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India: Development strategy “Made in India”

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COMMENTS

India

Development Strategy "Made In India"

Two foreign visitors have recently been to India: the German Minister for Economic Cooperation, Dr Erhard Eppler, and the Soviet party chief, Leonid Brezhnev. Politically, the two visits did not carry the same weight, but economically the agreements reached signpost in their various ways the two routes which India wants to pursue – at the same time – on its march into a better future.

Dr Eppler laid the emphasis on his intention to concentrate German development aid for India as far as possible on the agricultural sector; the main outcome of Brezhnev's call on Indira Gandhi, on the other hand, is likely to be greater cooperation and more Soviet aid for the development of India's heavy industry, extension of its petrochemicals industry and of energy production. Dr Eppler had made his motives clear to the Indians before he set off for his visit. He wrote: "Mahatma Gandhi had already understood that not mass production but production by the masses can bring progress to this land." His plea has even more force today when 150 million people in India are unemployed or underemployed and over 70 p. c. of the population are deriving a living from the land.

The returns of India's agriculture however still depend in the main on the monsoon rains. If they fail to break, hard currencies flow out of the country to pay for grain. The vagaries to which India's agriculture is subject create fresh uncertainties each year in the whole economic organism. They explain why India wants to intensify its efforts to establish a competitive industry. Thereby alone can the financial resources needed for purchasing grain be provided. Hence India's avidity for the most modern industrial technologies. To find the right way to balanced progress between a backward agriculture and a super-modern industry seems to be a well-nigh hopeless undertaking when the country has to grapple with such complex contingencies. If nothing else, the visits by Brezhnev and Dr Eppler have thrown new light on the vast range of the development strategy "made in India".

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Energy

Playing Poker In the Ec

Nuclear energy is to take the place of oil wherever possible, and external independence is to be achieved alongside internal cooperation. Thus the EC Commission. What hopeful words for a Europe in the grip of an energy crisis! The

debates on the political, economic and technical aspects of the supply of enriched uranium however have so far yielded only a consensus that the rapidly growing requirements of nuclear power stations should and could be covered by Europe's own production while questions concerning the production process and its financing are the subject of an angry poker game of France versus Great Britain, the Netherlands and Germany. For the French gas diffusion process speaks the fact that it has been tried out and fully developed whereas the centrifugal process of the other side offers a more modern technology which apart from lower capital and operating costs and a smaller environmental handicap allows flexible load adjustments.

In this situation the EC Commission has been equivocating. It is urging a „concerted action“ on the competitors to avoid that pursuit of both projects results in jointly financed excess capacities. It appears however that the end of the concertation efforts will be a wishy-washy compromise defying economic and technical commonsense: Paris has already announced that it will build an isotope separation plant employing the French design while the British-Dutch-German group has been authorised by an inter-governmental committee to set up separation plants operating the centrifugal process in Great Britain and the Netherlands. When the heads of governments of France and the Federal Republic met in Paris in November, all they could do was to assure one another of mutual participation in and furtherance of the projects.

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Ethiopia

Famine Strikes as the Sahara Spreads

About 1,000 people are dying each day in the Sahel zone of Africa which is suffering from a persistent drought. For some seven months the peasants of Wallo and Tegre, two of Ethiopia's most densely populated provinces, have had to bear the brunt of a disastrous famine. Much too late, in early October, the government in Addis Ababa allowed the world public to catch a glimpse of the sufferings of its people. Now it is clamouring for help. Merely to save the people in the two provinces from starvation at least 1.5 mn tons of grains must be provided in 1974.

The problems of the Sahel zone in its entirety will not however have been solved when this, as it were, short-term task has been accomplished. For them a solution must be sought through a long-term development aid scheme for the Sahel countries. The root cause of the disaster is not the famine but the change in the local climate,