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## India: State trade in cereals

Intereconomics

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social gradients have become infinitely more pronounced. There are not only 2,000 millionaires but also 80,000 families with an income below the poverty-line. There is also the discrimination against the Arabic Israelis who are denied the same chances of advancement their Jewish fellow-citizens enjoy. Among the Jews, thereagainst, the orthodox and the Kibbuzniks, each amounting to 4 p.c. of the population, have an unproportionally great influence in politics and administration, but the influence of the Oriental Jews, who account for 48 p.c. of the population, is almost negligent; among the total of 120 members of Parliament they are represented by a mere 17.

So far there were three wars and victories, but they have not brought Israel nearer to peace with its Arab neighbours. The danger of a new war will exist as long as Israelis and Arabs fail to establish and secure coexistence on the basis of concessions by both sides. Apart from this, the country's internal peace remains in jeopardy until the State is able to reduce social tension and differentials in Israel in a more successful effort than in past.

kw.

#### *India*

### **State Trade in Cereals**

Since the beginning of the new crop season in April of this year the Indian peasants and consumers have no longer been dealing with private wholesalers. Instead, they now have to bother with civil servants. Following the non-appearance of the Monsoon in several states and the dispensing by the Indian Government with the formerly regular grain imports from the USA, Indira Gandhi's Government believes that the population's supply with food, scarce as food is, could be secured only on the strength of centralised distribution. The Government therefore nationalised the private wholesale of rice and wheat, thus expressing the belief that private traders were responsible for the supply difficulties of recent months in spite of the fact that India's population has grown by 13 mn people in 1972 and this year's crops will be smaller by 4 mn tons than last year's.

It may well be true that the profit-seeking private trade has contributed quite considerably to the supply shortcomings. But on the other hand it did guarantee at least the functioning of trade. So far, in India the most important banks, steel mills, coal mines, the shipbuilding industry as well as large sections of the textile and oil industries and of the import trade have been nationalised. The Indian experiences show that the Government's new step of nationalising the trade in cereals is no more than eyewash, because the new difficulties will hardly be mastered by bureaucracy. In

order to distribute 25 mn tons of grain there should be a functioning public distribution system. But the building up of it is yet to begin, and according to official estimates this process will cost the enormous sum of DM 8 bn. Therefore the latest step of nationalisation means not more socialism for India but merely more bureaucracy. One is forced to put the question as to whether this will be beneficial for the farmers and the consumers.

bw.

#### *Third World*

### **Brazil's Africa Policy**

To a growing extent Brazil tries to build political and economic bridges across to the African Continent. The efforts are concentrated on the Portuguese colonies of Angola and Mozambique and also on Kenya, the Cameroons and Zaire. The primarily economic activities also seem to have given rise to fresh political hopes on the African Continent. Only recently the Kenyan Foreign Minister, Mungai, said on the occasion of the visit to Kenya by his Brazilian opposite number that only Brazil as the richest country in Latin-America could induce Portugal to set its African colonies free.

Looking at the whole problem, Brazil pursues its Africa policy rather cautiously. This shows itself especially in the fact that Brazil has not brought itself to realise its idea of a South Atlantic Pact with envisaged participation of the Republic of South Africa, Argentina, Brazil and Portugal. Apparently Brazil's activities in Africa are meant in the first place to serve the establishing of Brazil's leading position among the nations of the Third World. In its relations with Africa, Brazil is in a position to harpen on the fact that, within its borders, there is the largest population group of black people outside Africa.

It must also not be overlooked that there is the attraction of the African Continent as a market for the products of the fast expanding Brazilian consumer goods industry. There is already a marked competition between the two industrially developed countries, Brazil and South Africa, in Angola, and it is to be expected that Brazil will become a serious competitor also in other African states. It must be welcomed that a more advanced developing country intensifies its activities in countries of the Third World. At the same time, the question remains whether, in the end, it will in the majority of cases turn out to be the Brazilian subsidiaries of multinational companies that will benefit from Brazil's economic activities in Africa. Such a development would once more foremostly benefit the interests of such international concerns.

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