

## It Can Be Done

OF RESOLUTIONS and conferences, there is, apparently, no end. Since devaluation, Food Ministers of provinces and cotton interests have met in New Delhi to explore ways and means of reducing prices. At the time the rupee was devalued, the Government let it be known that, despite exchange depreciation, they were determined to cut the prices of essential goods and commodities by 10 per cent. Food authorities as well as cotton interests seem to have accepted the need for lower prices of food and cloth. But a closer examination of the deliberations of the two recent conferences in New Delhi makes it amply evident that provincial food ministers and the cotton trade have accepted the directive for a price cut with strong mental reservations.

Strange as it may seem, provincial food authorities as well as cotton representatives now admit that incidental and distribution charges for food and cloth can be lowered roughly by 5 per cent. Why was this reduction not effected for so long? It has been a constant source of complaint that prices fixed at the time of re-introduction of controls were unduly high. Consumers had always suspected that re-controlled prices should not have been fixed at such high levels. With the exception of New Delhi and of industry and food interests, no one believes that rationing and price control are all that is required to check inflation. What the consumer wants is a gradual reduction in controlled prices.

Hitherto, it has not been possible to curtail food prices because of the provincial authorities' repeated plea that food procure-

ment will suffer unless procurement prices are maintained at reasonable levels. There will be sympathy with the farmer and the rural population. For one thing, they have to pay higher prices for food than those living in urban areas where food is rationed. They are expected to receive supplies of cloth at controlled prices. But it is an admitted fact that the urban population and the industrial worker can get supplies of these two necessities of life more regularly and at strictly controlled prices.

It is a commonplace that the vicious spiral of prices and wages cannot be broken unless food prices can be reduced. Because food prices are high, the general price level remains high and the cost of living remains where it is. Therefore, it is evident that the shortest cut to disinflation of prices is to slash food prices. And, anyone who has applied his mind to this problem will admit that the shortest cut to lower food prices is to make goods and services the farmer needs available to him in adequate quantities at lower prices.

This remains the declared objective of the Government. Yet, nothing tangible still seems to have been done. There are various reasons why it has not been possible to lower procurement prices for foodgrains. In the main, it seems to be due to lack of co-operation and central co-ordination in the food drive. It is an admitted fact that some of the food surplus provinces are not pulling their proper weight. This raises the issue of provincial separatism and intransigence—a mainly political problem which can only be solved by central

direction and control.

Even so, suspicion exists that the whole food problem is intimately bound up with party politics and electioneering tactics. The impression is gaining ground that the provincial authorities are interested in appeasing the farmer and the rural population as a vote-catching device. Realists will concede that party and political considerations cannot be completely divorced from economic policy. Yet, if there is any single issue on which the Congress Government should subject party interests to the wider interests of the country, it is food.

Apparently, the time is now opportune for lowering procurement prices for food. Nature was niggardly for the past few seasons. But the monsoon this year has been satisfactory; the harvest is expected to be good. With a comfortable harvest, it should be possible to effect a reduction in procurement prices. Yet Food Ministers who attended the recent New Delhi Conference expressed serious doubts whether this could be done. Can the consumer be blamed for his deepened suspicion that provincial authorities are not interested in lowering procurement prices, either because of regional intransigence or, and this is more sinister in its implications, because of political motives and election tactics.

Consider, now, the problem of cloth prices. Because of the alleged critical supply situation in raw cotton, recontrolled cloth prices were fixed at a high level. Subsequent developments have introduced an element of rigidity in cloth prices as well as in the price structure as a whole: there is a central excise duty on cloth and the cloth-producing provinces have raised or introduced sales taxes. With restrictions on sales

taxes laid down in the draft constitution, and now passed by the Constituent Assembly, the unrestricted growth of sales and excise taxes will be checked by April, 1951. Meanwhile, the effects of increased indirect taxation on prices will persist.

On the raw cotton front, the position is less gloomy. It is now accepted that the Government and trade interests were misled by unreliable cotton statistics in the past season. But for the exploitation of meagre and undependable data by gamblers and speculators, raw cotton prices should not have been as high as they were in the past season. In any event, this year's cotton outlook seems quite comfortable. Crop estimates are satisfactory; mill consumption may be less; prospects of imports of cotton from the sterling area are not discouraging. Indeed, the trade is toying with the idea of exporting short staple cotton to hard currency areas in order to earn dollars.

Despite these favourable factors, cotton interests have raised doubts whether cloth prices can be cut by as much as 10 per cent, though New Delhi Conference has recommended a reduction of 4 per cent in ex-mill prices of cloth. Whether cloth prices will ultimately be cut depends upon those who are expected to look after the interests of cotton growers. It is significant that the Central Cotton Committee has passed a resolution that growth of medium and long staple cotton should be encouraged through further price inducements. There is also the problem of acreage of commercial crops, including cotton, in relation to the acreage for food.

There are obstacles. But they can be removed or eliminated through determination and firm action. Under the cotton control measure, the authorities are em-

powered to requisition cotton according to the needs of manufactures. Strict enforcement of these powers should ensure supplies of raw cotton to mills at or around "ceiling" levels; thereby facilitating the enforcement of the contemplated cut in cloth prices. Similarly, provincial recalcitrance, or considerations of the coming elections, should be ruthlessly eliminated in the implementation of price and procure-

ment policy for food. Through planned and decisive action, prices can be cut. But they cannot, will not," be reduced merely by holding conferences, by passing pious resolutions, or by issuing ineffective directives. As the Finance Ministers aware, prices are mainly a problem of administrative checks and controls. And, it is the administration of the Government's price policy which remains lax and defective.

## "Air Sickness"

WHEN DOCTORS differ, the harassed patient can at least go to a Vaid. But to which Vaid can one go to get the figures vetted, figures that have been thrown at each other by the Communication Minister, The Hon'ble Mr. Kidwai and that veteran in the field of civil aviation, Mr. J. R. D. Tata, Chairman of Air-India and Air-India International? This is the first time that aviation companies have come out into the open and challenged the indirect subsidies, of which we have ourselves been persistent critics. What has nettled J. R. D. is not only the re-introduction of night-flying which he considers to be a hair-brained scheme, but even more that the contract should go to an obscure and unknown concern, which does not even have experience of day-flying and running a regular route.

The Communication Minister gets much the worst of the argument, though not because he happens to be an amateur while his adversary is himself an ace aviator, who has to his credit not only the honour of flying jet-planes but also of having successfully and efficiently run the star Air Services in India—the Tata Air Lines—for 17 years. This is

quite beside the point and irrelevant for ministers are not supposed to be experts. Modern democratic governments run on the principle that only an amateur can be at the top; but it also makes a further assumption that every department must have experienced civil servants who have the requisite expert knowledge and experience. It is here that Mr. Kidwai gets badly worsted. For his right-hand man, presumably his own choice, happens to be the Ex-Inspector General of Police of his own province, whose only experience of civil aviation up to a year ago "was limited to that of an air passenger". But to repeat, this only obscures the issues; such irrelevancies do not help in the task of clarification.

There is no question that without a night service, the all-up air-mail scheme will not serve the purpose for which it is primarily intended,—speeding up of mails. Unless the Government are able to ensure speedier transit for mails, the increase in postages exacted in the last budget would not only be entirely unjustified; it would amount to a fraud perpetrated on a long suffering public. Equally certain it is that without a substantial reduction in the air fares now charged on the regular