

# The Economic Weekly

A Journal of Current Economic and Political Affairs

(Established January 1949)

June 13, 1953

Volume V—No. 24

Eight annas

---

## EDITORIALS

- The Monsoon 657  
Korea and After 658

## WEEKLY NOTES

- Industrial Use of Atomic Energy  
—Tariff Commission and Price  
Intelligence—Essay Competition  
on India's Population—  
Bigger American Aid for 1954  
—Dearness Allowance 660

## OFF THE RECORD

- Taxation Enquiry 664

## LETTERS TO THE EDITOR

- Who has done better, the States  
or the Centre—Automobile Ex-  
ports from India 666

## FROM THE LONDON END

- Britain's New Elizabethan Age 667

## SPECIAL ARTICLES

- The Other Side of the Medal—  
Poona Schedules of NSS 669  
A Major Port at Mangalore 673  
Land Reform Under Neguib  
—G D Agrawal 675

## AROUND THE MARKETS

- Equities Slump and Rally—Mark-  
ed Rise in Gold—Cotton Re-  
covers—Oilseeds Easier—Metals  
Dull 679

## AT HOME AND ABROAD

- Desert Animal Study 679

## COMPANY NOTES

- New India Assurance 681

## CURRENT STATISTICS

682

---

Yearly Subscription post free  
India and Pakistan Rs 24/-  
Foreign Rs 27/-

---

## The Monsoon

THE monsoon has been unduly long in coming this year. Nearly a fortnight ago it broke in Ceylon; since then its progress has been slow. It has just touched the Konkan Coast but not with its usual outburst of heavy downpour. A late monsoon does not necessarily mean insufficient rains, but the forecast this year is on the low side, particularly for the South West. The forecast about the monsoon is still regarded somewhat as a joke, people grumble about the undependability of the forecast and there is the inevitable question, what is the Department of Metereology doing about it? Metereologists can say in their turn that they are in the same boat with the economists—forecasts about the weather are no better and no worse than those about the market. In fact, as they do not profess to know about the long-term trend, perhaps they would get the better of the argument.

Meanwhile, as the rain gods look on and withhold their favours, people in the North swelter in the heat and the number of deaths from sunstroke mounts up day by day, power supply is cut in the South and water supply in Bombay sinks to a precarious low level. But as in the case of the city's water supply, so with the rains, the distribution is uneven and this makes a lot of difference. For along with the report of heat wave in the North with its heavy toll of life, comes the news of extensive flood damages in Assam. India is a vast country and conditions differ, in the matter of rainfall as in other things. How can one get a connected picture of the situation, a measure in this particular case, of the distribution of rainfall through space and time? For both are equally important. Unseasonal rains can be as injurious to crops as timely showers, even light ones, can be favourable to them. This is a job for the metereologist and the statistician to work out between themselves,—an index of rain fall which will tell us something of its distribution, so that one can have an assessment which is sorely needed for so many different purposes. And why the total alone? The idea can be expanded and one can some day expect a break down of the figure- the sub-index for example of the rainfall for rice-growing areas or the cash crop component of the rainfall for the year!

That saying about budget being a gamble in the rains is now heard less often, for attention has shifted more to food supply though substantially the old dictum holds. This is for the obvious reason that better crops and a reduction in food imports mean so many things—more liberal imports for example, a better chance of holding the price line through lower wage costs or alternatively, increased effective demand for all sorts of goods and services because those who buy food may have more money to spend on other things, if food is cheaper, assuming their money incomes remain unchanged, which is at the moment much too much to assume. But it is not necessary to argue the point. A workable measure of the monsoon is very necessary, for getting the hang of the economic situation and if one could be found, it would surely prove an effective instrument for policy making also.

The monsoon has indeed been a long-standing challenge as much to the metereologists as to the statisticians. Metereology even in India"

The Economic Weekly

Noble Chambers, Parsi Bazar St.,  
Fort, Bombay.  
Phone: 23406

## Korea and After

has made immense strides in the last few years. In the place of the old weather reports, a column of figures of rainfall and night and day temperatures, the daily papers now carry a weather map. The range of Statistics do not drop like manna from the heaven. They have to be collected at considerable expense of money and effort. This is done in order to satisfy a need which is felt and considered 'important. One does not count the flies on a window-pane but one does try to count the heads of cattle. This is not to hold a brief for the statistics of livestock that is published periodically or even for the 5-yearly livestock census, but only to emphasise the point that annual rainfall merits at least the same attention.

Had the annual rainfall meant as much in the economic life of Europe as it does in this country, it is a permissible guess that some measure would have been found for it ere long. As things stand it is perhaps a safe bet that the West—in this particular case it is the US—will have perfected methods for producing artificial rain, if not for controlling rainfall, long before we have succeeded in developing a sensible method of estimating the rainfall in the country.

The cycle of the seasons, the spate of wind and rain, storm and sleet, have always had their local chroniclers and generalisations based upon observation, though perhaps not so precise or accurate, are part of the folklore of the people. These are still the standby of the husbandmen who guide their agricultural and other operations by these popular sayings. Soft rain early in the summer associated with bumper mango crops in some parts of the country, for instance, is supposed to presage an insufficient monsoon. Similarly, late rains in winter promise a sumptuous rabi crop. And so on and so forth. This is perhaps the best one could expect when there was nothing better to go by than the observation of the naked eye. Now we have so many gadgets, means of penetrating into the stratosphere and taking record of the different layers of the atmosphere. With all these, it is too bad if we have still to look to the sky for rain-clouds for an indication of the monsoon and are no wiser about the incidence of rainfall in different parts of the country than that there has been a flood in Assam and a drought in Rajasthan. What do these reports add up to? Surely science can give the answer.

WITH the agreement on the exchange of war prisoners an armistice in Korea is within sight. Both sides have made concessions to conclude the agreement. No agreement could have been concluded without the Communists abandoning their original insistence on unconditional repatriation of prisoners of war, by force if necessary. They have made another substantial concession in agreeing to a definite time limit for the settlement of the question of repatriation of war prisoners. Under the terms of the agreement the war prisoners whose repatriation has not been arranged by the political conference within thirty days will "cease to be prisoners and will assume civilian status". Thus the Communists have conceded America's demand that prisoners must not be kept in permanent captivity. In return for these concessions America has accepted the substance of the recent eight-point proposal made by the Communists.

It is a grotesque reflection of the preposterous pretensions of the aged President of South Korea that he and his cabinet have declared their intention to continue the war in violation of the agreement between the Communists and the UN Command. President Eisenhower has shown statesmanship in dismissing Dr Syngman Rhee's claims. It is the function of the UN Command to compel the Republic of Korea army to obey its orders, both the Indian and the British Prime Ministers have expressed the hope that America will have the determination to exercise her control over Dr Rhee and his clique. But the obstinate attitude of Dr Rhee and his Cabinet is a disturbing reminder that even an armistice may not lead to peace in Korea without a satisfactory settlement of the political issues involved.

Dr Rhee and the Republic, of South Korea are creatures of America.' They depend for their existence on American military and economic aid. Dr Rhee's combative call to continue the war in order to unite Korea is a disquieting reminder of the obscure origins of this war. It is too much taken for granted that North Korea was guilty of aggression in South Korea. This is the justification for the United Nations to be at war in Korea. Facts and circumstances

prevailing in Korea immediately before the armed aggression by North Korea lend weight to the assumption that the North Korean invasion, even if it was an act of aggression, was not unjustified. Dr Rhee's outrageous decision to continue the war to unite Korea lends additional weight to this assumption.

It is too late now to question whether the United Nations were justified in being at war in Korea. But, it is not too late to stress the lessons of Korea. Events in Korea are reminders of the pitfalls to be avoided if world peace is to be maintained. Conflicts between sovereign nation-States are inevitable. But it is the prime aim of the United Nations' to resolve conflicts through negotiation. Too much has been argued about the functions of the United Nations to preserve world peace through collective security. There is too little appreciation of the basic assumption behind the principle of collective security. When two States are at war the prime aim is to defeat the enemy. When the United Nations are at war the main objective is to repel aggression. In such a war, there is no victor or vanquished. Its aim is to stabilise the military situation and to arrange an armistice, so that the issues behind the armed conflict can be settled through negotiation.

This is the purpose of the political conference to be held in Korea under the armistice agreement. If the truce talks have disclosed the defects of the procedure adopted by the American dominated UN Command, the unwisdom of allowing America, or any other single Power to dominate the coming political conference on behalf of the United Nations becomes obvious. It is necessary to emphasise this aspect of the Korean situation as it affects the future of Korea as well as of the United Nations. Sir Winston Churchill had this aspect in mind when he warned the world that serious issues await solution by the forthcoming political conference. It is significant that the suggestion has been made that the political conference should hold its sessions in a place outside Korea so that its deliberations are not unduly influenced by America,

A democratic government for a united Korea is the ultimate object-