

WAR AND INDIAN ECONOMY

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WAR AND INDIAN ECONOMY

BY

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TO

The memory of My Mother

PREFACE

The following pages contain an attempt to study the effects of the war on Indian Economy and the manner in which the problems arising therefrom have been sought to be tackled by Government. The utility of the study has been qualified by the difficulties of insufficient data, inevitable in war-time. Nevertheless, the author believes that enough material is available not only to analyse the effects of war on Indian Economy but also to suggest in broad outline the kind of economic policy which is needed for the successful handling of India's economic problems. An attempt has also been made briefly to indicate the fundamentals of a post-war economic policy for this country. It may be added that the statistical material used in this study has all been compiled from official publications.

Though the book was practically ready by the end of April, certain difficulties prevented the author from immediately sending it to the press. The intervening period has witnessed certain important developments in Government's war-time economic policy. Though this has not revealed the need for any change either in the author's analysis or suggestions on the problems of Indian war economy, he has thought it fit to add an appendix briefly reviewing recent developments in Government's economic policy.

An explanation is perhaps due for my frequent reference to the political factor during the course of this study. I am aware that there are some people who hold the view that economic studies should be 'pure' in the sense that they should contain neither mention nor analysis of even relevant political data. I agree that academic economic studies should be free from any political or party bias ; but to dissociate economic problems from their political setting, especially when the problems in question relate to war economy, will be, in my opinion, to neglect a most vital factor in the situation and would, to that extent, constitute an unacademic departure from pure analysis. In fact, the nature and effectiveness of war-time economic policy is conditioned by the political background against which it is planned and executed. Hence it is that the political factor finds such frequent mention in the following pages.

Thanks are due to the Manager of the Hindustan Times Press for speeding up the work of printing and thus facilitating an early publication of this volume.

30th June 1943,
University of Delhi,
DELHI.

V. K. R. V. RAO,

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