

There is, however, no grounds to expect any improvement in the chances of peace from the reduction of the rates at which nuclear explosives are added to the stock. The limited agreement seems clearly to have been motivated on both sides by the desire to reduce the economic burdens of the nuclear race and to impress the peace-loving world public.

The cynicism shared by the two countries is illustrated by the subsequent discussion of further action to be taken at the Geneva Conference. The American delegate urged the destruction by the United States and the Soviet Union of the American B-47 and the Russian TO-16 on a one-for-one basis. The Soviet delegate rejected the gesture by saying that the offer to destroy B-47 bombs had only been made because the Pentagon wanted to replace them with more modern aircraft. Quite true. But is it not equally true that the two countries have agreed to cut down production of nuclear weapons only because they have individually more than enough of them?

The fact that neither party gains any propaganda advantage over the other but each individually improves its image in the eyes of the world public is what has caused the misgivings; and the misgivings have only been heightened by the way the two powers have coolly bypassed the United Nations and the Disarmament Conference meeting at Geneva. The fear of the two super-powers coming to agreement and dividing the world up between them cannot but increase its hold on the minds of people.

### Cloth Prices

**V**OLUNTARY control of cloth prices by the Indian Cotton Mills' Federation, it is well known, ceased to be effective long ago. But formally the scheme has continued for no better reason than that no substitute has yet been devised for it. Prices continue to be stamped on cloth, but they are no longer the 'controlled' ones. When the scheme was initiated in 1960 the prices of different varieties of cloth were fixed on the basis of those ruling in August 1959 with an 18 per cent margin over the ex-mill price for the trade. Prices were fixed

and stamped by regional committees presided over by officials of the Textile Commissioner's organisation and including representatives of the industry and trade.

The mills circumvented 'control' first by introducing new varieties for which no prices were initially fixed. Subsequently even the formality of approval by the regional committees of the prices stamped was dispensed with; many mills began to stamp their own prices. Evasion of 'control' has by now become so blatant that representatives of the industry admitted in their discussions with the Deputy Chairman of the Planning Commission on Saturday last that the scheme had 'failed'. This admission immediately debunks the industry's complaint that price control is responsible for the decline in output. Indeed, if control had been effective the impact of the alleged 14 per cent rise in costs since 1960 should have been clearly seen in the financial performance of the mills, which is not the case.

It is in fact the Government which badly needs an alternative to voluntary control, for there is the political compulsion to at least appear to control the price of an article of common consumption like cloth. The Tariff Commission, over whose report on cloth prices the Government has been sitting for months, is reported to have recommended higher prices for categories other than the so-called popular varieties and the Government itself seems to be veering to the view that it should concentrate on controlling the prices of varieties which are consumed by the lower income groups. One of the schemes said to be under consideration is to fix prices of the popular varieties at the present level and to either completely decontrol the other varieties or allow specified increases in their prices. The industry has indicated that it would agree to peg prices of what it calls the 'standard varieties' provided it is allowed to charge more for the finer ones.

» We regret that owing to a sudden strike in the press the issue of April 25, 1964 could not be published.

**Business Manager.**

In spite of this apparent accord there are difficulties, however. In the first place, whereas the Government includes approximately 50 per cent of total output in the categories whose prices are to be fixed at the present levels, the industry is prepared to accept control for 20 per cent of output at the most. And, judging by its concern that the Government should guarantee consumption of these varieties, the industry is apparently prepared for control of varieties which are not easily saleable.

Then there is the question of the impact of partial control on different mills. It is well known that a number of mills devote themselves almost exclusively to the production of the varieties which the Government proposes to control. Any scheme which fixes their prices and not of the finer varieties will be obviously unacceptable to these mills. So it would appear that to implement a scheme of partial control of this type, the Government can hardly count on voluntary action by the mills themselves. The ICMF will be by no means anxious to undertake this onerous task.

If, then, there is no alternative to statutory control, what steps does the Government propose to take to ensure that such control is effective and will not share the fate of the ICMF's voluntary control? This is the very heart of the matter and unless the Government can devise convincing administrative procedures its proclaimed anxiety to control prices of common cloth cannot be taken very seriously.

### Rural Works

**N**OT all failures of planning recede public attention in proportion to their importance. Three years of the Third Plan and yet its ambitious rural works programme has hardly begun to be implemented. This significant failure was almost unknown to the public till the recent publication of the Estimates Committee's report on the programme. The Third Plan itself attaches great significance to the programme. Accepting that "the first condition for securing equality of opportunity and achieving a national minimum is assurance for gainful employment for everyone who seeks work" and pointing out that for many years the greatest scope for

in the rural areas, in agricultural development and associated activities, the Plan proposes a "comprehensive programme of rural works".

The programme, it is pointed out, "is significant not merely for creating the additional employment opportunities which are required, but even more as an important means for harnessing the large manpower resources available in the rural areas for the rapid economic development of the country". The Plan envisages that employment should be found through the programme for about one lakh persons (for 100 days in the year) in the first year, about 4 to 5 lakh persons in the second year, about a million persons in the third year, rising to about 2.5 million persons in the last year. A programme of this order, it is estimated, will entail an expenditure of Rs 150 crores over the Plan period. Judging by the proposed outlay, this is thus one of the major programmes included in the Plan.

Against this grand design, the performance in the first three years uncovered by the Estimates Committee is pathetic. In terms of outlay, against the target of Rs. 150 crores, the allocation for the programme was its. 50 lakhs in 1961-62, Rs. 1 crore in-1962-63 and Rs. 5 crores in 1963-64. The total provision in the first three years was thus Rs. 6.5 crores. and, even of this paltry sum, it had been found possible to spend only Rs. 1.82 crores till the end of June 1963. In terms of results, as against the target of providing employment for 5 to 6 lakh persons in the first two years the programme has created employment just for about 1 lakh persons up to the end of June 1963.

The failure of the rural works programme is appalling, but it is by no means fortuitous. In the first place, in spite of the enthusiasm for the programme, expenditure on it was not included in the financial limit of Rs. 7,500 crores fixed for the Third Plan. Here then was an admittedly vital programme for which the Plan had provided no resources whatsoever! According to the Estimates Committee, the Secretary of the Planning Commission confided to it that "the Impression was that depending upon the progress of the Rural Works Programme, it would be possible to make

the allotment of funds by adjustment" (emphasis added). Such cavalier treatment no doubt created the feeling that the rural works programme was not a part of the Plan; it has been accordingly treated with the importance appropriate to this status.

The organisational and operational aspects of the programme have been no better taken care of. At the highest level, the programme continues to be in the charge of the Planning Commission. By its very nature, the creation of an effective organisational setup is the sine qua non of the success of the programme. Why such a programme should have been entrusted to the Planning Commission which nas, or ought to have, nothing to do with administration and execution is hard to explain. The organisational failures at lower levels highlighted by

### Letter to Editor

## Seventeenth Amendment

ONE of the principal arguments used by those who are opposed to the 17th Amendment to the Constitution (which incidentally got dropped out through a ludicrous accident) has been that it discriminates against agricultural property owners. If ceilings are to be imposed on agricultural income and property then why not, they ask, ceilings also on urban income and property? This question has never been fairly answered by the protagonists of land reforms. It has to be conceded that the objection is not without any substance. Of course it may be pointed out that landed property in agriculture plays a very different role in the economy from other forms of property; that it cannot be reproduced as other forms of property can be; that there is an extreme scarcity of land in the country compared to the population depending upon agriculture for its livelihood. It may further be said that there being no possibility of such rapid industrial development as to sustain a significant migration of population from agriculture to industry, there has to be a division of the available land suitable for cultivation amongst those who derive their income from it. All

the Estimates Committee have largely stemmed from this anomalous position at the top and from the financial uncertainty which bedevils the programme.

To be effective, the projects taken up under the rural works programme must form pari of integrated Block plans and must be dovetailed to programmes taken up by the Department of Community Development and by other departments. Further, planning of the rural works, e.g, selection of areas, choice of works, organisation of man-power etc has to be undertaken on a long-term basis. This is hardly possible unless the ad hoc year-to-year allotment of funds is replaced by a more stable arrangement which will remove uncertainties in regard to the scope of and criteria for grants.

these arguments may be valid. Yet the fact of discrimination against one section of citizens remains incontrovertible. Removal of the discrimination can of course be done in either of two ways; one may remove the limits on agricultural property or one may impose limits also on non-agricultural property. That there has never been even the suggestion of a ceiling being imposed on non-agricultural property is indeed a weakness of the policy makers for which they have to pay a price. Non-agricultural personal property has been treated as absolutely sacrosanct. Yet what exactly has been the basis of this sanctity has never been clearly explained. The Congress Party has in different periods used different terms to designate its broad social philosophy: socialism, socialist pattern and now democratic socialism. One has simply to accept as a fact that none of these philosophies sanctions limits being imposed on urban property.

The other objection raised on purely juridical grounds is also not without substance, though such members of the press and the public as are in favour of radical land reforms have chosen to shut their eyes to it. The