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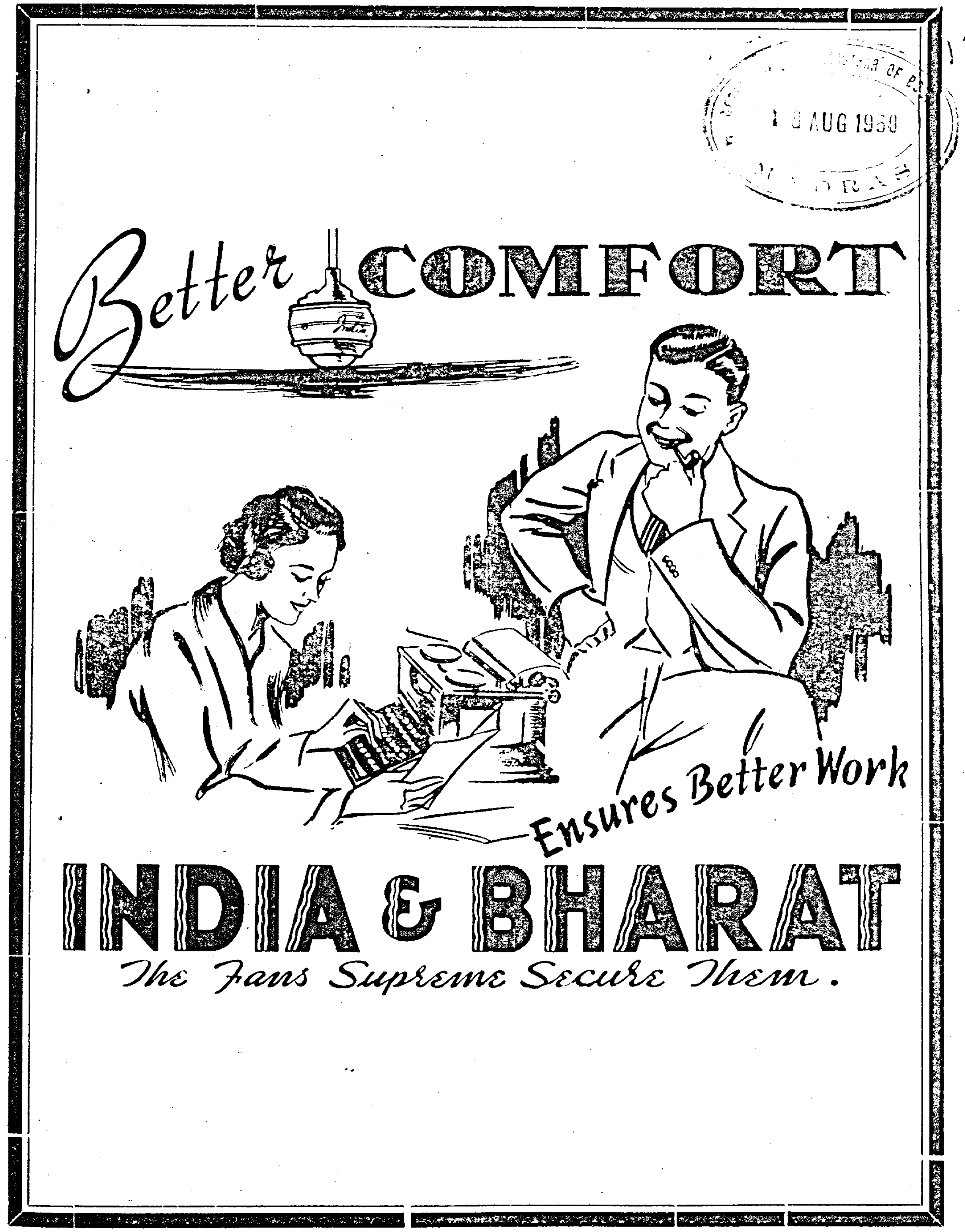
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High Tax Philosophy

By Mr. D. SUNDARA VARADAN

"Should Businessmen take to Politics?" This question has been recently on the lips of every thinking businessman. Even those who decided to answer the question in the affirmative appear apologetic when they begin to discuss poltics. 'We have no political motives' is the usual preamble with which Businessmen usually start discussing politics and, sometimes, even an explanation is tacked on to state that, 'when we say we have no political motives, we mean, we are not out to replace the party in power."

Politics is the science and art of Government and when Governments attempt to control and regulate business, directly or indirectly, it becomes necessary for the businessman to study this new factor. No apology is therefore needed for changing his interest in politics from an academic into an active one. Businessmen in this Province have far more reasons to actively interest themselves in political questions, because, whatever the future may have in store for the rest of the land, the administration in this Province, in future, will be run entirely by taxing exclusively the Commercial Community.

Till very recently, our Politicians went about saying that the genius of India was something peculiar on the face of the earth and that they would develop this genius in a special manner. They said that conditions prevailing in industrially advanced foreign lands were unsuited to our country and they appeared loath to copy, follow, or take a lesson from abroad. But, when a politician turns statesman, his ideas, all the world over, change. We have seen recently several such political somersaults. In regard to the Sales Tax, we were told that such a tax was and is in existence in other countries and that, therefore, there was nothing iniquitous in introducing it in our country.

The philosophy of high taxation was fostered in the United States where, to-day, there is a tug-of-war between Business and Government. It should be remembered that the prosperity of the United States of America and the consequent high esteem with which she is held by the rest of the world is the result of the achievements attained entirely by men who were engaged there in Trade and Commerce. The Government of the land encouraged and helped the growth of Trade and Commerce there and when these grew enormous, the high tax philosophy came into being.

The argument of the adherents of high tax philosophy was stated thus:

"Men gathered together in Government agencies are wiser than men gathered together in private enterprises; they are less selfish, more honest, freer to regard the common good, and better able in their wisdom to see that goods are distributed equitably. Therefore, these people say, we shall impose the control of taxation upon the profits of industrial society, drain off a great mass of profit into one big pool, and redistribute it according to the lights of even-handed, humanitarian government, rather than according to the selfish lights of industrial management."

The same argument is advanced by Politicians and Statesmen in our country to-day in total disregard of the conditions obtaining in our country. Here is what an eminent leader said, long before the release of a spate of novel taxes in our Province.

"Here and now I declare, that the Indian National Congress stands irrevocably pledged to tax the rich for the benefit of the poor. We will take no step behind. If we are in power here we will go on taxing the rich until we are able to provide all the amenities to the poor. I, therefore, trust that this hue and cry will cut no ice with us. We have done it deliberately with our eyes open. I agree that the rich in this country are not charged as heavily as they ought to be and as they do in other countries. Taxation of the rich has come to stay and it will go forward."

MR. S. SATYAMURTHI.

We have no quarrel with the good intentions of those who pin their faith in high tax philosophy. But we must question the soundness of its economics which is doubtful and dangerous.

In a country where the rich are so few and the poor so vast in numbers, even if they distribute the entire riches of the wealthy among the 320,000,000, the poor will still be poor. It should be obvious therefore that to distribute more wealth among all our people, it will be necessary first of all to produce or help those who strive to produce wealth.

Secondly, the taxing of profit is taxing the mainspring of all enterprise, which is all the more tragic in a land which has been lacking in enterprise. Profit acts on enterprise in two ways. Profit stimulates expansion because men strive hard to make a profit; profit which is thus earned by endeavour and expansion is again put to use making business grow. If owing to governmental interference very few opportunities are available to businessmen for the investment of profit earned, men may still desire to make profit, but would not desire it so much.

This could be stated in another way also. Capital seeks profit and safety. A big margin of profit may influence Capital to sacrifice safety to some extent: but the lower the potential profit, the less is the risk that Capital would be willing to take. In considering a venture, the possibilities of a big loss is balanced against the possibility of a big profit, and a risk is deliberately undertaken. But once you take away the possibility of a big profit from the venture, the risk will automatically be rejected. Wherever the safety element is threatened in an enterprise, you will find there the causes that stand in the way of expansion.

The philosophy of high taxation, with particular reference to the conditions obtaining in our country, is a damper to the expansion and growth of all business enterprise. This philosophy was evolved in the West and the principle involved was that on the grounds of social justice and expediency, *the profits of expansion ought to be taxed in order that successful men might carry a greater share of the expense of Government.* The principle would be considered enlightened, forward-looking and fair only if the conditions necessary for its application were present. The idea of levelling economy, of distributing wealth that was already made, or being made to a larger number of people could hardly be put into practice when the wealth remains yet to be made. He who argues otherwise argues himself into this position: that expansion must be retarded in order to prevent wealth from either accumulation or concentration. Neither business nor Government can contemplate any such absurd position. The social justification of profit lies in the fact that it is capable of causing expansion. No Government can contemplate or survive, a contraction before full growth is attained— a contraction that must punish everyone.

Marxists, Socialists, Liberals, Conservatives, almost all economists, agree that growth is necessary to preserve Capital. In the West, they say that growth is finished, that business has reached maximum maturity and that opportunities for further expansion are non-existent. And hence the philosophy of high taxation there, to redistribute the wealth that has already been made.

Can it be said today of our country that business has had enough opportunities of expansion and growth and that it had reached a stage where further growth would be impossible, that it had earned and accumulated wealth which ought to be redistributed, to enforce here the application of the principles of High Tax Philosophy.

Madras Commerce Report for the Month of May 1939

(Issued by the Director of Industries)

The abatement of immediate war fears during May contributed to a better feeling in commodity markets generally, though as will be seen later, this was by no means reflected in an all-round increase in values. In assessing the economic outlook the reaction of industrial fluctuations in the United States upon world economy must always be taken into account. The preliminary figure for the Federal Reserve Board's index of industrial production in May, which was 92,—the same as in April when the index was affected by the coal strike—shows that the usual seasonal advance in industry was still absent in that country, the index being six points below the March level. The index for May also suffered from the coal strike as the miners did not resume work until the middle of May. Industrial activity in the United States in April and May was at its lowest level since September 1938 when the index stood at 90. Nevertheless, encouraging features in the American situation are discernable. General inventory levels, commodity and wholesale price margins, and the relatively low volume of capital goods production, all suggest that recovery is far more probable than serious recession, however, uncertain the near-term outlook may be. An improvement in business sentiment in the United States should bring about a slowly rising trend of prices, as for many months now United States manufacturers have been buying on a hand to mouth basis in view of the uncertainty of the political situation. Once confidence was restored in some measure, a widespread desire to anticipate better prices might well lead to some rise in prices. But although it seems resonable to conclude that we may be on the eve of a fresh upward movement in the commodity field, the general business outlook and the particular position of most staple products does not suggest that there is any reason to anticipate a sharp upward trend in prices in the near future, and probably little advance in prices will be seen before the autumn. In the United Kingdom, industrial activity continues to expand, the "Economist's "index of business activity having risen eight points from last year's low, and employment in that country is now very little different from what it was at the peak of the 1937 boom.

World cotton markets were rather firmer during May. Tinnevellies were in good demand and advanced in price. Ceded Districts cotton was also in good demand. The demand for Indian mill yarn continued to be restricted and stocks accumulated. After several months inactivity, mufassal dealers found it necessary to renew their stocks of Indian mill cloth and there was a welcome improvement in sales in the local market compared with recent months. It remains to be seen whether the improvement will continue, though there seems to be some return of confidence. The demand for tanned hides eased off during the course of the month and prices gradually weakened. Prices of tanned goat and tanned sheep skins also declined. Vegetable oil markets generally exhibited a firmer tone and an advance was registered in values of groundnuts. Prices of paddy and rice were steady. The Calicut coir yarn market remained steady throughout the month as a result of improved European demand; but the Cochin coir yarn market continued quiet. The pepper market was steady throughout the month. The Calicut ginger market opened weak, and though strong Indian demand improved prices, the market eased off again towards the end of the month. The copra coconut oil markets were firm during the early part of the month, but later a weaker tendency was in evidence and prices sagged. The Madras sugar market was strong during the first week of the month, but subsequently a sharp reaction was seen and prices fell rapidly. Towards the close of the month, the market steadied up, but prices were lower on balance. The demand for locally manufactured acids and chemicals during May was fair. Tea remained in good demand and fully maintained in recent gains. The general satisfaction created by the decision of the International Rubber Committee to increase the rubber export quota for July-September by only 5 per cent to 55 per cent was justified by the trend of rubber prices which strengthened. The advance in rubber is widely regarded as very soundly based, and in view of the satisfactory statistical position of the commodity a further improvement in price would not be surprising.

GROUNDNUT:

The demand for grounduts continued to increase and prices showed further improvement. At the end of the month the market was active. The average wholesale prices of standard varieties at the main producing centres were as follows:—

PER CANDY OF 531 LBS.

28th April 1939	Rs. 21 0 0	to	Rs. 22 14 0
26th May 1939	Rs. 24 12 0	to	Rs. 25 4 0

PADDY AND RICE:

Arrivals of paddy and rice were moderate and the market remained steady, prices fluctuating within narrow limits. The average wholesale prices of standard varieties at the main producing centres were as follows:—

INDIAN PADDY PER BAG OF 170 LBS.

28th April 1939	Rs. 4 2 0	to	Rs. 4 9 0
26th May 1939	Rs. 4 2 0	to	Rs. 4 10 0

INDIAN RICE PER BAG OF 170 LBS.

28th April 1939	Rs. 6 4 0	to	Rs. 7 0 0
26th May 1939	Rs. 6 4 0	to	Rs. 7 3 0

RANGOON RICE—RAW, BROKEN A—1 PER BAG OF 220LBS.

30th April 1939	Rs. 7 12 0	Madras.
31st May 1939	Rs. 8 0 0	

CALCUTTA RICE (NAGARA) BOILED PER BAG OF 164LBS.

31st May 1939	Rs. 7 12 0	Madras.
30th April 1939	Rs. 7 10 0	

COCONUT PRODUCTS:

The market for Quilandy and Beypore coir yarns remained steady throughout the month owing to fair European and moderate Indian demand. The market for Calicut Fine unsoaked yarns improved during the month due to increased European demand and closed steady. Prices of Kallai and Perpengady unsoaked yarns firmed up consequent on increased European demand. The Cochin Coir yarn market remained quiet with very little European demand. There was a good demand for copra and coconut oil during the early part of the month and rates improved, but later the market turned weak and prices sagged.

COTTON:

Tinnevellies: Arrivals during the month were normal and all grades of Tinnevellies and Karunganni were available. There was a keen demand on the part of South Indian mills and fair enquiry from Shanghai. But though Japan also showed some interest, Europe bought very little. The price of good average Tinnevelly at the commencement of the month was about Rs. 158 per 784 lbs, but as a result of good demand, it rose to Rs. 174, only to fall back to Rs. 167 towards the end of the month when there was an easing off in the demand. Karunganni according to quality realised from Rs. 10 to Rs. 15 more than Tinnevellies.

Cambodia:—Arrivals continued to be on a moderate scale. South Indian mills were the only buyers, prices remaining too high to attract any interest elsewhere. The month opened with good average Cambodia at Rs. 230. There was a rise to about Rs. 235, but towards the end of the month the price reacted to about Rs. 230.

SUGAR:

The Madras market was very active during the first week of May and prices advanced in an unprecedented manner, some of the wholesale dealers purchasing whatever quantity was available at below market rates and thus forcing up prices still further. This sharp rise in prices of annas 13 per cwt. was partly due to firmer Java quotations on account of heavy buying by India for early and later shipments, but mostly due to a definite shortage of ready raw sugar in world markets. The position was, however, short lived and the market became unsettled and reacted sharply on receipt of advices that an emergency meeting of the International Sugar Council to consider the possibility of releasing further quotas to tide over the expected shortage would be held shortly. Prices began to fall daily. Stock holders became nervous and were full sellers at the best rates to avoid incurring further losses, but were unable to dispose of their stocks as there was practically no buying interest from consuming centres on a falling market. The pressure of sales on unwilling buyers caused further panic in the market and prices fell rapidly until they reached a low level. The International Sugar-Council decided to release further quotas to cover the shortage, and although Java advices indicated that Nivas intended selling its full, quota to Europe prices declined as India was reported to have over-bought requirements. Between the 5th and 29th May local prices declined by Rs. 3-10-0 to Rs. 3-12-0 per bag of two cwts. Towards the close of the month, the market was steady with a better tone for forward deliveries but dealers were not showing any interest in fresh commitments.

There was no stock of North Indian sugars at the end of May and so prices cannot be given. The price of Neliikuppam sugar was Rs. 30-12-0 per bag of two cwts. at the end of May as compared with Rs. 32-12-0 at the end of April. Similarly, local prices of Java sugar declined from Rs. 32-14-0 to Rs. 31-0-0. Up country port market were strong during the early part of the month with prices advancing rapidly and dealers were keen buyers. Later stockholders become nervous when Bombay and Calcutta wholesale dealers came out full sellers and prices fell sharply. All dealers showed eagerness to clear their stocks at the best possible prices, but were disappointed at the lack of buying interest which prevailed. Little fresh business was transacted, but markets closed steady.

TANNED HIDES AND SKINS:

Tanned Hides: At the commencement of May the market for tanned hides was firm, but towards the middle of the month, the demand eased off and prices gradually weakened with the result that by the 31st May, quotations were standing as follows:—

Primes 5½ lbs. 16 d; Primes 8½ lbs. 13/13¼d; Cocos 7½ lbs. 13½d. The chief reason for the decline was the continued large supplies.

Tanned Goat Skins: Very little business on a forward basis was transacted at the beginning of the month prior to the London Public Auctions which took place on the 11th May. It was evident that a demand existed for spot goods in London, some special lots afloat, and anything which could be offered from Madras for prompt shipment as consignment lots which had been sent to London by Madras suppliers had all been absorbed. Buyers hesitated to place orders for the usual two months shipment owing to political uncertainty. The Public Auctions, although they opened cautiously, appeared to settle down with fair competition at lower prices. Extra heavy skins in better tonnages lost 2d-3d per lb. The finest examples of Prime tannage goats occasionally realised the price obtained at the last Public Sales, but generally in Prime tannages, heavy and medium weights together with light weights 1st and 2nds. declined by about 4d. per lb. In the lower grades Light weight skins sold steadily. Firsts to thirds in heavy weights showed a decline of anything from 3d. to 8d. per lb. but fourths and fifths closed at 2d. to 4d. per lb easier. Light weights in all grades having previously declined in price prior to the Auctions, sold steadily and in some instances closed at about 2d. per lb. higher than previous sale prices. There was a marked absence of German buying. French orders seemed to be well maintained, whilst the United Kingdom trade gave its usual support. As the Public Sales for Tanned goats closed about the 13th May and Madras prices did not immediately decline in consequence, very little business was transacted in the last two weeks of the month. All the regular lines in Heavies and Lights sold slowly at a slight decline and suppliers still continued to send forward excesses to London on a consignment basis.

Tanned Sheep Skins: In this market also, business was steady and restricted, but prices did not ease very much in Madras. In the Public Sales in London, prices declined in sympathy with the Tanned Goats market and as a result of the political uncertainty, showing in the end an average decline of about 3d. to 6d. per lb. on Primes and good middle class tannages, whereas ordinary market goods lost only 2d. per lb. and common skins a penny.

Shipments during May were as follows:

Goat.	Sheep.	Hides.	Cow calf.	Buffs.	Buff calf
928	860	6666	392	362	420 Bales.

ANNEXURE.

Wholesale prices of commodities ruling in the markets mentioned on 26th May 1939.

Commodity	Market	Quality or Variety	Unit	Price
Cotton	Tirupur	Cambodia	Per Candy of 520 lbs.	Rs. 158 to Rs. 160
do.	do.	Karunganni	do.	Rs. 130 to Rs. 140
Groundnuts	Nandyal	Machine shelled	Per Candy of 531 lbs.	Rs. 25-4-0
Pepper	Tellicherry	Garbled	Per cwt. F.O.B.	Rs. 17-12-0
Paddy	Tenali	Kusuma	Per bag of 164 lbs.	Rs. 4-6-8
Rice	do.	do.	do.	Rs. 6-8-0
Coir Yarn	Alleppey	Allapat	Per Candy of 672 lbs.	Rs. 40 to Rs. 65
Copra	Cochin	...	Per Candy of 655 lbs.	Rs. 42-0-0
Coconut Oil	do.	...	do.	Rs. 66-0-0
Jute	Vizianagaram	Bimli	Per Candy of 506 lbs.	Rs. 53-0-0
Tobacco	Erode	1st quality	Per md. of 28 lbs.	Rs. 4-0-0 to Rs. 4-8-0

MARKET REPORTS

(Madras as on 30th June 1939)

	R. A. P.
Cotton Yarn (5 lb. bundles)	
60's	
Coimbatore Pioneers ...	3 12 0
Lakshmi	3 12 0
Pavkaja	3 12 0
40's (10 lb. bundles)	
Coimbatore Mills	5 5 6
30's (5 lb. bundles)	
Madura Mills	2 7 0
20's (10 lb. bundles)	
Coimbatore Mills	3 10 0
Madura Mills	3 14 0
Silk Yarn (per lb.)	
Japan White—	
13 x 15	6 15 0
Canton—	
20 x 22	5 0 0
28 x 32	4 10 0
Japan Thrown Silk—	
White 22 x 22	9 8 0
White 13 x 15	9 12 0
Cotton Piecegoods—	
Grey Mulls—	
"Mongoose Snake" 22 x 22 (B)	7 4 0
"Two Rats" 22 x 22 (B)	6 0 0
"Boat" 22 x 22 (B) ...	5 8 0
White Mulls—	
1703	8 14 0
Glasgow 9,000	8 14 0
1702	7 15 0
9041	7 12 0
LL72	5 13 0
LL73	6 5 0
88 888	9 12 0
Metals (500 lbs.)	
Yellow metal Sheets "Dittu an"	176 0 0
I. C. C.	175 8 0
Copper Sheets	222 0 0
Cement—	
"Nilgiri" brand per cwt.	1 13 0
"Dalmia" ,,	1 12 0
"Hand" brand per cask	9 0 0
,, per bag of 94 lbs.	2 4 0

	R. A. P.		R. A. P.
Tanned Hides—			
Bangalore 8 to 8½ lbs.	0 10 0	to	0 10 3
Up-countries	0 9 9	to	0 10 0
Coasts 7 to 7½ lbs.	0 10 3	to	0 10 6
Tanned Goat—			
Good	1 7 0	to	1 9 6
Fair	1 6 0	to	1 7 0
Common	1 5 0	to	1 6 0
Tanned Sheep—			
Good	1 6 9	to	1 7 9
Fair	1 4 0	to	1 6 0
Common	1 2 0	to	1 4 0

	R. A. P.
Oil seeds (Machined)	
Groundnuts (531 lbs.)	31 4 0
Castor Seed (165 lbs.)	9 2 0
Produce—	
Rice Boiled Cocanada (160 lbs.)	6 10 0
,, Calcutta Nagara (164 lbs.)	7 14 0
Raw Rangoon Broken A 1 (220 lbs.)	7 0 0
Pepper (Tellicherry) Pure (25 lbs. maund)	3 14 0
Pepper (Bydgi) ,, ,,	5 2 0
Ginger (Dry) Calicut per Candy of 500 lbs.	52 0 0
Chillies. Pari per candy of 500 lbs.	77 0 0 to 80 8 0
Ghee, (Rasipuram) per tin of 12 Visses	22 0 0 to 22 8 0
Butter—Tenali Do	19 14 0
,, Gudivada Do	19 2 0
Soapnuts per candy of 500 lbs.	31 0 0 to 35 0 0
Tamarind (Bangalore) per candy of 500 lbs.	24 8 0
Coriander Seeds (Cuddapah) per candy of 500 lbs.	63 8 0
Coriander Seeds (Guntur) per candy of 500 lbs.	56 0 0
Hand-pounded rice, (Molakulukulu) per bag of 32 measures	7 2 0 to 7 4 0
Honey (Coorg) per 1 lb. bottle	1 0 0

Bangalore-Mysore Chamber of Commerce.

Silk—There is no demand during the week. Prices are steady.

	Rs. A. P.		Rs. A. P.
Kempanaballi Silk per seer of 26½ tolas	2 10 0	to	2 12 0
Sidlaghatta ,, ,,	3 2 0	to	3 6 0
Closepet ,, ,,	2 5 0	to	2 8 0
Chickballapur ,, ,,	2 10 0	to	2 12 0
Kyalanur ,, ,,	2 10 0	to	2 13 0
Mudavadi ,, ,,	2 6 0	to	2 8 0
Channapatna ,, ,,	2 1 0	to	2 3 0
Kollegal Silk per maund of 1,030 tolas	75 0 0	to	130 0 0
Silk-waste per maund of 28 lbs.	7 8 0	to	8 8 0

Bombay Millowners' Association, Bombay

PIECE-GOODS.

Grey, Unbleached.—

Longcloth (Standard	Inch.	yds	lb.	Per lb	Rs. A. P.
Quality) ...	37	37½	9	,, ...	0 8 6
,, (Fine Quality)	44	38	7⅞	,, ...	0 13 3
Shirtings	35	38	9	,, ...	0 8 5
,, (Vegetable Quality)	37	37½	9	,, ...	0 7 9
Leopard Cloth ...	43	38	11½	,, ...	0 8 2
Dhoties (upto ½" nakhi Border) ...	32	9	1¾	,, ...	0 9 6
,, (Calcutta ¾" P.B.)	44	10	1 11/16	,,	Not quoted.
Drills ...	29½	40	13½	,, ...	0 7 6
Domestics	35	40	13¼	,, ...	0 7 1
	35	40	12	,, ...	0 7 0
Salita	40	66	25	,,	Not quoted.
Chadars	50	6	2¼	,, ...	0 8 9

White Bleached.—

				Rs. A. P.
Longcloth	34	40	Per Piece ...	9 14 0
Drill	27	42	,, ...	7 4 11

Yarn.—

		Rs. A. P.
4s (All Waste)	Per lb.	0 3 0
6½s (,,)	,, ...	0 3 6
8½s	,, ...	0 4 3
10½s	,, ...	0 4 7
12½s	,, ...	0 4 10
16s	,, ...	0 5 8
20s	,, ...	0 6 3
24s	,, ...	0 6 9
32s	,, ...	0 8 1
40s	,,	Not quoted
60s	,, ...	0 12 10
80s	,, ...	1 4 2

Visit of Mr. J. F. Sheehy

Mr. J. F. Sheehy, C.S.I., I.C.S., Member, Central Board of Revenue, met the members of the Chamber and the following memorandum was placed for discussion:—

1. *Assessment Orders*:—As assessments under Section 23 (4) are hereafter liable to appeal there should be assessment orders *accompanying* demand notices. The material on which the assessment is based might be set *out* in those cases as well as in cases under Section 23 (3).

2. *Foreign Income*:—(a) It sometimes happens that when a remittance is made from one foreign branch of a resident concern to British India it could not be considered a remittance of profit as loss is incurred in other *branches*. Such remittance could not be considered profit unless the losses of those other branches have been duly set off. It does not appear that *the Department* is following this principle in assessment of remittances.

(b) *Under the* Lahore High *Court decision* in 4.4 I.T.C. 431 payments of interest made abroad in foreign business are allowable as a set off against the income of the foreign business. If it remains the accepted principle of the Department it would be advisable if the Central Board would issue instructions to the Provinces drawing their attention to the judgment.

(c) Now that foreign income is to be assessed as part of the British India *income of a resi*dent it is to be expected that loss abroad could be set off against *income derived in British India* as well as carried forward. The Chamber will be glad to *know* whether that is the position accepted by the Central Board.

(d) *During* the discussions on the Bill assurances were given that in the assessment of *foreign* income the least possible trouble would be given to the assessees. It is however not clear what is the Department's expectation of authority for the statements of accounts to be produced. In any case it is desired that production of books should be avoided.

(e) Non-resident British subjects are not tax*ed on the world income but are* allowed set off on world losses against British India income under Section 17 (1). It is not equitable."

3. *Resident and Non-Resident*:—(a) The burden of proof of being non-resident should not be *on* the assessee. His declaration should be relied upon.

(b) Those who *disburse* interest *or commission* or other remuneration are not in a position to verify in every case whether the recipient is a resident *or non-resident*. The addresses filed or any declaration made by him should be a conclusive evidence so far as the liability of such resident disbursing authority is concerned.

(c) Section 20 (A). It is not clear whether under Section 20 (A) a foreign branch of a resident company paying interest to non-residents should be *required* to file the return. Hitherto no such return used to be filed.

4. *Part payment and Interest on Refund*:—While Section 45 and para 115 of Instructions contemplate part payment of assessment in cases of appeal it is rarely followed *in* practice. It is the more deplorable as *inordinate* delay happens in many cases of appeal, neither is interest allowed *on overpaid* amounts except *with regard* to High Court judgments.

Except for a change in designation the Appellate Assistant Commissioners do not appear to have been made fully independent of the Department. Apart from the point that such officers should not be required to look up to their Department for their future prospects, the Central Board might usefully issue instructions that they are not expected to hold consultations, either oral or written, with the administrative officers. It would also enhance the efficiency of the Department *if the* **recruit**ment of officers is *placed in the hands of the* Public Services Commisson as has been done by the Customs Department.

5. *Agricultural Income*:—(a) Now that the agricultural income derived from Indian States and Burma is to be assessed in British India any loss on that head should logically be allowed to be set off against British Indian income of the assessee.

(b) With a view to ensure uniformity of practice in all the provinces it is necessary *to* issue instructions as to what *expenses* and deductions may be allowed as a set off against agricultural income derived from Indian States and Burma. It is contended that a proportionate share of the re*newal fee* for leases and the accured interest on mortgages of lands should necessarily be allowed as deduction.

6. *Salary*:—(a) The remuneration of certain *commission* agents, managing *agents etc.* consists of salary and *commission*. Such remuneration may vary in amount from month to month and it is advisable that *instructions* might be issued to allow deduction of tax at source once in six months if it should be treated as salary at all.

(b) As Section 4 (3V) has been removed under the recent amendment because exemption of commuted pension was otherwise clear it is hoped that the Department does not seek to assess such *com-*

muted pension under Explanation 2 to Section 7.

7. *Filing up power of attorney by Accountants*: Registered Accountants appearing before Income-tax Officers *qua* accountants and not merely as representatives may be exempted from filing stamped power of attorney. Assistants of accountants should be allowed to appear similary without formal power of attorney whenever the accountant is out of station. The Department would help quicker disposal of business if the accountant is allowed to correspond on behalf of the assessee.

The change in the practice of posting an officer in Madras City who has knowledge of Gujarati accounts, is not welcome. It is hoped that the original practice will be restored.

Replying to the memorandum Mr. Sheehy thanked the Chamber for arranging to meet him and said that the Commissioner will only be too pleased to meet members and discuss any difficulties that may arise from time to time independently of the visit of the Central Board Member. He agreed with the Chamber that in future the practice of sending only demand notices for assessment under Section 23 (3) and 23 (4) would not be fair to the assessees and that assessement orders would invariably be sent to all the assessees under this section whether or not they propose to file an appeal. With regard to the assessment of foreign income, Madras Province, he agreed, would have the full benefit of the High Court Judgment by virtue of which a remittance made from one foreign branch of a resident concern to British India would not be considered a remittance of profit unless after setting off the losses that may have occurred in other foreign branches of the concern. He stated that the judgment would be strictly followed in all cases in the Province. He also agreed that payments of interest made abroad in foreign business would be allowable as a set off against the income of the foreign business to the full extent to which they would be admissible as expenses of the business. Mr. Sheehy said that under the revised law losses incurred abroad would be set off against income derived in British Inda and would be allowed to be carried forward just as British India losses are allowed. With regard to acceptance of statements of accounts regarding foreign income he said that he should not be expected to make a categorical ruling on the matter as much depended upon the merits of each case, but that he could assure the Chamber that all properly audited statements would be acceptable and there would be no need in those cases to produce books at all. The assessees may rest assured that if there is nothing in the submitted statements of accounts to show that they are incorrect in any respect the officers would be disposed to treat them as properly audited satements. He agreed that non-resident British subjects are not taxed on the world income but at the same time are allowed set off on world losses against ritish India income under Section 17 (1). It was however passed in the Assembly after thorough discussion and it could only considered when the revision of the law is undertaken next.

Mr. Sheehy was not disposed to accept the suggestion of the Chamber that the burden of proof of being non-resident should not be on the assessee and that his declaration should be relied upon in that respect. He was afraid that if the suggestion was accepted it would throw a great deal of work on the Department and it may lead also to loss of revenue. He realised that those who had the responsibility of disbursing interest or commission or other remuneration had some difficulty in settling whether the recipient is resident or non-resident but ordinarily they would be in a position to differentiate them and bonafide mistakes would not be taken serious notice of and the Chamber need have no apprehension about a foreign branch of a resident company being compelled to file in British India a return of interest payments under Section 20 (A) as it is beyond the jurisdiction of the Government of India. Mr. Sheehy admitted that in some circles there was delay in the disposal of appeals. But many of them had reference to the separation of Burma and the consequent changes in accounts and assessments. But the perodical returns of delay in appeal are being strictly scrutinised. Under the law there is no power to sanction payment of interest on overpaid amounts except in the case of amounts covered by High Court judgments. The question of part payment of assessment in cases of appeal is in the discretion of the Income-tax officers and they are free to sanction it in all justifiable cases. If there were any deserving cases left out it is open to the assessees to draw the attention of the Commissioner to them. Appellate Assistant Commissioners have been placed strictly under the Central Board with a view to make them as fully independent of the provincial departmental authorities as possible. Although the departmental circulars are duly sent to them they are not obliged to follow them. Probably until they have been given time for about a year to exercise their new functions in the new spirit they cannot be correctly judged as to the proper discharge of their new work. He agreed that the efficiency of the Department could be enhanced with the introduction of recruitment of officers by an independent authority like the Public Services Commission.

Mr. Sheehy also agreed that the loss in agriculture should be legitimately allowed to be set off against agricultural income derived from Indian states and Burma, but he was unable to give a categorical statement immediately as to what would be

a complete list of the expenses to be allowed or as to what share, if any, of the renewal fee for leases or whether the accrued interest on mortgages of land or can be allowed as deduction. When the cases arise they would be dealt with, with due sense of fairness. Mr. Sheehy made it clear that henceforth commuted pension would not be assessable notwithstanding Explanation 2 to Section 7. He agreed that the assessment of remuneration of managing agents, commission agents, etc. is somewhat difficult owing to varying amount of the remuneration from month to month and the nature of the adjustments required. But he stated that there would be no objection to the Department if deductions were made from month to month on an average rate on the basis of the income of the previous year and periodically, say, in 3 months or 6 months, an adjustment in deduction is made by increasing or decreasing the amount. But the Department could not agree to the complete stopping of deduction for any periods at all.

He agreed that when accountants appear for assessees in their capacity of accountants who made up statements of accounts filed in the department the power of attorney would not be insisted upon and their assistants would be in the same position. But when accountants appear as representatives of the assessees the Department is obliged to make their statements binding on the assessees and therefore it should be legally satisfactory document, that is, by regular power of attorney on stamped paper. He said that the officer who has been posted to assess Gujarati and Marwadi accounts may be tried for some time as he is understood to have a working knowledge of the language and the system of accounts. He agreed that cases of discourtesy by officers may be brought to the notice of the higher authorities but that the Chamber could not entirely depend upon over-stated reports but assured the Chamber that all cases will be duly enquired into. In the course of the discussion he said that personally he believed that the Madras Sales Tax would be acceptable as deductible business expense.

(*Continued from page 189*)

Southern India Investor.

The enterprise of Messrs. Kothari & Sons is responsible for a much larger addition to the Southern India Investor brought out for the year 1939. There are many interesting new items such as schedule of stamp duty, Bombay Share and Stock Sharebrokers Association rules, hints to the investors, position of trustee investment, etc. The total yield on Government securities must be particularly interesting to the public in view of the new Insurance Act and new banking law proposed by the Reserve Bank as statutory minimum limits in the investment by Insurance companies and banks will be made compulsory. The addition of a article on hydro-electric schemes in Madras is also useful in view of the rapid progress made in electrification in this province and of the proposals for municipalisation of state management of such concerns in the future. The publication gives reviews of quite a large number of joint stock companies there being about 30 additional companies in the new publication and reaching a total of about 384 joint stock companies which furnish very valuable information to the investors and speculators of South India.

List of Publications Received in June 1939

Capital.
Commerce.
Indian Finance.
Indian Trade Journal.
Indian Trade.
Belfast Chamber of Commerce Journal.
Varthaga Oolian.
Monthly Report.
Commerce Reports.
Tea Industry and Trade.
Demag News.
Great Britain and the East.
Commercial Osaka.
World Trade.
The Service.
Health and Wealth.
The Oriental Economist.
Echo.
Port of Bombay.
Village India.
Monthly Record.
The Commercial Bulletin.
Commerce Reports.
The Trans-Pacific.
The Indian Textile Journal.

Fundamentals of National Planning

BY MR. L. M. CHITALE, F.R.I.B.A., A.M.T.P.I.

With the advent of the Congress Government a new chapter opens in the history of human welfare in this country. Efforts are being made for devising schemes to provide "a reasonable standard of civilized life" to the vast population of India, but if the activities and the proposals of the various Sub-Committees of the National Planning Committee now at work should help to achieve the objective it is essential that every member and Committee responsible for shaping the "National Plan" should have the correct perspective of the task before them.

It is no easy matter providing 400 million people with adequate food, sufficient clothing and proper housing, and other suitable comforts and luxuries. For this implies first of all, food planning for four hundred milllons; the production of cereals and pulses, vegetables and fruits, oil seeds and fodder, crop, milk and milk products, fish and meat to provide an "optimum" diet; and this involves diversification of crops, rational agriculture, judicious animal husbandry improved pisiculture, etc. Secondly, this will necessitate vast increase in the quantity of clothing and apparel available to the people. Doubling the textile production of the country will be a modest programme for the 15 yards per head per annum at present available, falls far short of even Gandhian standards of simplicity. Outside competition, internal complications between the hand and the power loom and other problems arise but the difficulty will have to be faced if the masses should be adequately clothed.

Schemes for equipping with proper houses 70 million families now living 'behind mud walls in India' come next. Housing is a much bigger problem than is generally supposed. It includes the evolution and the enforcement of housing standards; determination of their design, construction and equipment. It also includes the neighbourhood and environment in the interest of health and comfort and extends to the restriction of the density of population per acre. The method of grouping the habitation together suitable for our country's national economy—whether the garden city, the satellite town, or the suburb—also deserve attention. This limitation of their sizes, number and location is also necessary to help decentralization and to restore the balance between villages, towns and cities. A wise distribution is necessary to avoid duplication of functions. The housing problem thus extends from the design and equipment of the dwelling to the location and conrol of cities, seaside resorts, sanatoriums, trading estates, educational centres and industrial towns. A planned solution will revive the building industry with all its beneficial consequences upon employment and National Economy.

Various kinds of services such as medical aid, education, etc., travel and transport facilities and Insurance are considered necessary to make life efficient, and suitable provision has to be made to produce these services in adequate quantities. Planning involves the whole study of man and its limits are difficult to define. 'It involves the whole life of man, at work, at rest, or at play.'

Two inital difficulties confront us at the outset in planning. How much do we produce of these different items of goods and services, and how much we have got to produce to ensure a satisfactory standard. Reliable statistics of production are not available although conjectures have been made from time to time. A more thorough census than the one recommended by the Bowley Robertson Report as well as extensive surveys like those carried out by Sir John Boyd Orr in England are necessary to give us a fairly reliable idea of the present conditions on which our plans will have to be based. Prolonged research is necessary to establish the standards in diet, dress and dwelling and other necessaries.

These will secure the basis to plan the required increase, but this cannot improve matters if the majority of the people remain powerless to participate in it. As the National Planning Committee hint, the remedy lies "in simplifying, rationalising and reconstructing the system of distributin such aggregate of the new wealth produced in the country every year." Production should be so organised as to help in the process, distribution. This is practicable only by utilizing the labour of the majority of our people who own little else, to establish their claim in the national dividend. The temptation, to sacrifice 'man' for the 'machine' should be resisted and industry socialised to reach our goal. This will in addition prevent the tragic waste of man power due to lack of employment in the town and country. The consumer should be the pivot of planning production, to avoid 'the burden of plenty' which submerged the industrial nations of the West. An agricultural country like India cannot afford to squander her resources in curative measures as did England on her housing and town planning problems. Prevention should be the basic ideal in co-ordination and construction and the principle gets increased support from the researches of town planners, public health experts and sociologists. A thoughtful housing and health campaign will prevent the need for the various expensive campaigns recently started. Finally the largeness of our problems, their vast and varied character and the lack of standards compel us to provide sufficient elasticity in planning, in the interest of safety and success.

We cannot achieve our object unless these principles govern our plan but we cannot plan until we visualise the pattern. A correct diagnosis of the root causes which have given rise to the manifold problems like poverty, illiteracy, malnutrition unemployment, etc. that beset our country, reveal that they are largely due to the upsetting of the balance between the three primary elements of society "Man, Occupaion and Land" *i.e.*, the organism, function and environment of the sociologist. Researches in American and other Universities have shown that when these three elements of society break their harmonious relationship, there opens the gap between town and country, agriculture and industry, land and labour, work and wealth, health and humanity. The most effective remedy and preventive is obviously to restore and maintain the balance between these three elements.

The creation of a balanced society alone will confer lasting benefit to the people but this is possible only if the units which compose it are as far as possible moulded on the same principle. The results of the researches in public health, housing and town planning, social welfare and nutrition when applied to the social economy of India indicate that solution lies in building up our society on basic units as far as possible 'self- sufficient.' We are compelled to conclude that small groups of families (one sociologist recommends 300 families) living on their homesteads, growing their food and making their clothing, exchanging by barter other essentials, each of them as far as possible self-sufficient for their primary requirements, housed in dwellings rendered sanitary by the elements, would successfully solve many of our major problems. Many years ago an eminent medical authority in England demonstrated how such units prevent many problems in sanitation, agriculture and nutrition with which we are now faced. Such groups stand the test of the principles of planning previously stated and seem to constitute the real foundation of India's National prosperity.

The success of National Planning in our country depends upon our ability to discover these units and build our social economy upon them. As the constituent parts of this basic unit—land, labour, live-stock, etc.—are influenced by local condition, the task is best entrusted to a body whose activities would be confined to a smaller area than the nation. This Regional Planning Board will deal with vital matters affecting the day to day life of the community and the optimum utilisation of land and the ideal special and functional distribution of population. To carry out these functions, properly, topographical and land utilisation survey as well as a thorough geological survey will be necessary and will form one of the functions of the Board. Its other functions would be to zone *i.e.*, allocate suitable areas for agricultural, industrial educational, recreational and other purposes. The number of administrative, educational, industrial and marketing centres would then be limited in the interest of social economy. Zoning technic will bring about the desired redistribution of population and industry, agriculture and manufacture, villages and towns. City Planning, redevelopment of built up areas village reconstrucion will also come under regional planning activity. It should, further, prevent the haphazard growth of Cities and Ribbon development. The different zones would then be linked by an efficient and economic transport system which will take into consideration, industrial growth, traffic requirements, city development and efficiency. The preservation of amenities is also another function of the Regional Board.

Upon this regional framework prepared by the planning expert of the regional planning board will work the Industrialist, the financier, the trader and the administrator. Attached to regional planning boards, Research Bureaus would be established, for survey and research. American advocates of Planned Society would add a separate bureau of Consumer Research.

To co-ordinate and guide the activities of the several regional planning boards in the interests of the nation as a whole, a central body—the National Planning Commission—should be established. Some planning authorities in the West feel that a National Planning Commission should not precede Regional Planning activity, but India's condition dictates the formation of an All-India Body to start the work of planning. Problems national in scope or assigned to the National Planning Commission. Normally its business would be:—

1. To compile and collect all the relevant information bearing on the use, development and planning of land from a National point of view.
2. To provide Planning Authorities with constructive advice and guidance and watch their planning operations.
3. To advise and co-ordinate Government departments statutory undertakers and

railway authorities in their use and development of lands.

4. To keep the general progress of planning under review and to investigate the problems.

5. To formulate as a basis for all its advisory activities and as a background for local and regional planning, a national plan or policy on broad and flexible lines for the allocation and distribution of major land uses and developments.

The formulation of a national policy for communications and transport and schemes for national parts and preservation of amenities, making rural districts more attractive, determining the suitable regional areas for the planning of larger public services such as water supply, drainage, hospitals, etc. are also important functions of the National Planning Committee. In India we would emphasise the task of planning for our defence and its allied problems to ensure safety and protection, and it will be realised that this is a bigger problem than the manufacture of amunitions. Air raid problem and other allied questions may also be assigned to the central body. The preservation of historical monuments, associations and traditions in which India bounds, as well as the general policies for aesthetic control is best entrusted to this authority to secure uniformity. Reviving indigenous industries is a nation-wide problem and the policy is best laid by the National Planning Committee.

Work, education and population are inter-related problems. The population in our country is sure to increase and with the literacy campaign started in India, is bound to grow a desire for higher standard of living and without any means to that end, the results may be discontent. The fundamental thing of importance that should engage the attention of the National Planning Committee should therefore be how this increased population with an increase in Education shall subsist. Mere education alone cannot satisfy them. Work—the means of ordered existence—should be found. It would therefore be well to have a comprehensive plan to afford facilities for work to this growing population for at least fifty years ahead. For, an increase in population, with only an increase in Education would produce disastrous results as are in evidence in other countries.

Food clothing and shelter are absolutely essential for human existence. Education—the food for the brain and recreation, to break the monotony of work are essential for efficiency and to keep in harmony with our neighbours. But work is necessary to give man access to these essentials for existence. To make India fit to provide all these for her people a comprehensive plan spread over a period of 25 years with stages of 5 years to gauge progress and improvement, is desirable. Political and other handicaps cannot be ignored but tangible improvement is bound to result if the subcommittees at work keep in mind these fundamental principles of planning a Prosperous India.

THE INDO-COMMERCIAL BANK, LTD.

BALANCE SHEET AS AT 30TH JUNE, 1939.

LIABILITIES

		Rs.	A.	P.	Rs.	A.	P.
CAPITAL.							
AUTHORISED:							
10,000 A Shares of Rs. 100 each	Rs. 10,00,000 0 0						
10,000 B Shares of Rs. 50 each	Rs. 5,00,000 0 0						
* 20,000 C Share of Rs. 50 each	Rs. 10 00,000 0 0	25,00,000	0	0			
ISSUED & SUBSCRIBED CAPITAL FOR PAYMENT IN CASH:							
6,250 A Shares of Rs. 100 each	Rs. 6,25,000 0 0						
10,000 B Shares of Rs. 50 each	Rs. 5,00,000 0 0						
* 20,000 C Shares of Rs. 50 each	Rs. 10,00,000 0 0	21,25,000	0	0			
CALLED & PAID UP:							
6,250 A Shares of Rs. 100 each	Rs. 6,25,000 0 0						
10,000 B Shares at Rs. 25 each	Rs. 2,50,000 0 0						
* 20,000 C Shares of Rs. 50 each	Rs. 10,00,000 0 0	18,75,000	0	0			
Less call in arrears		54,841	10	9	18,20,158	5	3
RESERVED FUND					85,000	0	0
LIABILITIES:							
DEPOSITS: Fixed, Current, Savings Bank, Monthly Deposits, Cash Certificates, Staff Security, Provident & Gratuity Fund & other liabilities.		80,08,146	8	5			
DUE TO BANKS ON THE SECURITY OF G. P. NOTES		4,42,150	6	9	84,50,296	15	2
DIVIDENDS NOT DRAWN					710	10	8
BILLS FOR COLLECTION					5,60,701	5	10
BRANCH ADJUSTMENTS					71,086	13	4
DRAFTS & T. TS. ISSUED					2,17,774	3	[illegible]
SUNDRIES					58,685	15	[illegible]
PROFIT & LOSS ACCOUNT:							
Brought forward		489	7	3			
NET PROFIT FOR THE CURRENT HALF YEAR		66,288	13	2	66,778	4	5
Total					1,13,31,192	9	8

* Entitled only to a tax free non-cumulative preferential dividend of 6 per cent. per annum.

ASSETS.

		Rs.	A.	P.	Rs.	A.	P.
LOANS, CASH CREDITS, BILLS DISCOUNTED, BILLS PURCHASED, PROMISSORY NOTES AND OTHER ADVANCES:					59,98,731	7	0
Particulars required under the Indian Companies Act VII of 1913.							
1. Debts considered good in respect of which the bank is fully secured		43,13,648	2	0			
2. Debts considered good in respect of which the bank holds:							
(a) Joint & several pro-notes		7,11,537	8	0			
(b) Pro-notes by several persons singly		2,44,889	0	3			
(c) Bills and drafts.		7,11,629	8	8			
(d) No pro-notes being temporary overdrafts		7,583	11	8			
3. Debts considered doubtful and bad		9,443	8	5			
4. Debts due by the directors & other officers		Nil.					
Loans & advances made to the directors during the period		Nil.					
BANK PREMISES at cost	Rs. 24,379 3 5						
Less depreciation written off up to 31-12-38	Rs. 1,200 0 0				23,179	3	5
BRANCH PRELIMINARY EXPENSES:					30,366	6	4
SAFES & FURNITURE at cost as on 31-12-38	Rs. 1,13,281 15 11						
ADDITIONS DURING THE HALF YEAR	Rs. 844 2 6						
	Rs. 1,14,126 2 5						
Less depreciation written off up to 31-12-38	Rs. 19,069 14 10				95,056	3	7
BOOKS & STATIONERY IN STOCK					35,114	2	6
BILLS FOR COLLECTION per contra					5,60,701	5	10
SUNDRIES					1,30,452	5	8
INVESTMENTS:							
* GOVERNMENT PROMISSORY NOTES of the face value of Rs. 2502500 - at cost (*Market value Rs. 25,39,837 2 0*)		25,78,911	14	6			
RESERVE BANK OF INDIA SHARES at cost		500	0	0			
DEBENTURES OF JOINT STOCK COMPANY of the face value of Rs. 371700 at cost		3,71,700	0	0			
DEPOSIT OF STAFF SECURITY WITH SCHEDULED BANK		15,225	0	0			
IMMOVABLE PROPERTY AT COST		2,005	0	0	29,68,341	14	6
INTEREST ACCRUED ON INVESTMENTS					21,524	8	2
CASH ON HAND & AT BANKS					14,67,728	0	8
Total					1,13,31,192	9	8

* G. P. Notes of the face value of Rs. 40000 have been ear-marked for the employees' provident and gratuity fund

AUDITOR'S REPORT.

I have audited the above Balance Sheet with the books of the Head Office, & all the branches in Madras and the certified returns from the other branches and sub-offices, verified the cash and securities at Mayavaram, and the Madras offices, and have obtained all the information and explanations I have required. I beg to report that the above Balance Sheet are, in my opinion, drawn up in conformity with the law, and that the Balance Sheet exhibits a true and correct view of the Bank's affairs as on that date, according to the best of my information and the explanations given to me and as shown by the books of the Bank and that in my opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

P. S. SUBRAMANIA IYER, B.A., G.D.A., R.A.
Registered Accountant.
Auditor.

MADRAS,
15th July, 1939.

FINANCE

Treasury Bills Position

(In Thousands of Rupees)

Week-ending 1938			Treasury Bill sales.	Average Discount etc.	Total Outstandings etc.
October	6	..	2,00,00	1 6 5	24,16,00
„	14	...	2,03,00	1 5 1	24.66,25
„	20	...	2.50,00	1 5 3	25,66,25
„	27	...	3,00,00	1 5 10	27,16.25
November	3	...	3,00,00	1 5 8 } 1 4 0 }	28,66,25
„	10	...	2,65,50	1 5 10	29,81,75
„	17	...	3,05,00	1 6 8	31,36,75
„	24	...	3,68,75	1 7 9	33,05,50
December	1	...	2,53,75	1 10 4	33,59,25
..	8	...	2,10,50	1 13 6	33,69,75
„	15	...	1,68,25	2 1 6	33,38,00
„	22	...	1.14,00	2 3 10	30,52,00
„	29	...	1,12,00	2 8 10	30,47,75
Jan. 5 1939		...	1,09,00	2 9 2	29,56,75
„	12	...	1,53,50	2 10 0	31,10,25
„	19	...	1,70,00	2 9 10	30,80.25
„	26	...	2,38,00	2 9 9	30,68,25
February	2	...	1,67,75	2 10 0	29,36,00
„	9	...	1,38,25	2 9 10	27,58,75
„	16	...	1,99,50	2 10 0	26,53,25
„	23	...	4.48,75	2 9 10	27,33,25
March	2	...	3,42,25	2 9 4	25,71.75
„	9	...	1,59,50	2 8 0	25,20,75
„	16	...	2,61,75	2 7 0	26,14,25
„	23	...	1,50,00	2 5 10	26,5[illegible],25
„	30	...	1,50,00	2 5 3	26 79,25
April	6	...	1,50,00	2 5 8	27,29.25
„	13	...	1,13,25	2 5 0	26,89,00
„	20	...	1.61,00	2 5 11	26,83,00
„	27	...	1,56,00	2 7 0	26,01,00
May	4	...	1,96,25	2 5 0	26,29 50
„	11	...	1,80,00	2 1 10	26,41,25
„	18	...	2,00,00	1 15 2	26,41,75
„	25	...	9,00,00	1 10 2	23,93,00
June	1	...	2,00,00	1 3 10	23,50.75
„	8	...	2,00,00	0 15 9	23,91,25
„	15	...	2,00,00	0 14 10	23,29,50
„	22	...	2,00,00	0 14 9	24,29,50
„	29	...	2,00,00	0 14 11	24,79,50
July	7	...	1,50,00	0 14 8	23,16,25
„	14	...	2,50,00	0 14 6	23.66,25

Currency Notes issued in India and Burma

(In Crores of Rupees)

		1936	1937	1938	1939
January	...	194	204	213	203
February	...	194	208	213	205
March	...	195	208	214	207
April	...	195	208	214	207
May	..	196	207	214	207
June	...	198	208	214	
July	...	201	212	213	209
August	...	202	213	215	
September	...	203	213	212	
October	...	203	214	209	
November	...	202	214	208	
December	...	201	214	206	

Gold Exports from India

(In Thousands of Rupees)

		1936	1937	1938	1939
January	...	2,71,71	2,38.62	1,54,37	6.54
February	...	2,63,89	1,15,09	1,99,39	97,38
March	...	2,08,42	1.19,26	80,60	1,50,12
April	...	2,79,88	1,83.27	1,24,04	1,04,02
May	...	3,28,06	1,47,13	1,10,36	
June	...	2,79,58	81,52	70,17	
July	...	4,01,83	2,40,27	3,05,05	
August	...	2,25,74	1,44,01	2,01,15	
September	.	2,21,31	1,44,81	30,20	
October	...	2,19,07	1,30 46	215,90	
November	...	3,58,28	1,17,57	68,20	
December	...	1,55,71	1,65,73	38	
Total	...	33,15,94	18,27,74	15,59,81	

New Admissions

Names and Address.	Business.
C. V. C. T. V. Venkatachalam Chettiar, Kanadukathan.	Banker.
Maddi Venkatasubbiah, Guntur.	Tobacco.
Madras, Iron Hardware and Machinery Merchants Association, Madras.	

Current and Time Deposits of Scheduled Banks in India and Burma

(In Lakhs of Rupees)

Month.		Current Deposits.			Time Deposits.			Total.	Percentage of Cash to Liabilities.
		1937	1938	1939	1937	1938	1939	1937	1937
January	...	132,80	130,19	128,93	102,60	110,00	108,50	235,60	9.81
February	...	131,30	129,03	127,37	103,40	110,13	108,.9	235,60	10[illegible]
March	...	133,20	128,58	130.66	104,70	108,27	107,29	238,90	[illegible]
April	...	135,54	128,04	128,61	105,63	110,09	108,50	238,10	
May	...	134,51	127,28	129,49	107,38	110,43	108,96	237,70	
June	...	133,19	127,14	131,90	106,05	107,70	199,12	234,80	
July		133,64	129,71		108,42	107,11		236,80	
August	...	134,00	129,27		110,27	106,97		236,20	
September	...	132,95	131,16		110,18	101,21		232,40	
October	..	134,28	134,21		109,45	106,30			
November	...	135,66	134,68		108,98	106.12			
December	...	131,53	130,15		110,96	103,44			

Madras Clearing House Returns

(In Lakhs of Rupees)

Year.	Amount.	Year.	Amount.		1938	1939
1918—19	25,48	1928—29	65,73	January	8,67	
1919—20	33,95	1929—30	82,19	February	8,83	
1920—21	75,79	1930—31	50,36	March	9,50	777
1921—22	39,54	1931—32	43,97	April	9,32	
1922—23	45,13	1932—33	48,85	May	8,72	795
1923—24	55,41	1933—34	53,19	June	7,77	
1924—25	55,96	1934—35	56,22	July	9,10	1,035
1925—26	56,80	1935—36	69,23	August	7,04	7[illegible]8
1926—27	54,53	1936—37	91,39	September	9,46	791
1927—28	59,79	1937—38	104,05	October	6,98	910
		1938—39	127,48	November	6,81	
				December	9,21	

Purchase of Sterling by Government or Reserve Bank of India (000's of £)

		1937	1938	1939
January	...	9,588	3,270	6,495
February	...	8,130	4,945	1,000
March	...	4,155	4,667	2,465
April	...	5,480	18	
May	...	95	Nil	
June	...	985	Nil	
July	...	425	415	
August	...	753	255	
September	...	80	630	

	1937	1938
October	3,035	1,530
November	650	1,135
December	570	1,193
Total ...	33,946	18,058

Total Purchase of Sterling in 1933	27,900
„ „ „ „ 1934	47,459
„ „ „ „ 1935	28,961
„ „ „ „ 1936	42,699
„ „ „ „ 1937	33,946

FOREIGN AND COASTING TRADE

MADRAS PROVINCE

Merchandise Imports from and Exports to Foreign Countries

	Imports 1938	Imports 1939	Exports 1938	Exports 1939
January	222,01,632	200,50,335	286,80.051	326.79,611
February	220,34.055	224,87,288	310,51,101	278,64.011
March	296,46,619	315,09,924	438,55.666	381,03,546
April	206,77,387	171,39,842	284,46,598	210,65,187
May	236,92,211	...	307,15,005	...
June	213,55,047	...	302,45,497	...
July	185,31 779	...	313,55,212	...
August	183,74,370	...	277,65 899	...
September	148,77,946	...	301,38,438	...
October	178,90.375	...	269,74.001	...
November	215,30,001	...	276,64,308	...
December	153,29,284	...	236,78.700	...

External Coasting Import and Export Trade (Indian and Foreign Merchandise) of Madras Province

	Imports 1938	Imports 1939	Experts 1938	Experts 1939
January	107.64.550	74,50,870	68,95,131	52,28,067
February	86.94.662	89,31.357	57,88.494	62,62,799
March	110,42,485	80.61,980	87,11,040	77,31,787
April	78,18,095	...	59.60.520	...
May	79,71,660	...	56,38,693	...
June	59,45.217	...	61,59,579	...
July	73,50.189	...	52.48,107	...
August	64,70,097	...	33,27,696	...
September	58,02.074	...	59,10,506	...
October	51,57,807	..	58,05.017	...
November	93.89,558	...	80.08,158	...
December	65,81,601	...	54.66,493	...

Visit of the Chief Commissioner and the Financial Commissioner of Railways

Sir Guthrie Russell and Mr. T. S. Sankara Iyer Chief Commissioner and Financial Commissioner of Railways met the members of the Chamber at a meeting held at the office of the Chamber on Wednesday the 26th July 1939 and the following memorandum was placed for discussion.

Risk Note Forms:—"A question like the revision of the Risk Note forms must appear to you very stale and hackneyed, but what has made it so is the policy of drift followed by the Railway Board. The Railway user in India cannot hold the Indian Railways to the ordinary liability of a public carrier which attaches to Railways in other countries; he cannot ordinarily have the advantage of booking at the Railway Risk rate because the rates are prohibitive; and he cannot have his claims satisfied because of the tentacles in the risk note forms. These simple forms drawn up by a generous-minded committee are nearly 20 years old and have survived all the misery of the Railways consisting of motor competition, falling traffic and increasing deficit, and have survived the investigations of the Ackworth Committee and the Wedgewood Committee. You may say that the fact that claims paid in 1937-38 were only Rs. 3 lakhs out of Rs. 66 crores goods earnings is a positive proof of efficient administration, but merchants, who are day in and day out rescinding their claims for damage and loss from pilferage, and rough handling know to their cost that it is a positive proof rather of the Draconian Risk Note signed by the consignor. If your contention were right there is no reason why the R.R. rates should be so high. This Chamber would be glad to know whether the Railway Board would take up the question during your time. In any case a serious attempt should be made to avoid damage and loss by such means as fixing personal liability of employees, running of road goods train only during day time, reducing R.R. rate, drawing up reasonable packing conditions which would not leave too much discretion to the goods clerk and so on. The Chamber would also like to know how far the use of Form A has been restricted by the efforts of the Railway Board.

Rates Structure:—The confusingly large number of classes of commodities can be reduced considerably if the Railway Risk rate is made a small percentage over the Owner's Risk rate. A great many commodities are moving on special rates so that the class rates are in many cases inoperative and inequitable. The Railway Risk note is practically inoperative, the bulk of the commodities being moved on Owners's Risk rates. The rates structure does not at all reflect the pious sympathy shown to indigenous industries in the Board's circular of 18th May 1915 to Railway administrations. There is no uniformity of rates between Railways, and free flow of traffic is impeded. The transport of perishables remains stagnant after all the sound advice given by the Agricultural Commission and the Agricultural Marketing Adviser. The Agricultural Commission said in 1928, "Cold storage is in other countries playing such a remarkable part in the marketing of goods, both for export and for internal consumption, with results so generally profitable to the private enterprise undertaking the arrangements as well as to the farmer that we do not doubt that sooner or later there will be a similar development in India. . . Ice-cooled vans for the carriage of the most delicate kinds of fruits have already been brought into use, chiefly on the North Western Railway. The extensive employment of refrigerator or cold storage vans for this form of traffic must depend on the extent to which it develops, and on the establishment of cold-storage depots at suitable centres. We trust that Railway Administrations will continue to pursue a liberal and progressive policy in providing the facilities required." The Agricultural Marketing Adviser to the Government of India in his report of 1937 states, "Refrigerated transport would be a great asset in the development of the trade in perishables and would considerably enhance the anticipated benefits to be derived from cold storage." At the end of 1936 the North Western Railway had 167 insulated vans of the best type and 23 insulated vans of another type. There has been no similar enterprise by other Railways; the North Western Railway has introduced 1/6 and 1/8 parcel rates for fruits but the other Railways shudder at the venture. Pending the introduction of such facility their quick transport in mail, express or parcel trains might be ensured.

Road Services:—The Hon'ble the Communications Member said in his last Budget speech that certain Railways were rightly getting interested in road services. There is the standing charge against the Railways that they are over-capitalised and that much of the capital shown in the books is fictitious. Probably in the years to come the capital of some of the branch and feeder lines may disapear also. It would be most unwise for the Railways to launch into further waste of capital on motor vehicles. The experiments that have almost tried in that direction by others hae been almost invariably failures. Neither is it desirable from the point of view of merchants and the public that the control of competing means of transport should get concentrated on the same hands. Moreover Railways achieve on the road will be a measure of their failure on the rail, and the more they succeed on the road the more will be their loss on the rail.

Closing of feeder lines:—The Chamber understands that only two lines in South India are under consideration for closing, viz. the Morapur-Hosur line and the Turupattur-Krishnagiri line. The former was opened over the full length of 73 miles in 1913 and the latter of 25 miles was opened in 1905. A great deal of money has been sunk in the two lines, about Rs. 33 lakhs in the former and Rs. 11 lakhs in the latter. There may have been recurring loss in the working during the last few years, and the Chamber has been told that the South Indian Railway Co., has been taking steps to make the lines paying. It is found that the earnings were increasing up till the time when the general depression set in. Apart from that, it would appear that while the revenues stand now at the level of 1916-17, the proportion of the working expenses compared to that year has increased from 66 to 165 in 1936-37 in the former case, and from 99 to 206 in the latter case. Attention should rather be turned to cutting down working expenses before deciding to throw away Rs. 44 lakhs capital. In any case a railway line has to be looked upon from the general interests of the country and not merely from those of any particular section of the Railway system.

Coal rebate:—In 1920 the Railways deliberately drove the coal traffic into the hands of coasting steamers by means of rebate on export coal, withdrawal of preference for bunker coal, reduction of port charges and so on. So far did they place themselves at the mercy of the coastal steamers that even Railway coal for their own locomotives and workshops had to travel in steamer holds. Are they still in the same position of dispensing philanthropy blindly? This Chamber's suggestion is that Railway finances are sufficiently bad now to try to get back same of that trade by stopping the rebate of 37½ per cent that is being given to expert coal going to Indian ports and giving it wholly or partly to rail-borne coal. High fuel cost is greatly responsible for the stagnation of industrial life in the south, and Railways are quite mistaken if they think that what they were charging was what the traffic could bear. The traffic would have been much greater had the telescopic rates to the distant places been more reasonable and responsive to the needs of industries.

Timing of Madras-Bombay Express:—The ineffectiveness of public opinion on the Railway Board makes one think that the Federal Railway Authority has already begun to cast its shadow on Railway Administrations in this country. The suggestion for a slight change of timing of the Madras-Bombay Express has been put forward for a number of years now, so that north Indian merchants of Madras as also the mail from the South may catch the Kathiawar express at Dadar which now leaves that station about 45 minutes in advance without having to wait for about 12 hours in an expensive place. This Chamber has yet to know the real reason, the immutability of the Madras-Bombay Express timing that prevents the Railways concerned from trying the suggested change as a mere experiment."

Replying to the memorandum Sir Guthrie Russell said that he would not agree that a fair case has been made out yet for a revision of the risk note forms. He has heard complaints in all parts of the country about the mis-use of the forms but he has not yet had the occasion to examine any specific cases. He has also made an offer on the occasion of his previous visit to the Chamber to bring to the notice of the Chief Commercial Superintendent any specific cases of hardship and indiscriminate use of form A in particular. He said that it was true that the Railway Board has not made any attempt at compiling statistics as to the proportion of cases in which A form was used as that was a difficult matter. He advised the use of 'with care' labels more liberally on packages liable to damage.

With regard to the question of rates structure, Sir Guthrie said that in England the Railway Risk rates varied from 2½ to 12½ per cent over the Owners' Risk rates and there the lead is much shorter, and the climate more favourable. Logically, therefore, railway risk rates in India should be higher and one great peculiarity in India was the indifference of people to accept R.R. rates and even when they were offered rates not higher than one and one and-fourth per cent higher than O. R. rates as in the case of piecegoods and some other commodities. The Railway Administrations have been advised to give special rates in all reasonable cases to all local industries and he appreciated the suggestion of the use of the 'green label' for expeditious despatch at slightly extra cost and he agreed also that oil tank wagons would be supplied for bulk transport of vegetable oil from Kurnool and other centres if there was reasonable offer of traffic.

As regards the road services Sir Guthrie said that the Chamber was not right in its opposition to railways taking interests in road services. The present services were ill-equipped and not run on proper business lines; the cheapness of the present road services was entirely due to want of allowance for depreciation, for insurance of third party risk, for health and hours of work of employees and so on. When the Railways run buses and lorries the cost might be a little higher but it would be a permanent and efficient service. The Chamber might at least accept the scheme in which the Railways, the District Board and also the public were to have a due share of interest.

With regard to the closing of branch lines Sir Guthrie Russell said that the Railway Board had not decided to close any branch or feeder lines but as some of the lines were continually losing, the policy with regard to their retention was being re-examined. Without the consent of the local Government no line would be closed down and in the meanwhile all steps were being tried to make them paying such as speeding up of trains, running more trains, reducing establishments, reducing fares and so on. The deputationists need not therefore be worried for the time being and the Railway Board would be glad to consider any scheme for the future working of the lines concerned which the Local Government might approve and recommend.

As regards the timings of the Madras-Bombay Express the Chief Commissioner said that he had personally examined the question very elaborately and the difficulties of dislocating connections all through the route from Madras to Bombay were much too great. He had no objection to examine the suggestion for alteration of timings suggested at the meeting and handed to him and consult the Railways concerned. The fact that passengers concerned had no alternative facility for travelling by the night Mail and not having to wait at Bombay had also to be considered. As many of such passengers were not buying through tickets beyond Bombay there was not correct statistics to proceed upon.

With regard to the closing of branch lines two deputations one from Salem headed by Rao Bahadur S.P. Rajamanickam Pandaram and another of Varthagargal Sangam, Bodinayakanur headed by Mr. S. A. Rangaswamy Chettiar were presented to the Railway Commissioners and had discussions with them. The representatives of villagers of Kaveripatnam also attended the meeting and had discussions in connection with the extension of Tirupatur—Krishnagiri line to Kaveripatnam.

RAILBORNE TRADE OF MADRAS PROVINCE—(*In tons*)

* CHIEF SOURCES † CHIEF DESTINATION

CEMENT

	Import 1938	Import 1939	Export 1938	Export 1939
January ...	2712.2	3215.5	1898.8	593.6
February ...	3842.1	...	2012.7	...
March ...	3109.2	...	2154.2	...
April ...	6186.8	...	2431.1	...
May ...	3556.5	...	3099.2	..
June ...	2858.4	...	2346.1	...
July ...	2773.1	...	2020.5	...
August ...	3717.0	...	2168.5	...
September ...	2250.3	...	1926.9	...
October ...	2233.7	...	1992.5	...
November ...	2518.6	...	1127.3	...
December ...	2865.2	...	1292.5	...
	37623.1		24470.3	...

*Nizam's Dominions, Central Provinces. † Mysore.

COFFEE.

	Import 1938	Import 1939	Export 1938	Export 1939
January	71.6	99.4	34.1	30.0
February	41.0	...	35.7	...
March	92.7	...	29.2	...
April	109.9	...	22.8	...
May	78.1	...	35.2	...
June	51.0	...	21.1	...
July	55.8	...	27.5	...
August	69.8	...	32.7	...
September	54.2	...	246.9	...
October	57.8	...	24.3	...
November	41.6	...	29.8	...
December	57.6	...	37.1	...
	781.1	...	576.4	...

* Mysore. † Mysore.

COTTON YARN

	Import 1938	Import 1939	Export 1938	Export 1939
January	1072.9	892.6	1041.6	1067.3
February	813.7	...	848.2	...
March	993.0	...	760.2	...
April	851.7	...	797.7	...
May	919.9	..	941.3	...
June	979.4	...	734.9	...
July	968.3	...	1067.2	...
August	915.7	...	1054.9	...
September	689.5	...	937.2	..
October	601.9	...	930.8	...
November	888.4	...	832.4	...
December	897.9	...	919.9	...
	10592.3	...	10866.3	

* Bombay and Mysore. † Calcutta Bombay, and Mysore.

COTTON PIECE-GOODS.

	Import 1938	Import 1939	Export 1938	Export 1939
January ...	1100.6	1536.9	647.5	652.6
February ...	1125.1	...	619.5	...
March ...	1204.4	...	730.9	...
April ...	1203.9	...	621.5	...
May ...	1188.6	...	573.9	...
June ...	1431.6	...	538.6	...
July ...	1206.7	...	493.2	...
August ...	1694.9	...	578.3	...
September ...	1997.9	...	707.4	...
October ...	1459.9	...	732.9	...
November ...	1678.3	...	660.9	...
December ...	1692.5	...	616.8	...
...	16984.4	...	7521.4	...

* Bombay and Mysore. † Calcutta, Bombay, and Mysore.

PADDY.

	Import 1938	Import 1939	Export 1938	Export 1939
January	1915.6	36911.9	136.5	250.9
February	4932.9	...	130.1	...
March	6698.4	...	112.6	...
April	3785.1	...	132.6	...
May	5691.8	...	100.0	...
June	3931.7	...	028.1	...
July	1802.8		91.4	...
August	891.8	...	1992.6	...
September	1551.7	...	524.9	...
October	2006.1	...	669.1	...
November	1314.4	...	114.3	...
December	4438.8	...	249.8	...
	38961.1	...	4282.0	...

*Orissa and Central Provinces. † Bombay

RICE.

	Import 1938	Import 1939	Export 1938	Export 1939
January	10613.4	9505.7	13976.7	...
February	12918.1	...	11603.7	...
March	10789.9	...	12944.1	...
April	10895.5	...	10010.7	...
May	8005.2	...	13095.5	...
June	6691.9	...	16288.9	...
July	5966.7	..	13309.9	...
August	6781.2	...	11222.4	...
September	6552.2	...	13636.7	...
October	7742.2	...	14421.9	...
November	6760.9	...	16019.8	...
December	20047.4	..	10336.3	...
	113764.6	...	156866.6	...

* Orissa, Central Provinces, Bengal Bihar and Punjab. † Mysore, Nizam's Dominions, Bombay.

RAW HIDES.

	Import 1938	Import 1939	Export 1938	Export 1939
January ...	1277.9	2182.9	76.9	68.0
February ...	689.2	...	73.8	...
March ...	1286.5	...	68.2	...
April ...	728.2	...	35.7	.
May ...	843.4	...	24.7	...
June ...	685.8	...	47.6	...
July ...	760.8	...	54.9	...
August ...	1313.6	...	68.2	...
September ...	1207.4	...	52.4	...
October ..	1250.9	...	43.8	...
November ...	1334.0	...	40.4	...
December ..	2071.4	...	56.6	...
	13849.1	...	643.2	...

* Bengal, Orissa Central Provinces. † Mysore.

RAW SKINS

	Import 1938	Import 1939	Export 1938	Export 1939
January	752.2	611.0	46.2	67.3
February	728.9	...	48.6	...
March	768.5	...	45.3	...
April	587.9	...	27.6	...
May	843.4	...	24.7	...
June	615.1	...	33.1	...
July	542.5	...	52.6	...
August	656.9	...	39.8	...
September	568.2	...	58.5	...
October	688.2	...	47.3	...
November	568.3	...	62.0	...
December	658.2	...	65.8	...
	7978.3	...	551.5	...

* Mysore, Central Provinces, Bombay, Nizam's Dominions. † Mysore

LEATHER

	Import 1938	Import 1939	Export 1938	Export 1939
January	353.9	...	83.2	...
February	278.4	...	65.3	...
March	334.5	...	66.9	...
April	368.0	...	95.3	...
May	402.0	...	57.9	...
June	367.9	...	72.2	...
July	328.7	...	60.5	...
August	447.1	...	63.4	...
September	433.8	...	87.1	...
October	478.6	...	76.4	...
November	421.7	...	80.8	...
December	452.7	...	79.5	...
	4667.3	...	888.5	...

* Mysore, Nizam's Dominions. † Bengal, Bombay and Mysore.

IRON AND STEEL GOODS.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	7165.8	6783.0	1876.9	2571.3
February	6559.4	...	1990.5	...
March	9745.1	...	2132.2	...
April	10088.1	...	2575.4	...
May	10521.3	...	1681.9	...
June	7743.8	...	1066.4	...
July	8270.0	...	2086.5	...
August	10064.7	...	1257.5	...
September	5640.5	...	2618.3	...
October	6472.0	...	1382.2	...
November	5251.9	...	1861.6	...
December	7866.4	...	2228.0	..
	95389.0		22757.4	

* Behar, Bengal, Mysore, Bombay. † Mysore. Bombay. Nizam's Dominions.

OIL CAKES.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	4517.1	6259.3	74 4	90.3
February	3051.7	...	52.4	...
March	4082 7	...	107.2	...
April	5007.6	...	205.6	...
May	3586.6	...	1681.9	...
June	4988.9	...	113.3	...
July	4752.5	...	31.6	...
August	2860.1	...	45.8	...
September	2963.6	...	36.1	...
October	4213.6	...	33.8	...
November	2912.6	...	30.3	...
December	5953.3	...	97.3	...
	48890.3		2509.7	

* Nizam's Dominions, Mysore, Bombay, Central Provnces, Orissa. † Mysore and Bombay.

VEGETABLE OILS.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	514.5	874.5	2609.2	2146.7
February	422.9	...	2158.9	...
March	491.7	...	2542.6	...
April	430.6	...	1864.6	...
May	476.2	...	1893.4	...
June	560.6	...	1826.5	...
July	551.2	...	1785 9	...
August	471.3	...	1284.7	...
September	488.3	...	1411.4	...
October	550.1	...	1329.0	...
November	538.9	...	2099.2	...
December	913.8	...	2569.2	...
	6410.1		23374.6	

* Nizam's Dominions, Mysore, Bombay. † Bengal, Mysore, Orissa, Bombay, Behar.

CASTOR SEED (In Tons)

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	546.3	451.2	22.8	...
February	1127.7	...	37.6	...
March	732.1	...		...
April	1031.6	...	14.4	...
May	383.6	...	1.8	...
June	368.5	...	46.4	...
July	202.9	...	10.9	...
August	223.6	...	14.4	...
September	286 4	...	29.1	...
October	335.4	...	...	...
November	163.2	...	1 0	...
December	460.1	...	Nil	...
	5861.4		178.4	

* Nizam's Dominions, Orissa. † Mysore.

COTTON SEED.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	2552.9	1482.9	3.1	131.0
February	1512.9	...	1.8	...
March	2454.7	...	8.5	...
April	3169.4	...	1.7	...
May	2761.8	...	36.9	...
June	2747.3	...	7 9	...
July	2421.7	...	0.8	...
August	1368.6	...	2.5	...
September	1370.3	...	1.4	...
October	794.2	...	...	...
November	1331.1	...	7.3	...
December	2068.2	...	16.9	...
	24561.1		88.8	

* Bombay, Nizam's Dominions. † Nizam's Dominions.

GROUNDNUT.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	10067.6	5027.9	6418.4	1347.3
February	4266.0	...	4236.3	...
March	7251.4	...	6280.3	...
April	3058.0	...	2207.4	...
May	2638.9	...	2659.2	...
June	4472.8	...	2610.7	...
July	6322.1	...	2918.6	...
August	3336.1	...	1476.4	...
September	1889.6	...	1919.1	...
October	3442.2	...	1887.6	...
November	9665.0	...	538.7	...
December	1229.2	...	11265.9	...
	57638.9		44418.6	

* Nizam's Dominions, Mysore. † Bombay, Bengal.

RAPE AND MUSTARD.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	437.7	261.7	50.7	7.7
February	340.9	...	70.6	...
March	466.9	...	71.9	...
April	209.7	...	28.7	...
May	94.9	...	22.2	...
June	71.5	...	6.9	...
July	14.6	...	32.9	...
August	16.6	...	19.4	...
September	23.2	...	43.9	...
October	41.1	...	20.2	...
November	21.9	...	12.7	...
December	31.3	...	26.7	...
	1770.3		406.8	

* Orissa and Bengal.

GINGELLY SEED.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	2142.8	2439.4	24.8	1.5
February	3061.0	...	3.4	...
March	2093.1	...	20.7	...
April	618.7	...	9.9	...
May	971.5	...	6.5	...
June	559.3	...	22.9	...
July	462.6	...	6.8	...
August	888.4	...	4.5	...
September	1161.3	...	5.5	...
October	3930.3	...	5.5	...
November	2803.6	...	1.1	...
December	4494.2	...	35.4	...
	23186.8		147.0	

* Nizam's Dominions, Orissa, Central Provinces. † Mysore and Orissa.

SALT.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	1107.9	1123.5	3816.3	4263.5
February	771.1	...	2144.9	...
March	2648.7	...	2884.5	...
April	2188.6	...	4689.4	...
May	1724.9	...	5217.6	...
June	29.5	...	3790.3	...
July	6.8	...	2956.5	...
August	4.8	...	2582.6	...
September	7.9	...	34377	...
October	133.2	...	5029.5	...
November	1008.7	...	5287.4	...
December	1080.8	...	3547.9	...
	10712.9		45384.6	

* Bombay. † Orissa, Central Provinces, Nizam's Domnions, Mysore.

SUGAR—REFINED.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	5839.9	5720.6	809.8	677.2
February	5309.3	...	1573.5	...
March	8682.9	...	1247.5	...
April	8918.8	...	647 8	...
May	6282.8	...	762 5	...
June	9458.9	...	1172.4	...
July	5541.0	...	870.1	...
August	3154.5	...	1199.1	...
September	5916.9	...	1199.7	...
October	6437.9	...	706.9	...
November	3727.5	...	390.1	...
December	5892.1	...	618.6	...
	75162.5	...	11198.0	...

* United Provinces, Behar, Mysore. † Bombay, Nizam's Dominions, Mysore, Orissa.

JAGGERY AND MOLASSES.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	151.5	263.9	2760.4	3085.5
February	491.9	...	4161.5	...
March	806.2	...	3886.1	...
April	153.8	...	2244.8	...
May	134.9	...	1791.6	...
June	203.0	...	994.5	.
July	71.3	...	1864.9	...
August	101.4	...	1256.7	...
September	179.4	...	1102.2	...
October	109.3	...	752.8	...
November	46.9	...	934.6	...
December	349.2	...	1146.1	...
	2798.8	...	22896.2	...

* United Provinces, Mysore, Punjab. † Bombay, Nizam's Dominions, Mysore, Central Provinces.

TEA.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	86.8	70.8	320.8	—
February	75.4	...	314.3	—
March	104.9	...	353.3	—
April	83.8	...	252.9	—
May	135.4	...	355.3	—
June	104.3	...	355.5	—
July	74.2	...	[illegible]	—
August	125.7	—	334.2	—
September	113 9	—	299.3	—
October	103.2	—	377.1	—
November	82.7	—	379.7	—
December	112.5	—	355.8	—
	1202.8	...	4032.2	...

* Calcutta † Bombay, Mysore.

RAW TOBACCO.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	148.7	241.9	2191.7	1129.4
February	428.8	—	1389.9	—
March	651.8	—	1946.4	—
April	427.4	—	1545.9	—
May	310.5	—	1308.0	—
June	188.7	—	1181.9	—
July	270.3	—	1012.9	—
August	261.3	—	1106 7	—
September	215.4	—	604.7	—
October	219.9	—	1191.9	—
November	165.9	—	2059.2	—
December	221.9	—	...	—
	3510.6	...	15539.2	...

* Mysore. † Mysore, Bombay, Calcutta, Orissa, Behar.

WOOD AND TIMBER.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	5153.7	4293.9	644.5	1074.9
February	5734.8	—	970.1	—
March	6371.2	—	1063.9	—
April	6582.8	—	1225.2	—
May	4698.2	—	710.5	—
June	4212,	—	1115.9	—
July	2875.8	—	1085.3	—
August	1984.2	—	984.4	—
September	2912.7	—	1050.0	—
October	1249.2	—	751.3	—
November	2065.7	—	1148.5	—
December	3787.0	—	1036.4	—
	43836.5	...	11786.0	...

* Orissa, Nizam's Dominions, Central Provinces. Mysore, Bombay. † Mysore

RAW WOOL.

Month	Import 1938	Import 1939	Export 1938	Export 1939
January	16.2	16.8	46.1	66.8
February	47.8	—	47.4	—
March	23.6	—	26.4	—
April	9.4	—	48.2	—
May	3.9	—	47.9	—
June	12.4	—	35.4	—
July	18.3	—	61.4	—
August	36.5	—	54.6	—
September	14.3	—	176.1	—
October	23.4	—	26.2	—
November	13.6	—	61.9	—
December	22.3	—	39.9	...
	241.7	...	671.5	

* Bombay. † Bombay

Proceedings of Public Bodies

SOUTHERN INDIA CHAMBER OF COMMERCE

District Boards and Public Transport Services.

The Committee of the Chamber addressed the Government of Madras on the question of District Boards taking up the running of road services. The Committee pointed out the dangers that would besest traffic if the District Boards and Municipal Councils were to launch into this venture in pursuance of the resolution adopted at the Conference of District Board Presidents held in May 1939 at Madras to the effect that the District Boards should launch a scheme of motor transport service with a view to agumening their revenues.

In pointing out the various reasons why District Boards should not do harm to private agencies by maintaining and running transport services of their own the Chamber stated "In the first place it is apparent from the resolution of the District Board Presidents referred to above, that the idea of the District Boards in maintaining such a service is not so much to give the public a more efficient service as to enhance their own resources. A direct result of the change will be to eliminate competition and create a monopoly for the District Boards to run the service with the result that the number of services running on a particular route will be restricted and fares will be enhanced. Efficiency and cheap ness which are the results of competition will be given the go-by and vicissitudes that may happen in the finances of the District Boards, from whatever cause they may arise, will be a sufficient reason for the Board to enhance the fares and freight and the travelling public will be the sufferers. In the second place, there are vast areas to be covered by any forms of cheap transport. It would not be paying in the initial stages to run any service in those areas and District Boards could hardly be expected to start a losing service knowingly. But private enterprises under competitive conditions would naturally extend their operations to such uncovered areas as they have been doing up till now. But after losing the profit-giving areas private enterprises cannot afford to try to develop the backward rural areas and incur the initial losses. The District Boards, either due to want of adequate funds to run the service throughout the district or due to a desire not to be faced with loss in the beginning, would take up only such routes as are remunerative and leave the other areas without any transport facility. This would be a great inconvenience to the public. In the third place, there are the restrictions imposed under the provisions of the Indian Motor Vehicles Act 1938 with regard to long distance traffic and the nature of goods to be transported and a District Board area would not in many cases make convenient economic units for transport services and conflicts between neighbouring District Boards are quite possible."

The Committee further pointed out that previous experiments in that field proved to be failures. The bus services maintained by the Government of His Exalted Highness the Nizam of Hyderabad are reported to be losing heavily. The bus service run by the Madras Electric Tramways Company in the Madras City was a thorough failure. The experiment tried by the Government of Travancore in one particular route is far from proving a success, having regard to the investment and overhead charges. The Committee in the end drew the attention of Government to the infinite and permanent harm that might be caused to private enterprise and to the public by the new policy of the Government and requested that District Boards and Municipalities might not be permitted to run road services in competition with or in replacement of existing private enterprises.

Madras Commercial Crops Markets (Amendment) Bill 1939.

The Committee of the Chamber considered the Madras Commercial Crops Markets (Amendment) Bill 1939 published by the Government of Madras. The Committee pointed out that they desired "to press disapproval of the amendment to Clause 5 in which power is being taken for spending the funds of a market committee on such purposes as the grant of financial aid to schemes of other bodies or individuals. My Committee appreciate the idea that such grant could only be made with the approval of the Government. But it should be noted at the same time that circumstances may arise in which funds may be diverted for schemes in which the particular market committee concerned is not directly interested. On principle, it is not proper to use the funds of a particular market for improvement of culture or conditions of another place or for schemes which are not strictly within the scope of business of the market concerned. A local market is established for a special local advantage and to help local people and it would be inadvisable to throw on the people of Guntur or Tiruppur the burden of financing a scheme of research for any other place or for the whole Province. Moreover, there are various agencies already existing which have the duty of financing agricultural research. There are grants made by the Government of India, by the Imperial Council of Agricultural Research and by the Local Government, and it would be unwise to multiply research agencies further instead of making serious attempts for better co-ordination of existing agencies. The Act, as it stands at present, specifically restricts the use of the funds for purposes for which the Act has been enacted, viz., for establishing and regulatng markets for the buying and selling of commercial crops in the Presidency of Madras. There is no reference in it to agricultural schemes at all. Apart from that, marketing in this country is already heavily handicapped in various ways and the possibilities of such expenditure of funds outside the market are likely to lead eventually to enhance the levies in the market." In the circumstances the Committee requested Government to be good enough to confine the expenditure of the funds to objects and schemes strictly within the local limits and scope of the market concerned.

Indo-Japanese Trade Agreement.

In the course of a communication addressed to the Government of India on the renewal of the Indo-Japanese Trade Agreement for which negotiations are going on the Committee of the Chamber stated as follows:—

"The present trade agreement with Japan being confined only to the export of Indian raw cotton against a stipulated quantity of cotton piecegoods, is of very much limited scope and leaves out many other articles of import and export that enter into the trade between the two countries. Indian expors to Japan are at present mainly confined to three or four commodities but there is ample scope either for extending the market or for creating a market for such South Indian goods as raw cotton, tanned sheep skins, manganese ore, mica, oilcakes, vegetable fibre and rubber. Japan now depends for supplies of those goods on America, Germany, Phillipines, China, Dutch Indies, etc. and she can without prejudicing the interests of her industries give preferential treatment to the above mentioned goods received from India. In return, India without causing detriment to her local production or manufacture, can offer an extended market to the import of camphor, sulphur, yellow metal and copper from Japan either by preferential tariff or by quota arrangement. My Committee, would therefore request Government that the opportunity of the renewal of the present trade agreement might be availed of so as to include within its purview the commodities mentioned above.

The commercial community in India viewed with grave disappointment the decision of the Government of India to suspend their special investigation into the position of the minor industries vis-a-vis. Japanese competition, on the outbreak of China-Japanese conflict. Nevertheless, the competition continued unabated and there are many indigenous industries which stand in urgent need of generous protection from the menace of Japanese competition. This could best be achieved either by a higher tariff or by means of a fixed quota. The commodities that are worst affected as far as Madras is concerned are porcelain earthernware and glassware, soap, toilets, buttons, mats and mattings and tiles.

"Another point which my Committee would like to refer to is the necessity to secure a fair share of the trade between the two countries to Indian shipping. Government have given the public to understand that the development of an Indian mercantile marine would receive their best consideration and that the opportunity of trade negotiations with foreign countries would be utilised to the fullest extent with a view to secure to Indian bottoms a fair share of the overseas trade. Having regard to the fact that Japanese shipping has been off and on competing with Indian shipping even in the coastl trade, it has become necessary to define in clear terms the limits of Japanese shipping. There is no doubt that when freight is reserved, and assured, Indian concerns will offer to put vessels on the service.

"My Committee would also like to take this opportunity of impressing upon the Government the necessity of protecting the interests of Indian residents in Japan. In recent months Indians have been subjected to severe ill-treatment in foreign countries. There has so far been no similar complaint from Japan. However, in the agreement that will be negotiated, there should be a specific clause to the effect that Indians in Japan shall be accorded the same treatment as her nationals are given in India. Many Indians are visiting Japan on business and may have settled down there. It would be best if their position is ensured by treaty rights.

"With regard to the working of the present agreement, I am to point out that India has not been benefitted by the present agreement to any great extent. The off-take of Indian cotton by Japan steadily declined from 24,26,048.8 bales of 400 lbs. in 1936-37 to 13,59,092 bales in 1937-38 and to 12,11,285.8 bales in 1938-39. This has materially altered the position of India's trade with Japan and has turned the normal favourable balance of trade of India to one of adverse balance. The present trade agreement is defective in that there is no guarantee by Japan to take a minimum quantity of raw cotton. My Committee are of opinion that there should be a guarantee by Japan to take a minimum quantity of raw cotton based on the average figures of exports for the last five years. This Chamber need hardly draw the attention of Government to the rather precarious position of the Indian cotton grower in view of the organised and compulsory use of staple fibre in Japan, of the rapid increase in cultivation of cotton in the territories coming under the control of Japan in the Far East, and of the period of subsidised cotton export from the United States of America.

"The development of the cotton textile industry in China under Japanese domination is a source of potential danger to the Indian mill industry and unless proper safeguards are devised, it would not be difficult for Japan to circumvent the provisions of the agreement.

"There have been, of late, heavy shipments of cotton yarn from Japan and China and Indian mills have grown panicky. The import of yarn under present agreement is not handicapped either by quota or by high tariff, but unless the import is regulated on the average basis of imports of yarn for the last five years, the indigenous industry is bound to have a difficult time. The quota that might be fixed as a result of negotiations might be divided into yarns of 50's and below and yarns over 50's. There are other cotton manufactures including artificial silk yarn and piecegoods imported from Japan and which do not come under the purview of the present agreement. A quota for their import, based on the average imports for the last five years might be similarly fixed with advantage.

"My Committee are of opinion that special regard should be had to the present and probable future condition of the Indian textile industry, to the epidemic of labour unrest which has been fast spreading in the country, to the extravagant measures of taxation promulgated both by the Central and Provincial Governments and to the increased duty on cotton imports. The Government of India and Provincial Governments have begun to follow closely the labour legislation policy of the highly industrialised countries of the West and have entered on the Statute Book a series of labour laws all tending to increase the cost of production. In addition to that the duty on the import of raw cotton has been increased from $\frac{1}{2}$ anna to 1 anna per lb. On the top of all those, new taxes have been imposed by Govt. as licence fee, as sales tax as steeper schedules of incometax and supertax. The cumulative effect of all these circumstances in the case of the textile industry is that effective protection has been reduced by not less than 10 per cent from what it was in 1937. Under the Indo-British trade agreement the import from United Kingdom is bound to increase and to that extent Indian industry will be hit hard. In fixing the quota for the import of Japanese cotton goods my Committee therefore request Government to take into consideration the difficulties which the local industry has to face."

MADRAS PORT TRUST—*May and June 1939*

Resolved that the estimate amounting to Rs. 1500 submitted by the Port Engineer for equipping fifty hand barrows with rubber tyres be approved and that the expenditure be debited to Revenue.

Resolved that the plan and the estimate amounting Rs. 18,000 submitted by the Port Engineer for the provision of a new chain Annealing Furnace in the Trusts's Workshops be approved and that sanction of Government as required under Section 75 of the Madras Port Trust Act, be obtained to debit the expenditure to capital-funds being provided by a contribution from Revenue.

Resolved that the agreement between them (Binny & Co.) and the Trust for the landing of cargo by lighters where necessary from ships for which they are the local agents, will not be renewed after its expiry at the end of September 1939 and that the Trust will be agreeable to provide on sufficient notice being given, lighters on hire for the boating of all descriptions of cargo, if so required.

Read and approved the Chairman's draft of a letter to Government applying for sanction to the introduction of a by-law enabling the Trust to take steps to extinguish fires in its premises and to the revision of the existing hire charges for its fire fighting equipment.

Resolved that the revised estimate amounting to Rs. 1,325 submitted by the Port Engineer for providing additional plug boxes for the electric cranes at the South Quay be approved in supersession of the estimate amounting to Rs. 1,200 approved in Resolution No. 496 dated the 11th March 1938.

Resolved that the estimate amounting to Rs. 27,300 for the replacement of the 'Ransomes & Rapier' steam crane No. 72 by a Diesel Electric Mobile Crane of 5 tons lifting capacity be approved.

. . . . Resolved to postpone consideration of a reduced rate of harbour dues on shipments of produce over a prescribed minimum being applied to shipments of raw tobacco.

TUTICORIN PORT TRUST, MAY 1939.

Recorded notification of election of Mr. S.K.S. A. Sheik Abdul Kader Sahib Bahadur by the Indian Chamber of Commerce, Tuticorin and of Mr. J. L. P. Roche Victoria by the Tuticorin Municipal Council as trustees of the Port and of Mr. T. L. Shield appointed trustee in place of Mr. J. F. C. Reynolds.

Recorded sanction of estimate of Rs. 90,000 for the working of dredger 'Tuticorin' during 1939-40 and of sanction of Rs. 28,209 for dredging and depositing by greb dredger.

Approved estimate for Rs. 550 for consideration of preliminary operations of customs baggage shed and office.

Submitted for approval of Government the appointment of a second engineer and a mate on Rs. 200-5-250 with ration allowance of Rs. 30 each and revised leave conditions for the dredging master and chief engineer, second engineer and mate.

Recorded Public Works Department G. O. No. Ms. 1051 dated 26-4-1939 sanctioning extension of time upto 31-5-1939 for the removal of buildings and jetties at Hare Island.

BUYERS and SHIPPERS CHAMBER, KARACHI.

Read letter dated 17-4-1939 from the Members of the Conference Line stating that on shipments of wheat by a recent steamer to Calcutta, the claims submitted amounted to about ½ of the freights that their Principals therefore were seriously considering the re-introduction of the 90 per cent clause, and finally adding that in the interests of the shippers it is desirable to improve the quality of bags containing grain, and resolved to consult the Shippers Standing Committee and other allied interests.

Read letter dated 25th April 1939 requesting that the Chamber should urge upon the Conference Lines the necessity of fixing fortnightly steamers for Madras and Coromandel coast to meet the requirements of the trade and resolved to consult Shippers Standing Committee and other allied interest.

Read letter dated the 25th April 1939 from Messrs. Mackinnon Mackenzie & Co., Karachi stating that they had encountered no indication of a demand which was likely to assume dimensions capable of justifying the very considerable deviation entailed and adding that while such a measure might be appreciated by a small number of merchants in the city, it would occasion great dissatisfaction to a considerably larger number of the company's constituents in Bombay, etc., and that the proposed change moreover would give rise to complaints from passengers travelling from Bombay whose chief interest was in making a quick passage and resolved to consult the shippers standing committee and other allied interest.

BOMBAY CHAMBER OF COMMERCE, MAY 1939.

Prohibition

The Chamber stated that those who indulged in excessive consumption of alcohol were only a small minority of the population of the City of Bombay and that they regarded it as manifestly unjust that the trade of the city and the livelihood of a very large number of its citizens should be jeopardized in an attempt to enforce a view of private conduct which moreover when attempted in other countries has signally failed.

Not only would it directly cause serious loss to thousands of citizens of Bombay and throw many more out of employment, but that there would also be a very serious loss to face in the diversion of trade from the port. Another serious consideration is that the spread of lawlessness, bribery and corruption which would follow the introduction of prohibition just as certainly as it did in America. There is also very grave apprehension as to the effect it will have on the financial stability of the province. The Committee further hoped that the Government would give further consideration to all the effects of their proposed policy not overlooking the fact that it had been a failure in every other country where it had been tried and that to attempt it here also involved giving up a large amount of revenue which could otherwise be applied to the uplift of the rural population and similar nation building services.

Bombay Manufactured Cloth Sales Tax Licensing Rules.

With regard to the Bombay manufactured cloth sales tax licensing rules the Chamber addressed the Government of Bombay that they did not consider that it was reasonable to ask merchants to submit a return of gross sales for the preceding 12 months during which the Act was not in operation and that such a return should only be called for at the end of the current year. It was also pointed out that the only returns of value would be those from the actual trader who would have to pay the tax.

Urban Immovable Property Tax.

Regarding urban immovable property tax members of the Chamber were advised that the Property Owners Association of Bombay intended to rise the question of the legality of the Urban Immovable Property tax in the Federal Court, and that if members decided to make payment of the tax it should be made only under protest.

THE MILLOWNERS' ASSOCIATION, BOMBAY

Proposed Subsidy on American Cotton Exports:

In view of press reports of a rebate of two cents per lb. proposed to be sanctioned by the Government of the United States of America to exports of American cotton, the following telegram, urging the need for safeguarding the interests of the Indian Cotton Textile Industry was despatched by the Association to the Government of India on 1st May 1939.

"Reports indicate probability United States Government granting subsidy of two cents per pound on cotton, exports. Any subsidy of this nature would most seriously affect Indian cotton grower and Mill Industry Millowners' Association, Bombay, while ready to support any reasonable and practical measure for protection of cotton grower against competition of subsidised cotton, would strongly urge Government to protect textile interests by raising import duties on yarn and cloth made from subsidised cotton. If that is not practicable, Industry should be safeguarded by raising duties on all imported cloth and yarn or by such other means as Government might consider adequate and feasible."

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News and Notes

Mysore

Recently Bhadravati has been tied up with the Shivasamudram Hydro-electric supply and large blocks of power will soon be available with the harnessing of the river Sharavati at Jog. Another promising line of development is the manufacture of edge tools, like mumties, pick axes, railway beaters, shovels, etc. With the large block of Hydro-Electric power and deposits of high grade chrome ore, the manufacture of ferro, chrome and stainless steel is a logical development full of promise. With the recent establishment of the sulphuric acid plant near Mysore, the ground has been prepared for the manufacture of a large number of chemicals. A plant for the manufacture of ammonia and ammonium sulphate is being erected and a private company has been started for the manufature of sulphates in common demand and various refined chemicals.

At Mandya, a distillery has been established by the Sugar company where, along with potable spirits, anhydrous alcohol is prepared. Facilities also exist for the manufacture of rayon. Government are also anxious to revive the operation of the match factory at Shimoga and the tannery at Bangalore. The manufacture of calcium carbide, plywood and abrasives, the development of lac products including the manufacture of plastics and use of the asbestos locally available in large quantities are some of the smaller schemes under study and investigation.

The Mysore State Railway has introduced schedule rates for food grains, agricultural produce, fuel and manure, etc. and terminal charges for most commodities in local booking have been reduced with a view to meet lorry competition. Special rates have been introduced with regard to timber from Shimoga to Madras, rectified spirit from Mandya to Shalimar, manganese and chrome ore from Kodaganur and Tiputur. In the reverse direction the following special rates have been introduced, sulphur from Madras to Belagula for the chemical and fertiliser works; common salt from Tuticorin to Bhadravati for the paper factory, Glauber salts from Madras to Bhadravati for the Paper factory, Gypsum from Ariyalur to Bhadravati for the cement factory, matches from Tiruvottiyur, Madras and Ambernath; Grains from Norther India to Bangalore City. Bangalore Cantonement and Mysore by direct route Via Balharshah, Dronachellam and Hindupur, fuel and charcoal from M & S.M. Railway stations on Harihar-Poona Section to Bhadravati and Davangere and preserved fruits and pickles at half parcel rates from New Delhi to Bangalore City and Mysore.

Packing of Eggs

The marketing section of the Imperial Council of Agricultural Research has devised a new kind of container for transport of eggs which is expected to reduce breakage considerably. They are cases made of mango or other light wood and fitted with wire gauze or cloth on two of the sides. With a view to encourage this packing the Railway companies have been induced to offer 1/3 parcels rate for the onward transport and 1/6 parcels rates for the return of the empties.

Reserve Bank Issue Department.

With effect from 3rd July 1939 the business hours of the Issue Department of the Reserve Bank of India have been changed. The office will work from 10-30 A.M. to 1-30 P.M. on Saturdays and 10-30 A.M. to 3-30 P.M. on other working days.

War Risk Insurance Charges.

The Customs Department has circularized merchants that until further orders war risk insurance charges would form part of the real value of the goods assessed under Section 30 (b) of the Sea Customs Act. When the invoice does not show such a charge, separately an addition of ¼ per cent of the value of the goods should be added to the invoice value for assessment. The percentage addition however would vary from time to time according to the actual war risk situation. If the war risk insurance charged is included in the c.i.f. price of the invoice then refund may be claimed within 3 months of payment of duty.

Indo-British Trade Agreement.

The Indo-British Trade agreement which came into force on the 27th May 1939 has withdrawn from the list of preferences to British goods a large number of commodities and the result is that only the following commodities are left to enjoy preferences in India:—Drugs and medicines, cement, chemicals, soda ash, paints and colours, writing paper, stationery, fents, woollen carpets, domestic earthenware such as sugar jars, iron or steel hoops, iron or steel hardware, domestic refrigerators, electrical instruments, electrical apparatus, wireless apparatus, electrical earthenware and porcelainware and scientific instruments. There are however a few commodities which have been added to the list of preferences such as wood pulp, sewing and knitting machines, motor cycles and cycles and artificial teeth.

Government of India have now published the rules governing the operation of the agreement on imports. Preference for partially manufactured goods consigned from the United Kingdom or the colonies or the protectorates will be given. In the case of sewing and knitting machines, cycles, motor cycles, motor cars, motor omnibuses only if one half of the factory or works cost of the article in its finished state had been incurred for materials produced and labour performed in such country and only if the final process of manufacture had been performed in such country and in other cases only if the final process of manufacture had been performed in that country and if at least 25 per cent of the factory or works cost of the article in its finished state had been so incurred in that country, can the preference be given.

For the purpose of this calculation the material produced and labour performed in any British colony can be reckoned as material produced or labour performed in any other colony. The factory or works cost means the cost of production to the manufacturer at the factory or works and shall include the value of containers and other forms of interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the article subsequent to its manufacture. If only a process of mixing, bottling, labelling, packing into retail containers or the like has been performed it shall not constitute the final process of manufacture but shall be regarded as part of the final process only. If necessary documents and proof of origin did not accompany the shipment there can be at the discretion of the Collector of Customs either a provisional assessment at the preferential rate or assessment at the standard rate accompanied by a refund within 3 months.

The proper form to accompany shipments may be had at the Office of the Chamber.

Soft Coke.

The Government of India have notified that sections 2 to 7 of the Indian Soft Coke Cess Act 1929 shall continue in force for a further period of 5 years from 1st January 1940. The reconstituted Soft Coke Cess Committee consists of the following members:—

The Chief Mining Engineer to the Railway Board, President (Ex-officio) Rai Bahadur A. C. Banerji, C.I.E., Mr. C.S. Jha, I.C.S., Rao Bahadur D.D. Thacker, M.I.M.E., Mr. B.N. Mondal, Mr. P. C. Mukherjee, Mr. Ramsaran Das, Mr. J. R. Ross, Mr. A. L. Ojha, Mr. Kripashanker D. Worah and Mr. Nanala J. Parikh.

Marketing Difficulties.

The Provincial Marketing Officer of Madras includes in his report for June 1939 a reference to the cattle market in Tiruvottiyur. Ongole cows including some cross breeds, country buffaloes including some Delhi buffaloes are available in the market. Information on prices, arrivals, sales of cows and buffaloes is not available to the public at present and arrangement is being made for market notes containing the above information being made available. The work of grading marketable commodities is being pushed on with vigour and 500 bags of mangoes were graded in Chittoor during the month and an additional grading centre is being organised at Mangalampeta for grading fruits. 7,000 bags of graded rice were despatched from Kuttalam to Ceylon. The Trichinopoly market has the distinction of making auction sales a regular feature. The Manaparai market is a major weekly shandy where not only cattle but such commodities as chillies, tamarind, onions, and nux vomica are a special feature.

Indo-Japanese Trade Agreement.

Now that the Indo-Japanese trade agreement negotiations are being carried on it will be interesting to the public to know how far the present Protocol and Convention have been working to the benefit of India. With reference to it the cotton year for the purpose is the calendar year and cotton piecegoods year with respect to imports from Japan to India is the financial year.

Exports of raw cotton from India to Japan from 1st January 1938 to 31st December 1938 less re-exports from Japan and including 271,114 bales brought forward from the cotton year 1937 is 1,521,699 bales of 392 lbs. each.

The shipments of cotton piecegoods from Japan during the half year ending 30th September 1938 is 11,867,481yds. below the permissible maximum. This quantity will be carried over to the allotment for the second half year of the cotton piecegoods year 1938-39.

The maximum allowed under the protocol and the actual figures for the first half year of 1938-39 are as follows:—

Description of Goods	Maximum permissible exports under each head from Japan to India.	Net Imports into India of Japanese cotton piece-goods.
	Yds.	Yds.
Plain greys.	89,760,000	78,206,305
Bordered greys	31,824,000	30,700,874
Bleached (white) goods	22,888,557	25,883,285
Coloured printed goods	44,880,000	43,935,474
Coloured (dyed or woven) goods	38,148,000	13,406,581

Tobacco.

Exporters of tobacco and tobacco products to Siam may please note that henceforth their exports have to be accompanied by special permits to be obtained from the Excise Department of Siam and that manufactured tobacco such as cigars, cigarettes, pipe tobacco and refined tobacco should be affixed with a tobacco stamp at the following rates:—

(a) Cigars, cigarettes (paper wrapped) 1 stg. per 5 grams.

(b) Other sorts 1 stg. per 20 grams.

No stamps are required for leaf tobacco or tobacco plants.

Indian Accountancy Board.

The following members constitute the new Indian Accountancy Board: The Hon'ble Mr. H. Dow, C.S.I., C.I.E., I.C.S., Sir Ernest Burdon, K.C.I., C.S.I., I.C.S., Sir Shapoorjee Bomonjee Billimoria, M.B.E., M.B.E., J.P., R.A., Mr. Syed-uz-Zaman, B.A., A.C.A., R.A., Mr. B. J. Whitby, A.C.A., R.A., Mr. W. J. Younie, C. A., R.A., Mr. W. S. C. Tully, A.C.A., R.A., Mr. P. S. Sodhbans, R.A., Mr. P. N. S. Aiyar, B.A., G.D.A., R.A., Mr. T. S. Kunchithapatham, B.A., G.D.A., R.A., Mr. B. Purushottam, G.D.A., R.A., Mr. R. P. Dalal, F.S.A.A., R.A., Mr. E. J. Dastur, B. Com., G.D.A. F.S.A.A., R.A., Mr. N. V. Desai, B.A., G.D.A. R.A., Mr. S. C. Dutt, B.A., B. Com., G.D.A., R.A., Mr. S. N. Bandyopadhyay, M.A., B. Com., G.D.A., R.A., Mr. M. L. Mukerjee, R.A., Mr. S. V. Pandya, G.D.A., R.A., Rai Bahadur Pandit Balak Ram Pandya, R.A., and Mr. P. R. Mehra, G.D.A., R.A.

Bank Balance Sheets.

The Indo-Commercial Bank Ltd.

At a time when the South Indian mercantile community has been shocked by a series of failures among banking institutions it is a great relief to come across balance sheets showing redeeming stability and strength. From the middle of 1937 the credit institutions of South India have been exposed to the gravest attacks not only from scandal mongers but from investors and depositors. It is a reassuring feature of the situation that some of the foremost banks have been able to withstand the tide of fear and nervousness. It is very discomforting that funds which should have been available to the market have fled and taken shelter in the vaults of the Post Office. The figures of the Indo-Commercial Bank for the half-year are very encouraging. In a difficult period they have kept up the profits thereby serving the interests of shareholders as much as of the many constituents in the market who have been left in the lurch by other institutions. The net profit of Rs. 66,000/- for the half-year ending with 30th June 1939, with the deposits remaining intact at 80 lakhs of rupees should be regarded as commendable. The fact that the bank is serving the market well is shown by the fact that Rs. 5,60,000 has been advanced on bills for collection. The balance sheet shows that the bank is having good business by way of drafts and T. T's. We wish the bank continued progress.

The Indian Overseas Bank Ltd.

If the deposits in other banks are progressing in Arithmetical proportion this Indian overseas Bank is improving in geometrical progression. That is a great credit to the management of the bank in times of such a difficult crisis. The bank is also doing very good service to the mercantile community by financing inland trade. The bills for collection amounted to over 2 lakhs of rupees and bills discounted and purchased amounted to nearly 10 lakhs of rupees. With such a large investment of the bank's funds in Government paper that is about 43 lakhs of rupees it is commendable that the bank was able to make a gross profit of over 2 lakhs of rupees for the half-year and net profit of over 46,000 rupees. The market value of Government securities in the port folios is about 60,000 rupees below cost but that was due to the peculiar position of Government securities at the end of June 1939 in the wake of the failure of the Madras Government loan and in view of the Government of India loan anticipated. The bank is really in a position to fill the void in the market left by the credit institutions which have suffered during the last two years.

(*Continued on page 167*)

THE INDIAN OVERSEAS BANK, LIMITED.

BALANCE SHEET AS AT 30TH JUNE 1939.

LIABILITIES

	Rs. A. P.	Rs. A. P.
Capital—		
Authorised Capital: 50,000 shares of Rs. 100 each ...	50,00,000 0 0	
Issued & Subscribed Capital: 25,000 shares of Rs. 100 each ...	25,00,000 0 0	
Called and Paid-up Capital— 25,000 shares @ Rs. 50 each ...		12,50,000 0 0
Calls paid in advance ...		3,550 1 0
Current, Call, Savings Deposits and other Accounts ...		52,01,026 6 9
Fixed Deposits, Short Deposits and Cash Certificates ...		45,74,156 11 4
Debts due to Banks secured by part of Investments, per contra ...		11,50,000 0 0
Rebate on Bills Discounted ...		1,178 10 7
Items in Transit ...		2,49,977 2 7
Commercial Credits ...		1,85,160 12 0
Bills for Collection ...		2,34,912 8 0
Investment Reserve ...		21,682 6 4
Profit & Loss Account— ...		
Balance Brought Forward ...	2,972 4 2	
Add Net Profit for the half year ending 30th June 1939 ...	46,065 1 6	
	49,037 5 8	
Less Transfer to Investment Reserve ...	15,993 15 6	33,043 6 2
Total ...		1,29,04,688 0 9

ASSETS

	Rs. A. P.	Rs. A. P.
Cash on hand ...		4,71,004 3 7
Cash with Bankers ...		10,67,084 12 9
Deposits with other Banks ...		2,50,000 0 0
Investments in Government Securities at Cost ... (Market Value on 30-6-1939 Rs. 42,87,083-10-3)		43,49,530 4 11
Advances:—		
Overdrafts ...	24,45,786 1 10	
Loans ...	28,59,729 3 7	
Bills Discounted and Purchased...	9,73,621 3 8	62,79,136 9 1
Adjusting Account (of interest, Exchange, etc.) ...		17,600 3 4
Office Furniture and Fittings as at 31st December 1938 ...	33,306 6 11	
Additions made during the half-year ...	9,704 9 1	
	43,011 0 0	
Less Depreciation written off to date ...	4,552 4 10	38,458 11 2
Books, Stationery and Stamps ...		11,799 15 11
Customers' Liability for Acceptances per contra ...		1,85,160 12 0
Bills Receivable, per contra ...		2,34,912 8 0
Total ...		1,29,04,688 0 9

PROFIT AND LOSS ACCOUNT FOR THE HALF-YEAR ENDING 30TH JUNE, 1939.

Dr.	Rs. A. P.
To Interest on Deposits ...	79,518 10 4
,, Salaries ...	45,761 1 4
,, Directors' Fees ...	720 0 0
,, Managing Director's Remuneration ...	4,453 9 9
,, Auditors' & Legal Advisers' Fees.	1,268 0 0
,, Postages, Telegrams & Telephone Charges ...	4,282 9 7
,, Stationery & Printing ...	4,173 5 11
,, Rent, Taxes & Advertisement ..	10,150 4 10
,, Travelling Expenses, Lighting, Insurance & Sundries ...	5,947 11 11
,, Depreciation ...	1,600 0 8
,, Net Profit ...	46,065 1 6
Total ...	2,03,940 7 10

Cr.	Rs. A. P.
By Interest ...	1,62,201 11 2
,, Discount ...	5,799 4 0
,, Exchange, Commission and other miscellaneous Income ...	30,910 2 4
,, Realised Profit on Investments.	4,964 6 4
,, Transfer Fees ...	65 0 0
Total	[illegible],940 7 10

Notice to Advertisers.

Those desiring to change advertisement matter are requested to send in the new matter before the 25th of every month. Proofs of running advertisements will not be sent for approval from month to month.

REGISTERED No. M. 3977

THE INDIAN OVERSEAS BANK, LIMITED.

(1)	(2)	(1)	(2)

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