

One can perhaps see a dawning of sense in the suggestion implied in the setting up of a foodgrains trading corporation under the aegis of the Central Government. An administrative apparatus is a necessary pre-condition for making minimum prices effective for the producers. Even here, however, the proposal has a deceptive simplicity. If the corporation buys from the *mandis* or the bigger markets, the price effect will be greatly enfeebled before it reaches the ultimate producer, and for a Central agency to think of direct purchase from the producer, when even the cooperative societies have not been able to get down to it, is to ask for the moon. The cooperatives have not gone into wholesale trading because they do not, except in Maharashtra and that too partially, finance crop production. Why it is so, the Food Minister should know. Even at the buying end, therefore, much needs to be done by way of breaking up the unholy alliance of trading, money-lending and land-holding by non-producers before such a scheme can operate successfully.

Even more disconcerting is his assumption that food prices can be stabilised by strategic operation of buffer stocks in a market dominated by traders. Is that a valid deduction to be drawn from these many years of experience of food administration? Does the latter lend any credence to the comforting belief that buffer stocks have only to be acquired and operated to enforce stable prices and secure an equitable distribution of food. To go by the analogy of open market operations in the money market is to harbour an illusion.

The food problem remains with us; the recurring danger of breakdown of distribution and shooting up of food prices out of all proportion to variations in food production again must be inevitable for a long, long time. Planned development means progressively increasing investment and generation of money incomes in excess of the flow of consumer goods, including food. It is implicit in this situation that the distribution and prices of food should be insulated against wild market fluctuations induced by even marginal variations in production or supply.

To the present Minister of Food and Agriculture goes the credit of taking the unpopular step of stating the problem in its essentials. He will now have to prepare himself, if he is really serious, to face the uphill task of gain-

ing the approval of his colleagues and winning the support of his party for pushing it through while the proposal itself will have to be changed in many essentials before it can be made workable. The latter is a much easier problem than that of getting the Government committed to the principle of the thing. Shri Subramaniam can count on the whole-hearted support of those

who are aware of the gravity of the situation and who also know how hard are the decisions that have to be taken for achieving a viable solution provided he does not try to sell his proposal with all the trappings of socialism, but without the rigours and self-discipline inherent in the socialisation of the foodgrains trade or any other field of economic activity.

US Civil Rights

THE legislation that perhaps meant most to John Kennedy and which he intended to place on the statute books before seeking re-election has, in posthumous triumph, actually kept to that time schedule. The civil rights bill was passed by the US Senate exactly one year after Kennedy had sent it to the Congress and with some five months yet to go for the Presidential election. True, the bill is not yet law; it has now to go back to the House of Representatives and pass through its Rules Committee. But that is not expected to delay its course to the President for signature, confidently set for July 4, the anniversary of America's independence.

Although this is the third civil rights legislation to be passed by the Congress in the US — all of them in the span of one decade—it is by far the most far-reaching and hence the most controversial. Even its optimistic supporters feared its end by lillibuster in the Senate. Only a cloture, approved by two-thirds of the Senators present and voting, can save a measure from suffocation by endless debate. And the cloture rule is rarely invoked no more than six times in the 47 years since its adoption and never before on a civil rights measure. The real triumph was, therefore, achieved a week before the actual passage of the bill. After 68 days of formal debate, the longest filibuster on record was ended by the Senate voting for cloture, with the required majority and 4 votes to spare. Thereafter, things moved with extraordinary speed and in a week, over a hundred amendments were disposed of. In the final vote, which, of course, corresponded closely to that on the cloture, 46 Democrats and 27 Republicans voted for the civil rights bill, 21 Southern Democrats and 6 Republicans against.

This tally immediately reveals two basic facts about the legislation. First, that it is a bi-partisan effort; second, that resistance to it is almost

exclusively in the Democratic camp. It was because of the deep division in his own party that in his first year in office, President Kennedy sought to fulfil his election promise of justice to the Negro through administrative rather than legislative measures. But events dramatically demonstrated the futility of any action without federal guarantee of fundamental rights. The President and his advisers knew that the chances of legislative approval of any civil rights measure depended on the active support of the Republicans. This was sought and was forthcoming because the racial issue was recognised as a national and not a party concern. In fact, kudos for the passage of the bill now is given not so much to President Johnson or Robert Kennedy as to Republican Everett Dirksen, the Senate's minority leader, who was principally responsible for engineering the cloture.

To what extent will the new legislation help to improve the lot of the Negroes? The bill is not as strong as seems ideally necessary. In the process of its passage, it has inevitably had to stand some watering down in the interests of acceptability though official opinion is that it has emerged from Senate as a stronger and not weaker measure. But then this is about all that is possible, under the well known circumstances. Negroes throughout the land are now assured, by federal authority, some basic-rights persistently denied to them — the right to vote, often refused on flimsy and irrelevant grounds; the right to service, on par with the whites, in hotels and restaurants, gas stations and places of entertainment, and the right to equal employment opportunities and to membership of trade unions. More important, from an 'operational' point of view, is the provision for cutting federal aid if State and local authorities are found supporting discrimination.

Not unoften the spirit of a law is

lost in its enforcement. Several States in the US have their own laws against discrimination in public accommodation and employment; but de facto discrimination is found almost everywhere in the country. Now the weight of federal authority will

support Negro rights. Enforcement can be sought through courts of law and the Attorney General is given some power to institute suits on his own findings. For the immediate future, all this may well mean heightened tensions. But Negro leadership in the US has

gained vastly in stature and experience in the decade since the 1954 Supreme Court judgment against segregation in schools and a true crusading spirit has been mobilised. It is ready now to put the new law to test.

Confrontation in Geneva

IN retrospect, the statement by the US Under-Secretary of State, Mr George Ball, at the beginning of the UN Conference on Trade and Development, that the dividing line between the developing and the developed countries was not clearly drawn and that, therefore, the Conference was no "adversary proceedings" between the two groups appears as a complete mis-reading of the mood of the 75 developing countries represented at the Conference. The outstanding, and perhaps the most unexpected, achievement of the Conference is the remarkable unity which the developing countries were able to forge among themselves. This enabled them to define their problems in clear terms and press upon the Conference solutions in a manner which made it impossible for the developed countries to slur over the yawning gap between their verbal expressions of good intentions and their preparedness to accept specific programmes to help the developing countries.

The solutions pressed by the developing countries were, generally speaking, not extreme or unrealistic. There were exceptions, of course, like the resolutions which called for a ban on all new synthetic raw materials. But, by and large, the resolutions sponsored by the developing countries, and carried by overwhelming majorities in the committees of the Conference, drew their inspiration from the recommendations of the Secretary-General of the Conference, Dr Raul Prebisch. These recommendations Dr Prebisch had characterised as the minimum necessary if the objective of a 5 per cent rate of growth in all developing countries by 1970, set for the UN's Development Decade, was to be achieved. Consistent with such a growth target, Dr Prebisch estimated that if "the factors responsible for the present trend in world trade continue, the trade gap (of the developing countries) may reach an order of magnitude of about \$20,000 million by 1970". Even if the target of development aid equal to one per cent of the national income of the developed countries was achieved, far-reaching

changes would be necessary in the attitudes and trade policies of the developed countries to bridge the gap.

The Prebisch report indicated where changes were most necessary and the developing countries followed him in substance in the proposals that they presented to the Conference. For maintaining the purchasing power of primary commodities, a vital necessity for most developing countries, Dr Prebisch suggested two types of measures: commodity agreements and compensatory financing. Commodity agreements would aim at supporting prices "at levels higher than those which would prevail in the absence of international regulation". But: by itself this may not be enough to check the long-term decline in prices of primary commodities. Hence the complementary proposal for compensatory financial assistance to offset losses due to changes in terms of trade. To increase exports of manufactures and semi-manufactures, Dr Prebisch suggested that quantitative targets, to be achieved within a certain period, should be set for their import into the industrial countries. The developed countries should permit import of a part of these quotas free of duty and of the rest at preferential rates of tariff.

In terms of these specific objectives, the achievement of the Conference must be frankly adjudged poor. While commodity agreements were not: rejected outright, the Western developed countries made it clear that they were not prepared to support prices at levels high enough to meet the development needs of the exporting countries. On compensatory finance India proposed that the developed countries should undertake to import a fixed quantum of goods, rising progressively each year, from the developing countries and that if in any year a country failed to meet its target it would pay the value of the shortfall into a fund which the developing country affected could use to finance imports. This proposal was rejected by the Western countries who were not prepared to

undertake any fixed import commitments. On manufactures, while there was vague agreement that tariffs on some semi-processed goods should be reduced, on the vital question of preferential tariffs for the developing countries there was no agreement among the Western countries. Britain was prepared to make Commonwealth preferences universal provided other developed countries accepted comparable preferences; France was willing to accept a system of 'selective preferences' between groups of developed and developing countries, e.g. between the Common Market and its Associated Territories; but the United States was totally opposed to preferences. It stuck fast to free trade with most-favoured-nation treatment based on GATT principles.

In a sense US rejection of the principle of preferential tariffs was the most serious setback at Geneva. Preferential treatment of exports from developing countries forms the crux of the new thinking on international trade in the context of the problems of development. The demand for preference is based on the proposition that the operation of free trade and most-favoured-nation principle in trade between Countries of unequal economic development will inevitably work to the detriment of the developing countries and widen the disparities between them and the richer nations. A general reduction in tariffs, as supported by the US, even if it materialised, would in no way weaken the case for preferential treatment for the developing countries. But, in fact, the prospect of a general tariff reduction can hardly be regarded as bright after the exasperating experience of the 'Kennedy Round'. The US stand on treatment of exports of manufactures from the developing countries thus lacked any basis whatsoever.

So fruitless was the Conference in terms of acceptance by the developed countries of proposals for assisting the trade of the developing countries that Dr Raul Prebisch was led to