for freedom and self-government" is more widely reflected in the transfer of power to the areas which are not yet free.

There is growing doubt about the future of the Commonwealth. Loose-ness and informality of the association have been its strongest points so far. It may, therefore, seem surprising that, at a time when doubts about its future existence are

being expressed, some eminent authorities are arguing the case for a closer and more rigid association. Sardar Panikkar has called for a declaration of Faith by Commonwealth members. He is also in favour of creating a machinery for conciliation, now that the Privy Council has been abolished. To some, these may seem to be risky innovations. No formal or rigid ties can perpetuate the Commonwealth, if the approach to basic social and human problems ceases to be common. It will, or can, survive only as long as it maintains a common approach to fundamental issues.

Side Issues in Food Debate

THERE are interesting side-issues to the food controversy which have got lost in the confusion created by the good imbroglio. Had the controversy been carried on according to approved rules, the question that would arise seriatim are (1) Is it within the competence even of the Planning Commission to alter the targets after they have been fixed? This question was raised by Shri K C Neogy, and appropriately enough, when the Mussoorie conference was in session. The answer to it is 'yes' and 'no'. Yes, because the Plan itself says: 'in view of the considerations outlined in paragraph 10 and especially the need to provide adequate safeguards against possibilities of inflation, it is considered that it is both necessary and possible to achieve higher agricultural targets with relatively small adjustments in regard to resources. With a view to fixing higher targets and ensuring their realisation, the Planning Commission and the Ministry of Food and Agriculture propose to undertake further study of agricultural programmes in each State and region with reference to its crop pattern, land and water resources etc.'

But definitely 'no', if the order of magnitude of the proposed increase is borne in mind and the manner of its implementation, through re-allocation of resources. If these are done, what happens to the balances within the Plan and its internal consistency?

The second question that would arise is, what was the basis on which the target was fixed, production possibilities or estimated demand? Again the answer is, 'yes'

and 'no'. Yes, because in the paragraph 10 referred to above, the factors to be considered are laid down as follows:

- (1) increase in the total population,
- (2) increase in the urban population,
- (3) the need to improve per capita consumption,
- (4) the need to counter possibilities of inflationary pressures resulting from the implementation of the Second Five Year Plan, and
- (5) effects on food consumption, of increase in national income and changes in its distribution,

Needless to say that the target, was based on all these considerations the figure arrived at not only happened to be, but had to and did equal the figure which was worked out on the basis of production possibilities. The latter, in turn, suggested the 40 per cent increase also. The increased production in community project blocks and areas served by the N E S as found from two sample surveys in these areas, were put up as the basis for Shri V T Krishnamachari's note that food production could be raised by 40 per cent without any significant increase in investments for agriculture!

Transport Board Strengthened

THE Departmental Standing Committee of the Central Advisory Board of Transport, is now to be strengthened. It is to be expanded by the inclusion of high-level representatives of, among others, the Ministries of Production, Commerce and Industry, Iron and Steel and Defence with the object of undertaking for the first time the co-ordination and advance planning of transport facilities in the light of the requirements of the next two or three years. The immediate concern is the procedure for avoiding congestion in ports which may occur in view of the heavy programme for imports of capital goods.

Government's awareness of the need to co-ordinate transport is revealed by the recent appointment of a Central Authority for the co-ordination of goods movement at all ports in the country in "co-operation with the railways and importers, Shri B C Mullicky Director of Railway Movements, Calcutta, is to be in charge of this organisation.

The Standing Committee is nicely to set up a number of sub-committees to deal with different aspects of the transport problem. The issue of sea-rail transport co-ordination is, however, to be tackled by the Standing Committee itself. Although the report of the Sea-Rail Co-ordination Committee is not yet available, the desirability of diverting a larger volume of traffic to coastal shipping is being increasingly realised.

Drawback from Steel Pool

U O W hampering the shortage of steel has been can be seen from the speeches of chairmen at the annual general meetings of engineering companies and from the proceedings of the trade associations. Even so, it will come as a shock to many that even when the steel imports which have been promised from the middle of the year is regularly available and processed, the tin plate company, which have installed an additional rolling mill, will not be able to meet the demand. Metal Box have been currently importing 50 per cent of their total requirements. This raises cost an aspect of shortage existing or anticipated which is not always widely realised. » When supplies of essential raw materials are uncertain, prudent producers have to build up and maintain larger stocks than would be necessary, if the supply position were easier. It is therefore natural that while manufacturers welcome the increase in demand resulting from expansion of activities, they should also be disturbed by the fear of inflation and Mr Chiswell Jones (whose review appears elsewhere in this issue) thinks that signs of inflationary pressures which are already present could very quickly upset Metal Box's price structure.

That the burden on the company's cash resources which follows from higher raw material prices and bigger inventories should raise the prices of the products is understandable. But the impact of it on the export of the company's products to neighbouring countries about which Mr Jones complains, requires further elaboration. The imported cost of tin plate, or of tin plate manufactured partly or wholly from imported steel, could not present a serious price disadvantage, particularly if competition in these products in foreign markets demands the use of finer and therefore imported materials e.g. cold drawn sheets. The drawback of duty on imported sheets

should normally present no difficulty and It is not the complaint that it does. What does Mr Jones really mean when he talks about drawback of the Steel Equalisation Fund contribution on tin plate used for containers exported from India? The price which consumers have to pay for steel from the steel pool is lower than that of imported steel but higher than the price Government pays to the steel producers in India. Of course, if exporters of metal products manufactured from steel could get their steel at the price paid to domestic producers, they would be in a better position to compete in export markets, just as cotton mills in India who pay for raw cotton a price a little below the world price for such cotton. The price advantage, of course, is confined only to textiles made from Indian cotton. Is that what Mr. Chiswell Jones wants when he says that concession made by Government of India would be more than amply compensated by foreign exchange earnings resulting from it? Some light on this question would be welcome.

Peking's Gesture

MR CHOU EN-LAI has repeatedly expressed Peking's preference for a peaceful solution of the Formosa problem. Peking has always denied that Formosa is an issue in dispute between Communist China and America. Peking has not abandoned the policy of liberating Formosa. But it has been consistent in its claim that it seeks to use peaceful means "as far as possible" for the liberation of Formosa. In pursuance of such a policy, Peking has sought repeatedly to initiate direct negotiations with the Kuomintang regime in Formosa. Mr Chou En-lai has now repeated his Government's willingness to negotiate with the Chinese Nationalists "on specific steps and conditions for the peaceful liberation of Formosa". Even as former unofficial overtures have been rejected, Mr Chou En-lai's official invitation has been promptly denounced by Taiwan.

Peking's terms and conditions for the settlement of the Formosa issue are not unknown. But Mr Chou En-lai's invitation for negotiation is accompanied by an assurance that Peking will not pursue a vindictive policy against Kuomintang personnel for their past "crimes". To convince Taiwan of Peking's sincerity, Mr Chou En-lai has guaranteed "freedom of movement" to those Kuomintang officials who may like to visit the

mainland "to find out the situation". Mr Chou En-lai's official offer to negotiate poses an urgent problem for both America and Kuomintang. Washington now has another assurance of Peking's peaceful intentions. By accepting the offer, Kuomintang can not only ease the situation, but can join Peking in ridding the area of foreign influence. It would be wrong to emphasise that Peking's tolerant gesture stems from growing economic difficulties within the Chinese mainland. There can be no reconciliation of disputed issues if gestures by Moscow and Peking are explained away as signs of weakness.

Poznan Riots Not Foreign-inspired

IT is tempting to draw an analogy between the East Berlin riots and the violent demonstrations in Poznan. Riots in East Berlin followed as Malenkov's succession indicated a change in Moscow's attitude. Violent disturbances in Poznan may reflect the growing belief in some Eastern European countries that the crusade against Stalin is a sign of weakness. There may be some evidence to suggest that the Poznan riots may be inspired by some foreign countries. It is not denied that the emigre Polish Government has always been active. Disturbances were well timed to coincide with the Industries Fair. But neither the East Berlin rising nor the Poznan riots can be explained away as foreign-inspired subversive activities.

Moscow's possible reaction to these uprisings within Pastern European Communist countries is more significant than the causes of these violent demonstrations against the local Communist regimes. Within Russia, the denunciation of Stalinism is sincere and widespread. M Khrushchev has repeatedly denounced political terror. During his recent visit to Warsaw, he urged the Polish Government to introduce individual initiative as well as to relieve economic discontent. Moscow's directive to Warsaw will necessarily be firm. But those who are anticipating a change in Moscow's attitude are likely to be disillusioned. Denunciation of Stalin has gone too far for the Russian leaders to retrace their steps. Besides, the break with Stalin is paying good dividends. This police Underlines the Russian leaders' determination to allow greater individual freedom. "Even as a policy, such an attitude should help Moscow to ensure the co-operation of Russia's Eastern European neighbours.