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A Promising Start

THERE was gathered in Washington this week a distinguished group of men whose objective was to find succour and comfort for India during the strenuous period of transition from an underdeveloped to a developed country. It was a weighty group, at any rate from the point of view of status, and one is bound to consider its meeting as an event of major importance. Indeed, a meeting of this nature would have been almost unthinkable a couple of years ago, and is remarkable for the change in Indo-US relationship indicated. Outwardly, it was a conference organised in Washington by the Committee for International Economic Growth, a private body, devoted to exploring ways and means for adapting U S foreign economic policy to changed conditions in the world. But the participants in this conference were men concerned, one way or other, with high policy in the United States and India. There were Mr Nixon, Vice-President of the United States, and Senator John Kennedy, who might well be the Democratic nominee for U S Presidency next year. Senators Fulbright and John Sherman Cooper and Mr Chester Bowles and many others from the United States were joined by Shri Chagla, Shri B K Nehru, Shri Asoka Mehta and Shri H V R Iengar from the Indian side. It was perhaps as powerful a group of men from India and America as could be gathered to discuss the role that the United States should play in assisting India without bringing in the President of the United States and the Prime Minister of India.

It was, therefore, inevitable that the statements made at the conference should receive not only wide publicity but also serious consideration. Unexpectedly, it was Mr Nixon, rather than Senator Kennedy, who gave expression to a sentiment that might carry special appeal to many thinking men in India and elsewhere. He made a valiant attempt to dissociate the question of aid to India from the question of lighting world Communism. He said, "I would not like the case for United States assistance to rest simply on the negative defensive issue of helping India in order to save the United States from Communism... Our primary interest must be the victory of plenty over want, of health over disease, of freedom over tyranny, wherever it exists." This indeed represents a refreshing change from the standpoint typified by Senator Kennedy's statement that if India failed to develop, it would be gripped by frustration and political instability and that its role as a counter to Red China would be lost, with Communism winning its greatest bloodless victory.

One should not be too harsh on Senator Kennedy because many others have said the same thing for many years, but it is about time the good friends of India in the United States realised the harm that such an argument for supporting aid to India might cause. It is, of course, undeniable that what goes on in mainland China will influence the attitudes and aspirations of particular sections of the Indian population. But it does not follow from this that political or economic or social stability in India would be ensured by the rate of economic progress in India being faster than in mainland China. What influences people's attitudes and activities principally is the difference between where they are now and where they were, Bay, five years ago. It does not matter very much whether the percentage calculated in India appears

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much better than that of China: what matters is the percentage of improvement by itself. And, equally, there is no guarantee that major political and social changes would be avoided merely by attaining a high rate of economic growth in the country. Indeed, it is difficult to see how such changes can occur without an almost revolutionary overhaul of social institutions in India; and it would be surprising if this were not accompanied by equally important political changes. This, of course, does not mean that the democratic institutions so highly valued in India would or should disappear from the scene. But it might well mean instability in the sense of Congress being deprived of its pre-eminent position in the political sphere. It can be argued that, far from being inimical to the interests of democracy, such a change might make it more efficient.

Meanwhile, the Conference leads one to hope that the traditional argument for aid to India of what Mr Nixon has called the 'defensive' type will in the future become less of an irritating element in Indo-US relationship. There is another area in which a shift in emphasis would have been helpful; in regard to this, unfortunately, the Washington Conference does not seem to have got far. This is the old question of private and public investment and the importance of private foreign investment. Mr Nixon conceded the need of Government loans to assist India; but he appeared to argue how it would be much more beneficial to underdeveloped countries if private capital could come in large amounts. There is no doubt that if private foreign investment in underdeveloped countries became larger than heretofore, there would be so much more of resources available for development. But it does not seem realistic to expect a tremendous increase in the flow of private foreign investment to underdeveloped countries; nor would it be true to say that such an influx would be free from political implications while Governmental loans invariably carried such implications.

What is equally surprising is the seeming anxiety on the part of Indian participants in the conference to assure the other delegates that the private sector in India is large and is not being cribbed by the growth of the public sector. It

would appear from Press reports that even Shri Asoka Mehta has been at pains to justify the public sector's programme in India in terms which are somewhat perplexing. To compare the expansion of the public sector in an underdeveloped country with enlarged Governmental spending at a time of depression in a developed country is misleading. For the main purpose of the former is to lay the foundation for a major structural change in the economy whereas the latter is concerned with preserving the existing structure. It may be that Shri Asoka Mehta has been quoted wrongly or out of context. But this is the sort of argument which has an apologetic air about it and does not do anybody any good in the long run. Very much similar is the argument that if one took into account agriculture, small-scale industry, retail trade and so on, the private sector in India would be many times larger than the public sector. This would only confound people's appreciation of what is sought to be achieved in India. In any event, agriculture

has nowhere been considered a major area for the exercise of private enterprise; it certainly is not so in India. Over and above this, we are apparently planning to convert the agrarian sector into a huge co-operative organisation. Against this background, it is difficult to see what special purpose could be served by trying to convince Americans that our economy is, in fact, much more of a private enterprise type than they think.

All this notwithstanding, the Conference makes one hopeful of longer and more systematic support for India's development programmes in the coming years. This is no small gain. For, however much we may dislike it, our dependence on supplementary resources from abroad will be considerable; and as likely as not it will continue to be so for many more years. One wishes that some attempt had been made at the Conference to dispel the notion that by the mid-sixties India would have fully overcome its balance of payments difficulties. But one cannot expect a two-day conference to achieve everything.

A Summit of Our Own

MR CHESTER BOWLES is, surely, a good friend of this country; and there is no reason to doubt that when he calls for a 'summit meeting' between India and Pakistan, in order to 'break through the accumulated bitterness' between the two countries, he does so from the best of motives. He realises (as who does not) that the present state of continual tension between India and Pakistan is the cause of a heavy drain on their meagre financial resources, which need desperately to be diverted to more constructive projects. But his reasoning and conclusions are as questionable as his motives are not.

The first thing to consider is: what are the causes of the Indo-Pakistan tension? Generally, it is assumed that these can be reduced to two—the conflict over Kashmir and the canal waters dispute; and it is suggested, by Mr Bowles as also others that once these two disputes are put out of the way, the road will be open for Mr Nehru and General Ayub Khan to rush into each other's arms. This is a facile assumption; and it springs from the failure of such observers to realise that the Kashmir and Canal waters disputes are the

result, not the cause, of Pakistani hostility towards this country.

If Karachi's feelings towards New Delhi had been basically friendly, aggression on Kashmir would never have occurred; or having occurred, would have been vacated early enough. All thinking people in this country know that the solution of the Kashmir and canal water disputes would leave the core of Pakistani hostility towards India untouched. Some new excuse would be found for keeping up the tension... a tension which, it is pertinent to note, has well served the successive rulers of Pakistan in keeping the attention of their people off their own domestic failures; and a tension which has been artificially built up over the years by means of a sustained and virulent campaign through the Pakistani press and radio.

Mr Bowles, failing to grasp all this, goes on to suggest that the climate for an Indo-Pakistani 'summit' now exists, having been brought about by the twin factors of a possible settlement of the canal waters dispute and 'the friendly and conciliatory attitude of President Ayub Khan'. Apart from the fact that the canal waters dispute has still not