

# BASIS IS LAID IN ECONOMICS FOR NEW INDIA

## Sweeping Reforms Are Planned to Come in Force With Federal Régime

### VICEROY'S SPEECH ANNOUNCES SCHEME

#### Revision of Transport and Production Systems In- volved in Project

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NEW DELHI, India—Marked improvement characterizes the political and economic conditions of India. Political peace is descending on the country and Indian finances are on a sounder basis than they have been for some months past.

These facts emerged in a speech made by the Viceroy, Lord Willingdon, when he opened the Legislative Assembly here recently. His address reviewed the work and plans of the Government of India in checking political disorder and putting Indian finances on a sounder basis.

Striking proposals for the economic rehabilitation of the sub-continent are undergoing consideration at the present time. There is a growing sense that in present world conditions some sort of economic planning is necessary for India. The country is basically agricultural, and in recent years much of the prevailing discontent has been partly traceable to poor prices obtaining for agricultural produce.

A coordinated economic policy is being devised by the Government of India with a view to ameliorating the economic situation. Measures are being taken to provide more accurate statistical information as a prerequisite to economic planning.

#### Modernity Comes to India

The scheme is not without significance, as it is being brought into operation at a time when proposals are reaching a climax for the transference of considerable political power into Indian hands. The Viceroy, indeed, views the scheme of economic reconstruction as essential to the stability of the new government, which will be based on triple elements drawn from British India, the Indian Native States, and Great Britain.

Despite the fact that India, in traditions and environment belongs to the age-old East, there are indications that modernity now has the country in its grip. The Viceroy, in his speech, pointed out that steps are being taken to sponsor coordinated road and railway development and to deal with other questions affecting communications and transport. Although oxen and ponies are widely used in India today, the country has been opened up by a network of roads and railways, which has literally transformed the lives of millions of people in the country.

That these people are benefiting from the present policy of the Indian Government in dealing with subversive activities in the country, was indicated by the Viceroy. He believed that the change in the political condition of the country is partly due to a growing belief that the British Government and the Government of India are striving with absolute sincerity to advance constitutional reforms as rapidly as possible, and to secure the peaceful conditions essential to starting a new and firm administration in which Indians would be given control.

#### Curb for Civil Disobedience

Regarding the civil disobedience movement which Mahatma Gandhi heads, the Viceroy regretted that there was as yet no open recognition by the leaders of the movement of the harm their policy was doing to India. He was convinced that the march of events would carry these agitators farther away from sterile methods of obstruction. He made it clear, however, that the Government was determined not to relax the measures in force against civil disobedience, so long as circumstances made them necessary.

Speaking on Indian finances, the Viceroy said it was important that the large volume of short-term debt maturing in the next few years should be converted into long-term securities in order that the new Government might find itself freed from the anxiety of meeting substantial loan maturities in its early years.

The Viceroy said that another "object of great importance is to take advantage of the improved credit of the Government in India to reduce the rate of interest payable on government loans."