

POVERTY
OR
PLENTY?

by
M. N. ROY

RENAISSANCE PUBLISHERS

POST BOX 580 : : CALCUTTA

POVERTY
OR
PLENTY?

by
M. N. ROY

with an INTRODUCTION by
G. D. PARIKH, M.A.
Professor of Economics, R. N. Ruia College
Bombay

RENAISSANCE PUBLISHERS
Post Box 580, CALCUTTA

Price Rs. 2-8-0

Printed by A. Mukherjee, at the Art Press, 20, British Indian Street
and Published by B. N. Banerjea for the Renaissance Publishers,
15, Bankim Chatterjee Street (Top Floor), Calcutta

CONTENTS

INTRODUCTION		i-xxxvii
I. PROBLEM OF PRICE CONTROL ...		1
II. DEMOCRACY vs. CAPITALISM ...		24
III. THE ABSURDITIES ...		36
IV. AXIS OF INDIAN POLITICS ...		45
V. BROTHERHOOD OF BIG BUSINESS ...		58
VI. AN ECONOMIC FALLACY ...		70
VII. SPECTRE OF POST-WAR SLUMP ...		81
VIII. PLANNED ECONOMY —I ...		91
IX. DITTO —II ...		101
X. DITTO —III ...		112
XI. DITTO —IV ...		123
Appendix A—Memorandum on Food		137
Do. B—A Costly Experiment		141
Do. C—Tables ...		146

APPENDIX A

MEMORANDUM ON THE DISTRIBUTION OF FOOD AND OTHER NECESSITIES

Submitted to H. E. the Viceroy, on January 9, 1943

1. Soon after the creation of the Department of Food Supply of the Government of India, I took the liberty of addressing a letter to the Hon'ble Member in charge, making a few suggestions regarding the methods to be adopted for tackling the problem.

2. In addition to the extensive experience of the two popular organisations, with which I am connected, namely, the Indian Federation of Labour and the Radical Democratic Party, the Hon'ble Commerce Member's address to the Sixth Price Control Conference was the basis of my suggestions.

3. There has been, and still there is, a good deal of confusion and perhaps wilful misrepresentation, about the cause of the scarcity of food and other elementary necessities. Consequently, the Government seem to have been misguided, and all efforts for coping with the situation have until now proved ineffective.

4. The nature of the problem was very correctly defined by the Hon'ble Commerce Member in his address to the Sixth Price Control Conference. It is a problem of distribution. The scarcity is artificially created. The demand for a ban on export is evidently made with the purpose of concealing the real issue. The present export is practically negligible. Therefore, its stoppage would not help the situation substantially. There is convincing statistical evidence to the effect that the stock in the country is enough to meet all requirements. There has been no serious crop failure, nor has there been any substantial displacement of labour from agriculture to other industries. Therefore, the Hon'ble Commerce Member was perfectly right in saying that it was a problem of distribution.

5. The approach to the problem, however, has not been such as is clearly called for by its admitted nature. The problem of distribution of scarcity in the midst of plenty could be created only by a breakdown of the existing machinery of distribution. As a matter of fact, it has not been a case of breakdown, but wilful obstruction, motivated very largely politically. The present crisis has been precipitated as a different, more effective, form of the recent sabotage movement which failed to attain its object.

6. Having visualised the problem in the light of the political situation of the country, I made the following suggestion in my letter to the Hon'ble Commerce Member, dated November 26, 1942:

"The creation of a machinery to guarantee free distribution of foodstuff and other primary necessities is the need of the moment. It is now evident that no measure of control can keep the prices down and guarantee a free supply, so long as the normal channels of trade are regarded as the only machinery of distribution available or conceivable. As a matter of fact, the problem of food supply is created by obstacles which profit-motive places in the channels of a free distribution of commodities through trade. Profiteering is clearly a trader's practice. Hoarding is also done by traders in this country; because the vast bulk of consumers are too poor to hoard. Therefore, the conclusion is irresistible that the problem of distribution cannot be solved unless there will be another machinery. The newly created Department of Food Supply will not contribute much to the solution of the problem, unless it applies itself to this task.

"It is reported that the new Department may serve the purpose of the Central Government purchasing the entire stock of basic foodstuffs, such as wheat, and then distribute it equitably through the normal channels of trade, which will, of course, be subjected to certain measures of control. If the purchase is made directly from the producer, the latter may be benefited in the form of getting the higher price fixed by the government. But the consumer cannot be expected to be any better off than at present, because the supply available to him will be still at the mercy of the traders.

"The Government entering into trade may be too drastic a measure. But there is a middle way. It is rapid development of consumers' co-operative societies with the aid, and under the patronage of the government. That will serve as an alternative machinery for distribution. By itself, it will render a good deal of assistance to the consumers. On the other hand, by acting as a check, it will make the normal channels of trade more amenable to measures of control.

"Although the beginning should be made with consumers' co-operatives, before long small producers should be also helped to sell their produce through co-operative organisations.

"If these proposals are generally accepted, then the details could be easily worked out in consultation with the various parties concerned and on the basis of the experience made by public workers who have been trying to contribute to the solution of the problem of food supply."

7. Since the above was written, the situation has aggravated into a veritable crisis which may seriously disturb public peace and order. It would be unwise for the authorities to disregard

the presence of agencies anxious to exploit the situation for their political purposes. The authorities would be well advised to face the fact that there is a connection between the cause of the present crisis and those mischievous agencies. Therefore, all other efforts having failed, the Government should now at least fall back on the suggestion of creating an alternative machinery of distribution with the active co-operation of the mass of consumers. In order to be fully effective the machinery of distribution should be supplemented by co-operative marketing societies. Through this method, the Government will not only solve the problem of supply of food and other primary necessities but will at the same time establish an abiding practical relationship which will bridge the deplorable gulf between itself and the people.

8. The Indian Federation of Labour and the Radical Democratic Party have all along concerned themselves with the question of the supply of food and other primary necessities, and tried to help the authorities in making them available to the poor consumers at controlled prices. The All-India Conference of the Radical Democratic Party held at Lucknow from December 25 to 27, 1942, considered the present crisis and resolved to organise popular initiative for helping the Government to overcome it. The Executive Committee of the Indian Federation of Labour also met on the same occasion. Both these popular organisations have resolved to organise consumers' co-operatives and marketing societies throughout the country. Having a far-flung network of organisations, and an army of selfless public workers, they are in a position to do so. But the essential condition for the success of their efforts is co-operation from the side of the authorities in the form of placing supplies at the disposal of the co-operative societies, and of credit facilities.

9. In behalf of the two popular organisations, which have uncompromisingly supported the efforts of the Government, and are sincerely anxious to establish a close relation between the Government and the people as the basis for the economic welfare and political progress of the country, I appeal for an unreserved acceptance of their co-operation for overcoming the crisis precipitated by the conspiracy of powerful anti-social elements. The newly created department of Food Supply can be the medium of that co-operation. In order to serve that purpose, it must be an independent department in charge of a man who would feel the necessity and have the courage to go out of the beaten track, and adopt measures which will certainly not be approved by the commercial community, which cannot be absolved of the responsibility for having precipitated the present crisis.

10. It was not proper to associate the Department of Food Supply with the Department of Commerce. If the problem of supply could be solved through the normal channels of trade it would not be necessary for the Government to create a new department for interfering in the process. On the other hand if the

necessity for such interference is felt, that cannot be done effectively strictly within the framework of private trade.

11. It is admitted by the Hon'ble Commerce Member that the measures of control have not produced the desired result. Much is being made of this admission by interested parties. If this admission leads to a reversal to the policy of *laissez faire*, as persistently demanded by the commercial community, the situation will further aggravate. And the dangers resulting therefrom can be easily imagined.

12. Any effective control of prices presupposes control of the stock. Therefore, no measure of control will be effective unless the problem is tackled at the root. The Government must take over the entire available stock of all primary necessities, and arrange for its distribution through a new machinery beyond the control of those who have either conspired to bring about the present situation, or have failed to prevent it. Immediately, strong measures should be adopted for dealing with hoarders and profiteers. The stock held by them should be taken over by the Government and handed over to the co-operative societies on credit to be distributed at the controlled price. Active co-operation of the Indian Federation of Labour and the Radical Democratic Party and any other popular organisation taking up a similar attitude, should be welcomed by local authorities to search out hidden stores. Popular vigilance corps should be organised with that purpose. Local authorities should give all help and encouragement for the organisation of those bodies.

13. Generally, the Government of India should be immediately reconstituted with the inclusion of men with organized popular support, and therefore will be guided rather by the consideration of general welfare than concern for sectional interests. It is highly deplorable that no representative of organised labour has found a place in the Government of India. It is equally deplorable that the only political party of the people, which has unconditionally supported the war and stood by the Government when it was being stabbed in the back, is not taken into confidence. On the other hand, representatives of trade and industry as well as of the land-owning interest are allowed to bungle the situation, even when the Government can have the confidence and support of the popular masses only for the asking.

14. The Indian Federation of Labour and the Radical Democratic Party keenly feel that all their efforts to bridge the gulf between the Government and the people will be frustrated if the Government will remain under the sectional interests which necessarily prevent it from adopting a popular policy.

Dehradun, January, 9, 1943.

APPENDIX B

A COSTLY EXPERIMENT: PRIVATE TRADE FINANCED WITH PUBLIC MONEY.

Statement issued by the Central Executive Committee of the Radical Democratic Party on April 25, 1943.

The declaration made by the Additional Secretary of the Government of India in the Food Department, in his recent radio talk, that hoarders and profiteers would be firmly dealt with, is welcome. But experience does not inspire the belief that this threat will have any more salutary effect than that made by the Finance Member in his speech concluding the Budget Debate in the Central Legislative Assembly. It is not likely to be anything more serious than another stage thunder to draw applause from the credulous; it may be also meant to hide the shame of defeat which, however, is rather due to the pusillanimity on the part of the Government than to the cleverness of the enemy. It was a pusillanimity not only in dealing with those brazenly engaged in anti-social practices, but also in compelling lower officials to enforce the orders of the Government.

Notwithstanding the war-like language of the official exponent of the policy, it is an abject surrender to the enemies of the people, those who are conspiring with the typically fascist method of starving the people so that, in utter despair, the latter may lend themselves as pawns in the political game of the privileged few aspiring for dictatorial power.

Indeed, the Government has not only capitulated to the public enemy; it has undertaken also to pay a heavy indemnity. The removal of ineffective control, ineffective because it was not enforced, will now be followed up with the costly experiment of financing private trade with public money.

The policy is presented as a long term programme. It has been declared that the Government of India has assured adequate food supply for all the provinces and States for the next twelve months. That is certainly a heartening declaration. But the laudable concern for a long term programme should not minimise the importance of immediate measures to relieve the hardships of the people. There has been negligence on that score. Since the Food Department of the Government of India was created, and began functioning by abolishing all control on prices, the food situation has aggravated. The hope that the removal of control on prices will bring hoarded stocks in the market has not been fulfilled. The price level in the wholesale market may have shown

some tendency to decline slightly. But what concerns the vast bulk of the consumers is the retail price, which they actually have to pay. And it is a challenging fact that, since the abolition of control, retail prices have not fallen; on the contrary, they not only have risen, but there has been little relief of the artificially created scarcity.

These deplorable facts place the stamp of failure on the initial stage of the Government of India's new food policy. The second part of the plan, now announced being only a continuation of the first, cannot be expected to produce any better result.

The guiding principle of the policy is to rely on normal commercial methods; there will be no control whatsoever. This reversal to the time-honoured doctrine of *laissez-faire* is expected to guarantee fair prices both to the producer and the consumer. Evidently, there is a fallacy in the argument. Control was introduced only when, during the first two and half years of the war, prices kept on soaring without any tangible reason. So, it is a matter of experience that *laissez-faire* did not produce the result which it is expected to produce now. In the past, prices rose when there was no control on normal commercial methods. Where, then, is the guarantee that in the future prices will fall in consequence of all control on the normal commercial methods being removed?

The operative part of the plan is that the Central Government will purchase the entire surplus of food grains and distribute it to the deficit areas. It is announced that more than one hundred crores of rupees will be required to execute this part of the plan. That would be a step in the right direction. When the price control was introduced, we maintained that it could not succeed unless the Government took over the control of the stocks. Now the Government proposes to do so, having first abandoned the policy of price control. But it believes that the very fact of the Government securing the surplus will serve as a control on price. That might be so if the surplus was not to be acquired through private traders, and brought to the market also through the private traders. But the Government has decided to spend one hundred crores of rupees to finance private trade, to enable a selected few to buy cheap and sell dear. That, after all, is the essence of trade.

The Government disclaims any intention of putting anybody out of business. There will be no control on normal commercial methods. Evidently, there is a good deal of confused thinking, if not actual desire to connive with the malpractices of anti-social elements. That is clear from the answer to the simple question: What is trade? Is it not simply to buy cheap and sell dear? Why should methods devised for attaining that object be considered indispensable for guaranteeing a free flow of essential commodities from the producer to the consumer? Trade is considered to be normal (by the traders) when commodities could be bought at the lowest price and sold at the highest. Evidently, non-interference

with the normal commercial methods will not produce the result of bringing down price. And as prices could be forced up by withholding goods from the consumers, the artificially created scarcity will continue, and there will be no alleviation of the crisis which is causing untold misery and endless hardships for the vast bulk of the population.

The Government of India will secure control of the surplus through the agency of the Provincial and State Governments. The actual purchasing will be done by commercial firms empowered to do so by the respective Provincial and State Governments. So, for all practical purposes, the surplus will remain under the control of private traders even after the Government of India has invested a large amount of public money. As there will be no control anywhere, the producers will have to accept whatever price will be offered by the privileged firms carrying on trade with the financial assistance of the Government.

The distribution of the surplus to the deficit provinces and States will presumably take place also through normal commercial channels. The traders actually holding the surplus stock purchased with public money will sell to the needy Provinces and States. Again, there will be no control on the prices they will be pleased to demand. The price paid by the deficit provinces and States in getting their quota of the surplus through private traders will naturally determine the rate of price the consumers will have to pay ultimately. The food grains originally purchased with public money will have to pass through the hands of another set of traders before they will reach the hungry mouths of the consumers. Having received their quota of the surplus through private traders, the Provincial and State Governments will hand it over to another set of traders for bringing them in the market. In the absence of any control, there will be nothing to prevent them from charging any price they like.

Thus, legal control of the surplus will not enable the Government to use it so as to keep prices approximately on a certain level. In order to produce that result, the surplus must operate as a competitive factor. It cannot do so when it will reach the consumers through the normal channels of trade. A trader is not likely to sell commodities purchased with Government money cheaper than those purchased with his own money. If he did, he would not be a trader.

The decisive question is: how will the surplus purchased by the Government reach the consumers? If it cannot flow through a channel other than the so-called normal trade, then it can never be "the deluge of grain" which will crush the speculator. The Government's plan provides no guarantee against the surplus itself being cornered instead of breaking the speculators' conspiracy.

The Government has adopted such a palpably impractical policy, because it still refuses to approach the problem from the right angle of vision. An economic crisis, pregnant of grave consequences, has been brought about by a political conspiracy. The

Government still believes that hoarding, profiteering and black market were all caused by lack of confidence, fear and uncertainty. Now that an improvement in the military position of India has taken place, it is expected that the causes will disappear, and consequently hoarders, profiteers and speculators will also disappear as nightmares of yesterday. That is wishful thinking, if not worse. Precisely because the military situation has improved, the enemy has decided to attack on a different front. It should be remembered that the food situation has deteriorated rapidly during this year since the Japs stopped on the Eastern frontiers of India. It being thus essentially a political problem, the approach should also be political. But the Government persistently avoids a political approach, and blissfully regards the problem as a simple economic problem which can be solved by a reversal to the good old method of *laissez-faire*. It is only common sense that, if you let your enemy do whatever he likes, on the ground that Government interference with trade is not desirable, you only undermine your own position. The danger is palpable. Food riots are already reported from different places. If the hardships are not relieved soon, they may become wide-spread. It is very easy to incite a hungry mob, with no prospect of any relief, to desperate action.

The situation being so very fraught with danger, it is necessary for the Government to act with boldness. Its hands should not be bound by prejudices and conventional notions. There is absolutely no reason why the Government should not go into business, particularly when private businessmen are engaged in an economic hold-up. Moreover, it is no use doing things half and half. According to its new policy, the Government will invest a large sum of money for purchasing food grains. So, it is going into business. Why, then, still let private traders derive the benefit of being financed by the public Exchequer, and also frustrate the good intentions of the Government? Let the Government take over the surplus of food grains directly from the producer, thus guaranteeing him a fair price, and then create a parallel channel through which the surplus will reach the consumers directly. Private traders being eliminated from the entire process, a really fair price will thus be guaranteed also to the consumers.

The objection to the Government going into business is that it will involve bureaucratic practices. Assuming that will be so, there will be nothing new. Until now, the net result of the Government's food policy has been to expand a bureaucratic machinery. It has not only been ineffective, but much worse. It has not been above corruption. Even the new policy, while leaving the field free to private traders, will create a bureaucratic machinery which will have very little to do. Therefore, the argument against the Government directly intervening in the process of primary necessities flowing freely from the producers to the consumers, is unconvincing.

But it is not necessary for the Government to go into business itself. What it needs do is to help the opening of a parallel

channel for the surplus, purchased with public money, to flow directly from the producer to the consumer. Co-operative Marketing Societies at the one end, and Consumers' Co-operatives, on the other, will open up that parallel channel. Let the Government declare that the surplus taken over by it will be distributed only through the Consumers' Co-operative Societies, and let it make it a point to purchase the surplus through the Co-operative organisations of the primary producers. In no time, these co-operative organisations, of the producer on the one end, and of the consumer, in the other, will grow and become a decisive factor in the economic life of the country. Only then, the surplus purchased by the Government will operate as a competitive factor. Through the new channel, grain from the surplus store will flow wherever there will be a scarcity owing to speculation or cornering. It is easy to see what will be the result. Not only black markets will disappear because they will cease to be profitable; the political game of the hoarders and profiteers will also be up, because the new channel of distribution will put an end to artificially created scarcity. Consequently, prices will come down to the level which will have to be maintained for guaranteeing a fair return to the producer.

The Government has failed to find this obvious and practical solution of the problem, because neither the masses of small producers nor of poor consumers enter anywhere into its calculations. It cannot think except in terms of trade and traders. Let the concern for the vested interest of the fortunate few, most of whom are engaged in anti-social practices, be replaced by a genuine concern for the welfare of the people, and the Government will find itself out of the present highly explosive situation. The food question concerns primarily the masses of the poor people. They constitute the majority of the nation. Democratic practice must be determined by the voice of the majority. Let the majority assert itself, and all the problems will be solved.

APPENDIX C

TABLE NO. 1.

Index numbers of (1) Monetary Circulation, (2) Wholesale Prices (Calcutta) and (3) Cost of Living (Bombay)

			Note Circulation	Wholesale Prices	Cost of Living
July	1939	...	100	100	100
August		...	99	100	100
September		...	108	114	101
October		...	116	118	103
November		...	121	131	104
December		...	127	137	108
January	1940	...	131	130	109
February		...	133	125	107
March		...	133	121	105
April		...	133	121	105
May		...	135	117	106
June		...	138	114	106
July		...	134	114	108
August		...	130	115	109
September		...	128	119	107
October		...	128	121	108
November		...	127	122	108
December		...	130	120	110

TABLE NO. 1.—(Contd.)

			Note Circulation	Wholesale Prices	Cost of Living
1941					
January	...	...	135	121	111
February	...	...	138	119	118
March	...	...	141	123	113
April	...	...	147	127	115
May	...	...	150	130	116
June	...	...	150	137	116
July	...	...	150	150	120
August	...	...	150	151	125
September	...	...	157	149	123
October	...	...	161	151	119
November	...	...	167	157	129
December	...	...	180	154	123
1942					
January	...	...	193	155	131
February	...	...	205	153	129
March	...	...	221	158	130
April	...	...	237	157	131
May	...	...	251	169	135
June	...	...	242	182	145
July	...	...	243	182	160

TABLE NO. 1.—(Contd.)

			Note Circulation	Wholesale Prices	Cost of Living
1942					
August	...	...	258	192	160
September	...	...	269	198	162
October	...	...	280	209	164
November	...	...	295	227	170
December	...	...	309	238	179
1943					
January	...	...	324	250	193
February	...	...	336	253	195
March	...	...	350	272	198
April	...	...	367	293	214
May	...	...	384	325	216
June	...	...	397	319	{ 221 224
July	...	...	406	332	225
August	...	...	415	345	227
September	...	...	419	349	233
October	...	...	427	334	236
November	...	...	437	314	...

*The figures for Bombay up to May June 1943, relate to the month ending 15th and those from June 1943, relate to a Calendar Month.

TABLE NO. 2.

INDEX NUMBERS OF WHOLESALE PRICES IN INDIA BY
GROUPS OF COMMODITIES.

Year and Month	Food and Tobacco	Other agricul- tural commodi- ties	Raw mate- rials	All pri- mary commodi- ties	Manufac- tured articles	Chief articles of export	General index
1939-40							
August	100.8	100.7	100.2	100.3	100.0	100.6	100.3
December	127.1	187.1	129.3	136.5	14.51	147.9	138.3
March	117.9	151.5	125.4	125.9	133.0	131.5	127.5
1940-41							
April	112.7	157.9	122.8	123.2	131.5	128.2	125.0
May	106.6	135.9	123.4	119.0	127.3	162.4	120.8
June	103.5	112.8	112.2	108.3	117.1	107.3	110.3
July	106.5	110.4	118.4	111.6	113.5	110.6	112.1
August	103.2	98.2	118.9	108.1	109.3	106.3	108.4
September	107.6	107.1	116.9	111.0	111.4	109.7	111.1
October	109.6	100.2	120.2	111.9	112.9	111.0	112.1
November	109.1	106.4	125.6	114.8	118.9	115.9	115.7
December	107.8	102.5	124.0	112.9	119.8	114.2	114.4
January	107.4	99.6	126.3	112.9	121.6	114.0	114.8
February	103.6	94.5	121.1	106.4	121.5	107.9	111.1
March	108.1	112.4	125.9	115.4	131.7	116.7	118.8
1941-42							
April	103.5	108.2	128.6	112.6	131.5	118.2	116.4
May	104.6	121.0	130.9	116.9	139.7	121.4	121.5
June	114.7	128.7	139.0	128.0	146.7	132.7	130.2
July	127.0	142.2	146.2	136.7	157.3	145.1	140.9
August	128.6	152.7	147.2	139.4	161.2	148.0	142.5
September	125.8	141.6	145.8	135.9	167.3	145.2	142.2
October	126.6	134.6	150.5	136.8	163.0	145.0	142.1
November	125.6	146.3	156.1	141.7	165.3	148.9	146.5
December	127.1	137.5	150.0	137.5	153.6	139.0	140.0
January	130.6	129.9	158.4	143.7	161.4	143.0	145.0
February	133.7	123.0	157.9	143.7	161.3	142.4	145.1
March	132.9	117.4	161.9	140.6	165.2	139.7	145.6
1942-43							
April	135.5	114.8	162.4	142.8	157.6	138.9	145.9
May	144.9	123.2	163.1	146.7	162.6	141.3	149.9
June	169.2	135.6	161.4	156.3	167.4	151.5	158.6

TABLE NO. 2.—(Contd.)

Year and Month	Food and Tobacco	Other agricultural commodities	Raw materials	All primary commodities	Manufactured articles	Chief articles of export	General Index
July	155.5	148.7	163.5	157.4	175.6	153.3	161.2
August	260.2	141.6	161.8	157.5	174.6	152.3	161.1
September	164.1	159.7	164.0	163.3	182.3	156.7	167.3
October	169.9	178.8	166.3	169.9	194.4	165.9	175.0
November	173.6	179.5	171.0	173.6	220.0	170.3	182.7
December	181.1	178.2	172.0	177.0	222.2	171.8	186.0
January	201.5	193.8	171.5	168.0	225.8	185.5	195.6
February	211.9	202.5	172.0	193.9	225.3	191.4	200.4
March	271.0	212.3	172.0	218.0	227.9	220.5	220.1
1943							
April	235.4	240.1	172.9	228.2	239.4	234.4	230.5
May	299.0	243.2	174.8	234.4	250.0	241.6	237.8
June	303.0	236.5	182.1	238.8	263.5	243.1	244.0
July	295.0	226.2	186.2	236.0	259.6	239.3	240.9
August	300.2	206.2	181.4	231.8	252.3	237.4	236.1
September	302.6	220.4	183.8	236.3	253.4	243.3	240.0
October	303.0	219.6	185.4	237.1	257.6	244.1	241.5
November	301.1	199.8	189.3	234.8	253.3	239.9	238.7

(Base: 19th August 1939=100; Source: Economic Adviser to The Government of India.)

TABLE NO. 3.

The following is the relevant statistical material regarding Notes in Circulation, and Gold Coin and Bullion, Sterling Securities, Rupee Coin, and the Rupee Securities in the Issue Department of The Reserve Bank of India.

(In lakhs of Rupees)

		Notes in Circulation	Gold Coin & Bullion	Sterling Securities	Rupee Coin	Rupee Securities
Annual Average :						
1935-36	...	16,406	4,442	6,209	5,551	2,962
1936-37	...	17,581	4,442	6,957	6,401	2,362
1937-38	...	18,615	4,442	7,992	6,023	2,719
1938-39	...	18,236	4,442	6,695	6,711	3,216
1939-40	...	20,922	4,442	7,863	6,752	3,744
1940-41	...	24,141	4,442	12,992	3,587	4,846
1941-42	...	30,768	4,442	16,500	3,528	7,519
1942-43	...	51,344	4,442	31,911	2,233	13,938
1941-42						
Last Friday of—						
April, 1941	...	26,712	4,442	10,880	3,606	9,132
May	...	27,297	4,442	11,380	3,623	9,131
June	...	27,693	4,442	11,880	3,657	9,131
July	...	27,801	4,442	12,165	3,765	8,846
August	...	27,659	4,442	13,163	3,849	7,849
September	...	28,612	4,442	13,663	3,921	7,650

TABLE NO. 3.—(Contd.)

		(In lakhs of Rupees)				
		Notes in Circulation	Gold Coin & Bullion	Sterling Securities	Rupee Coin	Rupee Securities
1941-42						
Last Friday of—						
October	...	29,345	4,442	15,567	3,884	6,846
November	...	30,742	4,442	18,065	3,760	5,647
December	...	33,560	4,442	22,762	3,418	4,150
January, 1942	...	35,641	4,442	24,862	3,164	4,150
February	...	37,968	4,442	27,362	2,948	4,150
March	...	41,007	4,442	21,285	2,753	13,626
1942-43						
April	...	44,261	4,442	24,185	2,947	13,822
May	...	46,065	4,442	25,185	2,779	14,915
June	...	44,319	4,442	26,185	2,755	12,229
July	...	45,100	4,442	28,679	2,972	10,237
August	...	47,425	4,442	31,179	2,873	10,240
September	...	49,258	4,442	32,979	2,671	10,243
October	...	51,470	4,442	32,583	2,184	13,239
November	...	54,036	4,442	35,983	1,530	13,239
December	...	57,036	4,442	40,483	1,417	12,238
January, 1943	...	59,325	4,442	35,583	1,458	18,936
February	...	61,436	4,442	38,573	1,362	18,246
March	...	64,358	4,442	42,171	1,451	17,447

TABLE NO. 3.—(Contd.)

(In lakhs of Rupees)

1943		Notes in Circulation	Gold Coin & Bullion	Sterling Securities	Rupee Coin	Rupee Securities
Average of Friday figures						
April, 1943	...	66,700	4,442	48,079	1,490	13,739
May	...	69,765	4,442	42,523	1,461	12,445
June	...	72,025	4,442	55,098	1,572	12,046
July	...	73,759	4,442	57,398	1,487	11,502
August	...	75,353	4,442	61,109	1,418	9,462
September	...	75,975	4,442	63,480	1,456	7,837
October	...	77,447	4,442	66,559	1,381	6,237
November	...	79,358	4,442	68,608	1,458	5,835

*All figures are exclusive of Burma.

(Sources: Reserve Bank of India: Report on Currency and Finance for the year 1942-43; and the monthly Statistical Summaries of the Reserve Bank of India.)

TABLE NO. 4.

CONSOLIDATED POSITION OF THE SCHEDULED BANKS.

(Source : Monthly Statistical Summary of the Reserve Bank of India).

(In lakhs of Rupees.)

		Demand Liabilities	Time Liabilities	Cash	Balances with Reserve Bank	Advances	Bills Discounted
Annual Average of Friday figures.							
1935-36	...	12190	9866	595	3186	8770	356
1936-37	...	12858	10132	601	2627	9511	470
1937-38	...	13277	10904	661	2462	12343	628
1938-39	...	12998	10785	664	1594	11585	486
1939-40	...	13965	10603	708	1743	12589	525
1940-41	...	16390	10494	837	3642	12213	384
1941-42	...	21135	10761	986	3665	12020	493
1942-43	...	30628	10421	1297	5573	9568	218
Average of Friday figures.							
April 1942	...	22811	9658	1035	3880	11198	227
May	...	24102	9466	1111	4867	10226	164
June	...	26101	9656	1252	5873	9725	150
July	...	27960	9758	1211	6277	8904	169
August	...	29475	9737	1165	6469	8307	151
September	...	30859	9928	1239	6429	7867	145
October	..	32164	10224	1263	6540	7925	173

TABLE NO. 4.—(Contd.)

(In lakhs of Rupees.)

	Demand Liabilities	Time Liabilities	Cash	Balances with Reserve Bank	Advances	Bills Discounted
Average of Friday figures.						
November	33341	10554	1396	6280	8192	226
December	33972	10994	1394	5333	9118	279
January, 1943	34471	11369	1517	4873	10023	289
February	35998	11799	1482	4852	11055	308
March	37232	12128	1514	5137	12570	353
April	37475	12359	1632	4435	13166	440
May	39087	12595	1751	4950	14135	506
June	41124	12955	1768	5461	14260	494
July	42811	13352	1809	5909	14324	419

APPENDIX C

TABLE NO. 5

PUBLIC DEBT OF INDIA SINCE 1913-14.

(A)

End of March	Rupee Debt					(In crores of rupees)		Total
	Un-dated	Over 10 years	Between 5 and 10 years	Under 5 Years	Treasury Bills	P. O. Savings Bank deposits and Cash Certificates	Other obligations	
1	2	3	4	5	6	7	8	9
1914	144.52	1.00	...	...	...	23.17	11.08	179.77
1919	143.20	26.42	29.44	59.43	49.24	27.03	24.02	358.78
1924	137.25	29.29	96.93	94.45	51.57	33.21	39.62	482.32
1929	137.41	121.03	50.25	81.54	43.15	56.79	61.04	551.21
1934	126.69	160.73	67.93	79.22	59.24	115.94	83.34	693.09
1939	127.75	129.62	112.70	70.69	46.30	141.46	84.34	709.96
1930	139.93	147.24	113.75	49.35	54.71	135.35	87.43	727.79
1941	148.52	182.96	150.31	95.07	66.90	108.80	106.59	861.17
1942 (Revised)	164.18	261.77	68.75	117.16	136.98	95.55	96.61	941.00
1943 (Preliminary)	245.50	238.41	91.75	172.80	264.70	83.09	102.29	1208.45

(B)

STERLING DEBT*

End of March	(In crores of rupees)					Total
	Undated	Over 10 years	Between 5 and 10 years	Under 5 years	Other obligations	
1914	265.57	...	...	...	0.24	265.81
1919	257.80	45.86	...	...	0.32	204.08
1924	366.80	28.90	...	...	2.06	397.76
1929	236.61	169.03	4.66	...	1.56	472.78
1934	269.19	198.50	...	43.08	1.38	512.15
1939	268.05	135.11	29.30	32.46	4.13	469.10
1940	255.63	115.44	39.09	29.15	4.18	442.49
1941	246.81	40.1	82.87	20.62	3.62	344.93
1942 (Revised)	134.00	34.66	17.32	20.95	3.77	210.70
1943 (Preliminary)	22.13	4.06	6.98	20.62	3.72	57.41

* Converted at 1 sh. 4 d. per rupee upto the end of 1924; and hereafter at 1 sh. 6d.

(Source: Report on Currency and Finance for the year 1942-43: Reserve Bank of India.)

Recent Publications of Topical Interest

BY

M. N. ROY

	Rs. A.
NATIONAL GOVERNMENT OR PEOPLE'S GOVERNMENT	1 0

A challenging series of essays on an issue of the moment. Roy ruthlessly and relentlessly exposes the fallacy of those who argue the case for a *national* government, but not a *people's* government. A concrete scheme of a genuine people's government is outlined at the end.

ALPHABET OF FASCIST ECONOMICS ...	1 0
-----------------------------------	-----

Containing (i) '*Master'-Plan X'-Rayed*' by Prof. Parikh, and (ii) *Planning and Planning*, a series of articles by Roy, analysing the implications of the *Bombay Plan of Economic Development for India*, with a concluding essay outlining an alternative plan.

Introduction by Prof. Benoy Banerjee of Calcutta.

OUR DIFFERENCES (an exposition of the "decolonisation" controversy) ...	2 8
---	-----

THE COMMUNIST INTERNATIONAL ...	1 0
---------------------------------	-----

HISTORICAL ROLE OF ISLAM ...	1 8
------------------------------	-----

WHAT IS MARXISM? ...	0 8
----------------------	-----

HERESIES OF THE 20TH CENTURY	2 8
-----------------------------------	-----

SCIENTIFIC POLITICS ...	2 8
-------------------------	-----

Liberal discount on bulk orders. Post free on advance payment.

RENAISSANCE PUBLISHERS

P. B. 580, CALCUTTA