

appeasing Adenauer, But the package is misleading. It does nothing to meet the good case put forward by Britain in support of its own policy. The American "compromise" is entirely one-sided in favour of the Adenauer line. It fails to exclude German unification, advances unacceptable proposals on disarmament and re-asserts western claims in Berlin,

The tragedy is that Mr Macmillan may have to accept this deceptive package with his eyes wide open: Both time and numbers are against him; and there is, above all, the prime need from the western standpoint to present a united front to Russia in Geneva. Since it is easier for one party to give in than for three, Britain may have to abandon her crusade for a promising Summit. What we may now get is either no Summit at all, or one whose chances will have been thoroughly wrecked in advance by a repetition of western inflexibility on May 11

Retreat from Goods Transport

THE Bombay Road Transport Corporation has now reached a stage when consolidation and measures for raising of efficiency have displaced expansion as its principal concern. During the year ended March 31, 1958, the number of its routes increased by less than 13 per cent over the previous year, but considerable improvement was recorded in reducing breakdowns, improving punctuality, and raising of workshop efficiency. This was facilitated by road programmes under the Second Plan, which brought down the percentage of bad and kutcha roads under operation from 57 per cent to 52 per cent, which, however, is still on the high side. Gross mileage during the year aggregated to more than 7 crores; the ratio of dead mileage to effective mileage was successfully brought down from 2.83 per cent to 2.46 per cent. Route mileage was also higher at 54,000 miles against 47,000 miles. Average earning per passenger went up slightly to 54 nP due to a rise in the average distance travelled by passengers, which indicates the greater mobility that has been facilitated by the Corporation's operations. The entire bus fleet has now been converted to diesel. Raising of the duty on this fuel in the Budget is, therefore, likely to raise operating costs during the current year. Considerable improvement was record-

ed in vehicle and crew utilisation, but the wide variations from division to division still leave room for further attention to these crucial factors.

The Corporation's entry into goods transport has not proved a success, even though it received Canadian aid to the tune of about Rs 1.5 crores for this purpose. It is now proposed to convert goods vehicles into passenger buses and to sell the remainder to the Public Works Department. The Corporation has obviously not been able to withstand competition from private goods operators, who are much more enterprising in attracting traffic.

Concerted efforts have apparently been made to raise workshop efficiency, which had been the target of considerable criticism all these years. More scientific methods are being evolved and implemented to control costs and save materials from premature scrapping. Scrap from tyres is, for instance, being used now for making rubber ferrules and grommets for radiators, etc. The retrieving and manufacture of parts is estimated to have saved Rs 25 lakhs in foreign exchange during the year.

Total capital employed in the Corporation at the end of the year was Rs 16 crores, of which about Rs 12 crores consisted of capital contributions from the Union and Bombay Governments. Of the balance, another Rs 2 crores came from Government by way of loans, and the remainder from Debentures. Its net profit, after charging deprecia-

tion and sinking fund provision, as percentage of total capital employed declined to 9.6 per cent from 10.7 per cent in the previous year. The decline is attributed partly to transfer of areas consequent on reorganisation of States.

More than Rs 1 crore was spent on capital items during the year. Total fixed capital expenditure till the end of the year aggregates to a massive total of Rs 16 crores; depreciation amounts to Rs 6 crores, leaving net fixed assets of Rs 11 crores. The Corporation's investments in Government and semi-Government securities amount to nearly Rs 6 crores and cash and bank balances account for another Rs 1 crore. The latter appears rather excessive and could be reduced. The balance sheet as on March 31, 1958 carries a curiously large item of Rs 17.70 lakhs as 'cash in transit' against nil in the previous year. No explanation has been offered for this.

Another interesting item in the accounts is the payment of Rs 1.5 lakhs as audit fee against Rs 1.6 lakhs in the previous year. Joint stock companies with nearly thrice the turn-over of the Corporation pay only a few thousand as audit fee. The cutting down of its Jurisdiction appears, further, to have effected no economy under this head. Does the Director of Commercial Audit, who is the statutory auditor of the Corporation, expend labour of this magnitude when the Corporation itself maintains a fairly large accounts department?

**INVEST
IN
CENTRAL BANK'S
THREE YEARS CASH CERTIFICATES
AND
EARN COMPOUND INTEREST AT
4 per cent
per annum
EVERY Rs. 88-90 DEPOSITED WILL
BRING YOU Rs. 100-00 AFTER 3 YEARS**

For Rules apply at any of our Branches.
**THE CENTRAL BANK OF INDIA
LIMITED.**

Letter to the Editor**Agitation Against Betterment Levy : A Reply**

SHRI R P Kamat characterizing my approach as 'doctrinaire' says in your Issue of 11th that our experience regarding cooperative farming has not been successful. I was extremely careful to insist on genuine cooperatives as against pseudo-corporations formed by some rich families or groups of rich farmers to evade ceilings. These do not unleash any popular enthusiasm. He will agree that a genuine cooperative movement has yet to be inaugurated in India. Creation of a fair degree of equality between those who are to cooperate is necessary and this has to be done by means of land reform. This is an important consideration, since cooperation between the lamb and the lion can take place only in one way. Genuine cooperation not having even been attempted in India, it cannot be accused of having failed.

Further, I never said that the rich sections of the agricultural popu-

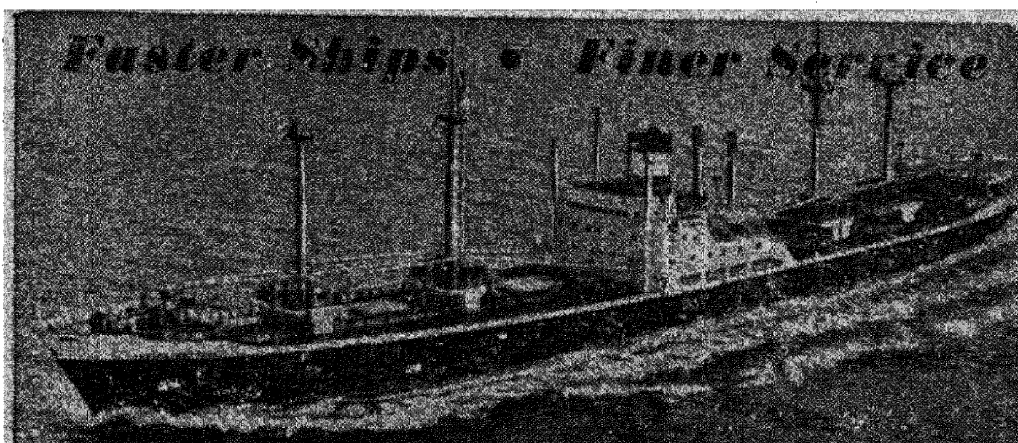
lation were being heavily taxed, But who can impose further taxes on them, until the economic base which is the source of their power is taken away? The figures regarding additional targeted revenues from agriculture and the actuals during the first plan which I cited show precisely this. The social and political power of the kulak is a serious factor to cope with. The NSS 8th-Round data show that 12% of rural households owned more than 10 acres each (66% of the total area). It is these people who form the rural leadership inside and outside the Legislature. Will they tax themselves?

Lastly, it is rather platitudinous to talk of a "wider rural developmental programme" which alone can mobilize the present unutilized labour to create capital. There is no such mass of unutilized labour just lying in wait in the countryside which needs only to be picked en bloc and put on capital construction projects. Such a surplus no doubt exists, but it exists in a form which cannot be utilised without first making insti-

tutional changes in agriculture. it exists in the form of seasonal under-employment for almost all. This has first to be converted into seasonal unemployment for some in agriculture in order that the latter may be diverted to capital construction. This can be done by making those who are left behind to assume obligation for the others' land and resources, which in the present Indian conditions is possible only through cooperativisation. Pressure during the peak season can be relieved by introducing simple mechanical devices and by bringing back some labour from the minor capital construction projects.

It is in this sense that the incapacity of our agriculture 'as at present constituted' to furnish additional resources for development must be studied. The agitation against the Betterment Levy indicates precisely this incapacity.

Narindar Singh
Ford Foundation Unit,
Panjab University,
Chandigarh,
April 15,



**Our fleet of sixteen modern freighters offers fast,
regular and dependable service between**

**INDIA—U. K. & the CONTINENT • INDIA—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
Also around INDIAN COAST**

INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1

Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.