

Inflation - Should it be Cured or Endured ?

I. G. Patel

I

INTRODUCTORY

1. May I say at the outset how happy and honoured I feel to have this opportunity to pay my humble tribute to the memory of Shri R.R. Kale, the founder of the Gokhale Institute of Politics and Economics. If ever there was a case where the vision and generosity of the founder have been more than amply rewarded by the success of the institution founded, surely the Gokhale Institute would have the pride of place in claiming that honour. In paying our tribute to the founder, therefore, we are also acknowledging our debt to the institution which has played and continues to play such a vital role in shaping economic thought and policy in the country; and I am sure you would not misunderstand it if I say that for me, on this occasion, it is difficult not to think of Prof. D.R. Gadgil who came to signify for most of us the values that the Servants of India Society stands for, the values of service and sacrifice, of scrupulous scholarship combined with the most dedicated and courageous advocacy of social and political reform, values, in short, of the highest personal integrity matched only by intellectual vigour and an active involvement in the issues of the day.

2. When Professor Rath suggested that I might choose inflation as my subject for this year's Kale Memorial Lecture, I was in two minds. Inflation is obviously one of the more glamorous subjects in economics; and its relevance and appeal are as widespread as they seem to be everlasting. No government in the world, and much less a democratically elected one, can be indifferent to it; and it is for the control of inflation, for example, that the industrially advanced countries seem to be willing to tolerate today unemployment of more than 30 million of their citizens.

* Text of R.R. Kale Memorial Lecture delivered at the Gokhale Institute of Politics and Economics, Pune, on May 21, 1983.