

of dhoties and sarees for handloom production also figures in the list given out by Shri Agrawal. The proposal to reserve manufacture of dhoties and sarees for handlooms has assumed considerable urgency and millowners no longer dismiss it as an idle question, too absurd to be taken seriously. This will be evident from the press statements issued by the Millowners' Associations of Bombay and Ahmedabad. That Shri T. T. Krishnamachari, the Minister for Commerce and Industry has also been forced to take note of it, after rejecting it off hand only a few days ago and that it is one of the important questions that he will discuss during his visit to Bombay highlights its urgency and importance.

'But none of these suggest a sensible or satisfactory way of solving the problem of handlooms or of cottage industries in general. In a well thought out programme of development, the correct and satisfactory way of defining the place of cottage and small scale industries is not that of treating it piecemeal and fighting it out by a clash of personalities. It is not a particular or personal issue to be decided by a trial of strength between the Madras Chief Minister and the Commerce and Industry Minister of the Union Government.

That the Planning Commission had evaded the problems raised by cottage and small scale industries is writ large in its draft report. It may be that the Commission found that the magnitude of the problem they raised was beyond its capacity to tackle with the limited organisation it had at its disposal. That the Commission was not satisfied with such short cuts as reserving a particular range of products for handlooms or of subsidising handloom production by the imposition of a levy on mill industry is apparent from the absence of any specific recommendations in this regard in its first report. The thermal report, Shri Agrawal tells us, will contain all these and more; the wider matters of policy will be discussed and finalised at the Working Committee meeting and the decisions will be included in the final draft of the Plan which will be ready for publication soon after.

As we said in the beginning, fundamental thinking is not the province of civil servants who can execute the policy laid by the Cabinet and help the ministers to formulate the right policies by placing before them the necessary factual data and acquainting them with the

administrative problems policy decisions raise. Between these two, advisory bodies like the Planning Commission can function to some advantage, if the respective limitations of all the three are clearly borne in mind and duly respected. If this principle of differentiation of functions is violated at the source, nothing but chaos can result from it. No advisory body, composed of the world's best experts, can serve any useful purpose under such circumstances. If the revelations made by the General Secretary of the Congress are true,

it will not only cause misgivings but should create consternation. Let us hope the Working Committee will at least have the wisdom to listen to the Planning Commission and not tamper with its recommendations by imposing on the latter its own views. The tragedy of it is that the Working Committee may not have any clear views of its own. If it had, there are other ways open to it to give the fullest expression to them and also to translate them into action, placed as it is so near to the seat of power.

Britain's Book-Keeping

THE debate has gone on for long in Britain whether the nation was really doing well in investing as much as it actually did. Some contended that investment was out-running the limit where further inflationary pressure would be generated. Others felt that it was running too low for Britain to ever rebuild her war-worn capital equipment and more, not less, investment was needed. The first group no doubt realised the implication of a slowing down of the rate of capital formation but was unable to devise, or agree¹ to, certain concomitant measures of restriction of consumption which a higher rate of investment demanded in order to avoid inflation. There were obvious limits to the sacrifice one could ask from a people who had been through the war and its aftermath.

Adherents of the cut-in-the-capital-programme however have generally had their way. Capital programme has been cut down, and as a balance to the inflationary forces in other sectors' the Cripps budgets aimed at a surplus in the Government sector. All the while, however, the debate on the British recovery was carried on in a somewhat piecemeal fashion. Greater coherence should now be imparted to the debate by the wealth of statistical material just released to the British public in the blue book on National Income and Expenditure, 1946-51.

Beyond a few interesting tables which attempt to show the current and capital transaction patterns, inter-industry and sectorwise, there is nothing much that is novel. But the blue book² does something more.

It gives reliable magnitudes of the major determinants of the economy. It throws these determinants into a pattern. Situations can no longer be depicted with naive confidence in terms of either smallness of savings or fluctuations in stockholding, or the stultifying movements in the real ratio of international exchange or the attempt of the public to snatch a greater share of the national product than it should. These are all there but their interplay is what the new data try to show. This has been a difficult job. It is not easy for the uninitiated to follow all the ramifications and the task is not rendered easier by the British Information Service retailing feature stories prepared in a hurry from this mass of data, instead of passing on the real thing to the press.

Even from the very condensed summaries that are available, it is evident that the blue book deals with a wide variety of subjects of which only a few can be mentioned here. Of immediate interest is the analysis of the last year's crisis in Britain's external accounts. It is estimated that in terms of 1950 prices, gross domestic production increased by only £203 m. in 1951—some £80 m. less than in the two preceding years. But in this same year, this rise in production had to counter-balance an increased expenditure on stock building of £480 m., and increased spending by public authorities of £152 m. (nearly four-fifths of which was on defence account), i.e., £632 m. in all. Thus, despite a fall in personal consumption, for the first time since the war, and a fall in fixed capital formation, the gap between