

The Economic Weekly

A Journal of Current Economic and Political Affairs

SIXTEENTH YEAR OF PUBLICATION

January 4, 1964

Volume XVI No 1

Price 50 Naye Paise

EDITORIALS

Dead Centre 1
 Communalism in Gyprus 2
 Retreat from Prohibition 3

WEEKLY NOTES

European Agriculture — Kennedy 4
 Round — Deposits with Companies — Own Your Home — Mischief in Kashmir 4

CAPITAL VIEW

The Government or Our Government 9
 — Romesh Thapar 9

A CALCUTTA DIARY

Democracy. Their Democracy 11
 — Flibbertigibbet 11

BOOK REVIEW

Prometheus Bound 12
 —Nigel Harris 12

SPECIALARTICLES

Conetary Policy 7
Looking at, Europe 8
 —(From a London Correspondent) 8
 An Analysis, of Railway Costs and Rates 15
 —J M Healey 15
 Social and Economic Factors in Literacy and Education in Rural India 21
 —P C Joshi 21
 M R Rao 21

AROUND BOMBAY MARKETS

All Eyes on Bhubaneshwar 27

BUSINESS NOTES

Associated Cement — Nirlon Synthetic — Cotton Agents' Sugar Group — Blue Mountain Estates — F A C T, — Steel and Allied Products-Mysore Sugar—Scindia Steam--Mahindra and Mahindra —Morarjee Mills — Assam Silimanite — Money Market 29

CURRENT STATISTICS 34

Dead Centre

I F Congress has moved away from the Avadi resolution, it cannot be made to retrace its steps by a mere, redefinition of its socialist goal without a big push developing from within the party, That the party debated several competing drafts and could come to no agreement at Jaipur indicated that differences were sharp and the decision to postpone the matter for the open session at Bhubaneshwar was taken, it was officially explained, in order to allow a fuller discussion of the issues raised by the rank and file of the party. This itself Was significant It had opened a new chapter in Congress history, for it was reported that it was for the first time that the Working Committee and the AICC had decided to leave it to the rank and file to deliberate and decide on the form of socialism they would like to have for the country. The past practice of the High Command had been to arrive at conclusions and then ask the party in plenary session to endorse them.

After the Jaipur session, several Pradesh Congress Committees forwarded their recommendations to the AICC. Maharashtra asked for nationalisation of banks, State trading in essential commodities and foreign trade and cooperativisation of consumer goods industries, the object being "to curb the ever-assertive monopolistic trends in the economy' and to "infuse a sense of urgency and definiteness", Rajasthan wanted "a ceiling on ownership of industrial units and other means of production or trade or business to safeguard against the development of monopolistic trends in trade, besides a ceiling on incomes of all sections of society". Orissa went even farther. The Congress legislature party in Punjab — and not the Pradesh Committed - unanimously passed a resolution demanding the imposition of a ceiling on private wealth, nationalisation of banks, export and import trade, 'etc. Gujarat alone struck a note of caution against over-enthusiasm for ushering in socialism, opinting Out that it was incorrect to believe that nationalisation of industries was the only path to socialism.' Even the Gujarat PCC, however, wanted that definite steps should be evolved to remove the disparity between the highest and lowest incomes, though the ceilings "must be reasonable and just".

Was all this the work of a small pressure group or has the feeling been spreading among the rank and file of the Congress that the Congress has to move in the direction of socialism demonstratively and in a manner which the ordinary people can understand and appreciate in order to regain or maintain its hold On the country?

The draft resolution which has been drawn up by the Congress Work frig Committee for submission to the plenary session at Bhubaneshwar is Naturally a very much watered down compromise. It differs little from many similar resolutions of the Congress in the past. It reflects the true character of the Congress party and shows Pandit Nehru's drafting skill at its best. While one of the newspapers gave it the headline "Radicals in Congress Carry the Day — Stricter Control of Banks Conceded", a stablemate of the same paper reported that "the Congress party's right wing scored its first single victory today by pressing the leadership to delete all references to nationalisation

THE ECONOMIC WEEKLY

65, Apollo Street, Bombay-1.

Grams : ECONWEEK

Telephone : 253406

Annual Subscription : Rs 24

Foreign 50s or \$ 7