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Threats to Peace

ATTEMPTS to equate tragic happenings in Egypt and Hungary, or partisan propaganda efforts to emphasise one of those two distressing events so as to minimise the other, are not as relevant as the deeper significance of Egypt and Hungary. To stress that both are menacing manifestations of the 'domination of naked force', is not necessarily to view these two tragedies from the same angle. When the immediate responses and reactions to these disturbing events recede into the background, the deeper issues involved will emerge more clearly. They are certainly far more significant. In the last fortnight, Pandit Nehru has had frequent occasions to analyse the distressing developments in Egypt and Hungary. His assessment may not be endorsed by all. Neither India's nor the four Colombo Powers' hostile reaction to aggression by Britain, France and Israel in Egypt has evoked any uncharitable comment. But New Delhi's response to the Hungarian tragedy has provoked strong condemnation by Socialists. Pandit Nehru's oblique hint to them not to fall unwilling victims to propaganda is not quite out of place. But more relevant is the suspicion that the Prime Minister does not seem to be fully aware, as his recent statements indicate, of the developing world situation since the Geneva "summit" Conference.

Any such suspicion may be without basis. For Pandit Nehru can claim to be the first world statesman to have warned the United Nations many years ago that Asia and Africa can no longer be ignored by the West, and that world problems cannot be solved in the context of Europe alone. He might not, then, have visualised the current phase, of the international situation. But the unexpected, and somewhat distorted, consequences of the Geneva "summit" Conference deserve emphasis. From the moment the Big Four reached an understanding not to wage on atomic war, Europe faded into the background. NATO and the Warsaw Pact lost their basic significance, America ceased to have any real interest in the German issue. Russia's intelligent anticipation that, after the "summit" Conference, time would be on her side in regard to the German problem was not wrong. This does not mean that NATO and the Warsaw Pact do not exist, or that the German problem is no longer alive, or that both sides will not exploit cold war" devices when occasions arise.

But, since the "summit" Conference, the world emphasis has shifted to Asia and Africa. Simultaneously, and along with this shifting world emphasis on Asia and Africa, the realisation has grown that Russia and America are the two Big Powers which are competing with each other for world domination. Britain and France cannot escape the realities of the situation. But both seem reconciled to the changing balance of world power. In Europe, the emergence of America and Russia as competing world Powers does not directly or materially affect the interests or prestige of Britain and France. Not so in Asia or Africa. This is the basic historical interpretation of revived belligerence of Britain and France in Asia and Africa. This explains the Anglo-French aggression in Egypt as a smoke-screen for regaining control of the Suez Canal. This fits in with M Mollet's harsh, militant policy to Algeria. And the joint Anglo-French aggression in Egypt would seem

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to be a combined demonstration to both America and Russia that the former will not accept the superior status of either of the latter.

It would be hasty to accept the cynical assumption that, since the "summit" Conference, both America and Russia have reached a tacit understanding to exploit Asia and Africa jointly at the expense of Britain and France. Perhaps, both Egypt and Hungary are, though in a different sense, symbolic of Europe's instinctive resistance to fade out of the world focus. But neither Egypt nor Hungary is likely to reverse, though both or either may delay, the process of disentanglement from Europe by both America and Russia. So far as America is concerned, the process has already begun. In regard to Russia, the process, already in evidence, may be reversed either by any hasty action by Russia herself, or by a revived expansionist policy by a re-armed, united Germany, either singly or in combination with Britain and France. As both America and Russia retire gradually from Europe, their policies to Asia and Africa assume greater significance to the latter as well as to the wider world.

More than once, Russia has sought to wean America away from the latter's Western alliance, though ostensibly for attaining or maintaining peace. Many times before the Geneva "summit" agreement, Russia had approached America for direct, bilateral talks on world peace. On the Egyptian issue, Russia issued an appeal to America for joint "police" action to stop the aggression. America rejected this appeal, even as she, on second thoughts, abandoned the reported move to order the US Sixth Fleet in the Mediterranean to intercept British and French warships on their way to Egypt. It could be argued that America, though violently opposed to Anglo-French military action against Egypt, was neutral in regard to Israel, Britain and France, and threatened to intervene only if Russia sent her forces or "volunteers" to Egypt. But Washington will retort that America's support to the United Nations debarred America from any unilateral or bilateral counter-action in Egypt.

This raises the main issue that Pandit Nehru will have to discuss with President Eisenhower during the Prime Minister's forthcoming visit to America. Weak nations of

Asia and Africa are alarmed at the revived manifestation of force by strong Powers. Afro-Asian nations want peace so that they can prosper. America must convince Britain and France that Western domination of Asia and Africa must cease. It will not be denied that, since the "summit" Conference, Russia has gained friends in Asia and Africa. This should cause no anxiety to America or Britain or France, as long as relations between Russia and Afro-Asian nations remain on an economic basis. Here, the principle of competitive, but peaceful, co-existence can prevent any disturbance of peace in these regions. But possibilities of persistent Anglo-French attempts to perpetuate or to regain political or economic domination of Asia and Africa, and of similar Russian efforts cannot be ruled out of consideration. This is where India can hope to function as a

bridge between Russia and the West, and particularly America. No doubt, Pandit Nehru will try to persuade President Eisenhower to change America's policy to China. Admission of Red China to the United Nations is an essential preliminary step to solving the problems in far east Asia. One of the main purposes of Pandit Nehru's visit to America will have been achieved if he can help in bringing about greater understanding and amicable relations between Russia and America. In the main, Pandit Nehru's aim should be to cooperate with America to achieve the common objective of strengthening the United Nations so that threats to world peace and acts of aggression can be prevented. America's recent moral support to the United Nations encourages the hope that Pandit Nehru's mission to America will be fruitful.

Assam Oil Negotiations

OIL prices, as indeed everything else connected with the subject of oil, are shrouded in the popular mind with a great deal of mystery. Whether this mystery can be dispelled by a careful study of facts or not — it is high time that we got into grips with the economics of oil pricing, even though it be as abstruse as it has been made out to be. The Government of India has not yet done that, though the Minister in charge of Natural Resources who is also responsible for oil explorations has had a shot at it and subsequently even Pandit Nehru has, on more than one occasion, thought aloud on the subject.

The principle of basing oil prices on Gulf rates has puzzled many others besides Pandit Nehru. The subject is complicated and much discussed. The Report on Price of Oil in Western Europe prepared by the Secretariat, Economic Commission for Europe, and released last year gave rise to furious controversy the result of which, it was confidently anticipated would be the substitution of Gulf rates for some other formula. It is quite some time that Western Europe and we here stopped getting our oil and oil products from the Atlantic sea board of the United States. How is it that this link has persisted so long?

Problems generally do not wait to present themselves in proper sequence or in a logical order. In the

case of oil, it has been no different. Accident of circumstances called upon the Government to tackle the question of refining first. This it did when it entered into an agreement with the oil companies for starting the three refineries. It was accepted then without question, it appears in retrospect, that products of the refineries would continue to be sold, as before, on the basis of world prices. Again, seized with the urgency of the problem of exploring our natural resources, which must after all be the foundation of economic development the Government had to formulate a policy for oil explorations, both through the oil companies and on its own. Exploration, however, is different from exploitation and until oil is found by actual drilling and reserves are proved to be adequate to justify production on a commercial scale, the need for formulating a policy for oil production and deciding the question of fixing a proper price for oil did not arise. The question of a fair price for crude oil, however, has arisen after extended explorations in the new Assam oil fields yielded such promising results.

The pricing of refined products has complexities of its own because there is a great deal of product differentiation in the refining industry. But it is not a matter of great urgency, as in any case it will not come up for serious consideration until the