Ghose, op cit, p 57.
53 ibid, p 56.
54 ibid, p 58.
55 Cf J P Naik, *Educational Planning in India*, Allied Publishers, Bombay, 1965, p 85.
56 S Neill, op cit, p 86.
57 S Nurullah and J P Naik, op cit, p 270.
58 Source: *The Population of India*, CICRED series, Ministry of Home Affairs, Office of the Registrar General and Census Commissioner, New Delhi, 1974, p 64, cited by A R Kamat, *Perspectives for Educational Reform in India*, Indian Institute of Education, Pune, Himalaya Publishing House, Bombay, 1989, p 70.
59 Cf Sir E C Buck's 'Report on Practical and Technical Education', 1901, Education, A Proceedings, November, 1905, Nos 44-56, cited by A Basu, *Essays*, op cit, p 57.
60 A Basu, ibid, p 21.
61 A Mathias, op cit, p 156.
62 M Ghosh, op cit, p 50.
63 S Chitnis, 'A View of Christian Education', op cit, p 201.
64 *Report of the Commission on Christian Higher Education*, op cit, p 121.
65 S Chitnis, ibid, p 203.
66 Cf J P Naik, 'The Role and Promise of Private Enterprise in Education,' op cit, pp 133-34.
67 A Mathew, op cit, p 5.
68 Leslie Newbigin, 'The Spiritual Foundations of Our Work' in R Dickenson and S P Appasamy (eds), *The Christian College and National Develpoment*, op cit, p 236.
69 T A Mathias, op cit, p 7.
70 A Mathew, op cit, p 75.
71 ibid, p 56.
72 ibid, p 228.
73 ibid, p 219.
74 T E Slater, 'Report of Work among the Educated Classes', *The Harvest Field*, April 1897, p 137, cited by A Mathew, op cit, p 95.
75 T E Slater, *The Higher Hinduism in Relation to Christianity*, Elliot Stock, London, 1903 and *Studies in the Upanishads*, Christian Literature Society, 1897.
76 John Moore, 'The Jesuit Christian Education and Its Relevance in India' in G Naik (ed), *Jesuit Education in India*, op cit, pp 66-83, 29.
77 Cf T E Slater, 'The Attitude of Missionaries Towards the Indian National Congress', *The Harvest Field*, March 1989, pp 289-90.
78 Cf J W Gladstone, *Protestant Christianity and People's Movements in Kerala: A Study of Christian Mass Movements in Relation to Neo-Hindu Socio-religious Movements in Kerala, 1850-1936*, Seminary Publishing, Trivandrum, 1984, p 172.
79 Dick Kooiman, 'Conversion from Slavery to Plantation Labour: Christian Missions in South India (19th Century, *Social Scientist*, Vol 19, Nos 8-9, August-September 1991, pp 57-71, 67.
80 M Warren, op cit, pp 11-12.
81 Krishna Kumar, *Political Agenda of Education: A Study of Colonialist and Nationalist Ideas*, Sage, New Delhi, 1991, p 34.
82 Cf S Nurullah and J P Naik, op cit, p 182.
83 Cf A Mathew, op cit, p 158.
84 Cf ibid, p 194.
85 A Basu, *Essays*, op cit, p 66.
86 Krishna Kumar, *Political Agenda of Education*, op cit, p 16.
87 ibid, p 2
88 ibid, p 191
89 S Nurullah and J P Naik, op cit, p 446.
90 K Kumar, op cit, p 15.
91 ibid, p 36
92 ibid, p 19
93 R C Heredia, op cit, p 24.
94 K Kumar, op cit,
95 ibid.
96 A R Kamat, *Perspectives for Educational Reform in India*, op cit, p 166.
97 Cf *Report on Christian Higher Education in India*, op cit.
98 ibid, p 135.
99 C Majumdar, *An Advanced History of India*, Macmillan, London, 1950, p 70, cited by M Ghosh, op cit, p 50.
100 Cf Allan P Farrel, S J, *Jesuit Code of Liberal Education: Development and Scope of the Ratio Studiorum*, Milwaukee Bruce Publishing Co, 1938.

DISCUSSION

Protection and Exports

Sugata Marjit
Abhirup Sarkar

IN a recent paper Patibandla (1995) criticises our earlier work [Marjit and Sarkar 1995] on two grounds. First we do not consider the liberalisation of intermediate good imports which are used in exportables. If tariff goes down marginal cost of export production drops and exports expand. Thus a general reduction in tariff may expand exports. Second, there is a proposed ambiguity regarding the local firm's choice of the pricing rule under a tariff. Our response is as follows.

We specifically considered the case with final goods and tried to explain what is really meant by saying that our exports are residual. However, even if one brings in intermediates and marginal costs shift down, there is no *guarantee* that total exports will expand because as tariff on final goods comes down, domestic sales expand and as mc comes down total production expands. One does not know about the *surplus*. But the main point is that conventional wisdom regarding 'tariff-decline led growth of exports' would have to be clarified.

The second criticism is totally unfounded if the 'profit-maximisation' motivation of the monopolist is closely followed. We did not provide the explicit proof because we thought it was too obvious. But now we provide a schematic demonstration of the optimal pricing rule.

Let tm be the tariff rate such that,

$$P_w + tm \geq P_m \text{ (we define } P_m \text{ later)} \quad (1)$$

We know that the profit maximising choice of local and global sales are Q_L and Q_w satisfying the following:

$$mr(Q_L) = P_w = C'(Q_L + Q_w) = mc \quad (2)$$

With the local selling price at $P_m = f(Q_L)$, f(.) being the demand function.

Total profit is given by

$$\pi = f(Q_L) Q_L + P_w Q_w - C(Q_L + Q_w) \quad (3)$$

Now suppose tm is reduced to t with $P_w + t < f(Q_L)$.

We prove that the local firm *must choose to sell at* $(P_w + t)$ and since there is *no other firm*, it would serve the entire market.

Given P_w, total $Q = \hat{Q}_L + \hat{Q}_w$ does not change.

The new aggregate profit therefore is

$$\pi = P\,\hat{Q}_L + P_w \hat{Q}_w - C(\hat{Q}_L + \hat{Q}_w) \quad (4)$$

Note that $\hat{Q}_L + Q_w = \hat{Q}_L + Q_w = Q$, solving $C'(Q) = P_w$. We show that P, the new local price, must be equal to $(P_w + t)$.

Suppose $P > (P_w + t)$. Then nobody buys from the monopolist. Hence, $P > (P_w + t)$ is impossible. Let $P < (P_w + t)$ and $P = f(Q_L)$, $\hat{Q}_w = Q - \hat{Q}_L$. Suppose now the local firm transfers one unit of output from the global to the local market. It loses P_w and gains a marginal revenue defined as $mr(\hat{Q}_L)$ at $\hat{Q}_L$. This $mr(\hat{Q}_L)$ has to be *lower* than P_w because $P_w = mr(Q_L)$ at $P_m = f(Q_L)$ and $P < P_{w+t} < P_m \Rightarrow \hat{Q}_L > Q_L$. As mr curve is downward sloping $mr(\hat{Q}_L) < mr(Q_L)$. Hence, the firm would always like to *cut back* local sales as much as it can till it reaches Q_L, the first-best with $mr(Q_L) = P_w$. But now it faces a limit at (P_w+t) and would definitely produce only up to $\tilde{Q} = f(P_w+t)$. There is no way that the local monopolist would charge a P *lower than* (P_w+t) as mentioned in Patibandla (1995) leaving the only possibility that $P = P_w+t$. This completes the proof.

To conclude it can be rightfully asserted that the theoretical point we wanted to make is the only result consistent with the profit maximisation hypothesis. Patibandla (1995) uses a different model with intermediates and gets different result. The remarks regarding our analytical framework do not stand valid as they fail to note the determination of the optimal pricing rule.

References

Marjit, S and A Sarkar (1995): 'Protection and Exports: A Theoretical Note', *EPW*.
Patibandla, M (1995): 'Import Protection and Exports: Some Comments', *EPW*.